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Status Report of United States Economic Assistance to Egypt



AS OF MAY, 1985

STATUS REPORT
OF
ACTIVITIES FINANCED BY
U. S. ECONOMIC ASSISTANCE TO EGYPT
1975 - 1985
(As of May 1985)

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I. MACROECONOMIC SUPPORT

Programs and projects presented in this section have been designed and developed to support Egyptian Government efforts to promote economic stability and fuel overall economic growth. They support either balance of payments or development planning objectives. Programs in support of balance of payments objectives provide direct support of near-term economic stability and are being increasingly shaped to play a role in achieving AID's longer term productivity objectives. Projects supporting development planning objectives assist the Government to better identify development problems and constraints and formulate and apply effective solutions.

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COMMODITY IMPORT PROGRAM (CIP)

Purpose: To assist the Government of Egypt with its balance of payments problems by providing U.S. dollars (foreign exchange) to help meet the import requirements needed to sustain current levels of consumption, investment, and production and to demonstrate on-going U.S. political support of the present Egyptian government and its policies aimed at establishing a wide ranging and durable peace settlement in the Middle East.

Description: Under the CIP program grant or loan funds are allocated to public sector organizations to finance purchases of American-made products plus commodity-related services. Each recipient of funds justifies his specific import needs to the Ministry of Planning and International Cooperation (MPIC) which controls the allocation process. Required import items must be identified in the organization's Development Plan and supported by local currency budgetary allotments. The public sector buyer/importer makes an equivalent contribution in local currency to a Special Account when his allocation of U.S. dollars is approved and a tender is issued; if the local currency cannot be presented in cash, the buyer/importer must pay 25 percent down and agree to pay the remaining 75 percent in either five annual payments (for capital goods) or in two annual payments (for consumables, spare parts, etc.). Funds deposited in the Special Account are used to finance local costs of approved development activities. The program initially provided congressional loans to the Government but grant funding has been provided since 1979.

Current Status:

Duration: The CIP program began in FY 75 and has no established termination date.

Life of project authorization: Each CIP grant has a life span of 36 months from the signing date and is separately authorized annually.

Obligations to date: \$3.5 Billion (Grant/Loan)
\$1.8 Billion (Loan)
\$1.7 Billion (Grant)

FY 85 obligation: \$200 Million (Grant)

Implementation Progress:

- Since 1975 when the program was initiated, funds provided under the program have financed the importation of a total of \$2.5 billion in U.S. commodities including such items as machinery, equipment, spare parts, raw materials, semi-finished goods and consumables.
- Dialogue with the Government of Egypt and Government reports and other documents indicate that the CIP program has significantly helped improve Egypt's balance of payments situation.

- Disbursement of funds provided in FY 84 (\$300 Million) has not taken place to date for a variety of reasons, but is primarily due to the failure of CIP recipients to make necessary and required payments into the Special Account. The Government has established a program to correct this situation and disbursements are expected to begin soon but the disbursement goal for fiscal year 1985 is also unlikely to be met.

PL - 480 TITLE I

Purpose: To provide balance of payments support to the Egyptian Government through the financing of imports of U.S. agricultural commodities on concessionary loan terms and to encourage Government economic reform.

Description: The PL-480 Title I program in Egypt provides low interest loans to purchase agricultural commodities, principally wheat and wheat flour. From 1975 through 1977, loan terms were 20 years repayment, including a 2 year grace period, 2 percent interest during that grace period and 3 percent for the remainder. Starting in 1978, the repayment schedule was extended from 20 to 40 years, including a 10-year grace period. The program is administered jointly by the U.S. Department of Agriculture (USDA) and USAID. The primary responsibility of AID is the negotiation, monitoring, and evaluation of self-help provisions of the loan agreement which require the Government to take specific measures to strengthen the economy such as increasing producers' prices for major crops and reducing government subsidies. USDA is responsible for purchase, shipment and quality control of commodities. The primary Egyptian implementing agent is the General Authority for Supply Commodities (GASC).

Current Status:

Duration: Continuing (program initiated in FY 85)
Life of project authorization: Program authorized annually
Obligations to date: \$2318.0 Million (Loan)
FY 85 obligation: \$ 225.0 Million (Loan)

Implementation Progress:

- Through FY 1984, Egypt has imported about 15 million metric tons of wheat and wheat flour (grain equivalent). Proceeds from the sale of these commodities are made available to finance development programs in the agricultural sector.
- During 1984 the Government of Egypt announced higher procurement prices for wheat, cotton, and groundnuts.
- The price of bread has been doubled in 1984/85.
- A national conference on methods to reduce Government subsidy programs is planned by the Egyptian Government for late 1985.

CASH TRANSFER

Purpose: To provide immediately available foreign exchange resources to support Egyptian efforts to stabilize their economy and promote economic growth.

Description: This program provides quick disbursing foreign exchange resources, which the Egyptian government can apply to its trade and current account deficits. It addresses the problem of Egypt's lack of sufficient foreign exchange earnings to finance all of the goods and services needed to revitalize its economy and to help improve the daily life of its poor. This mode of assistance began in 1984 when USAID, in response to an appeal from the Government of Egypt, reprogrammed excess funds from existing projects/programs to finance a special grant to the Government.

Current Status:

Duration: Determined annually
Life of project authorization: Program authorized annually
Obligations to date: \$201,894,000 (Grant)
FY 85 obligation: \$100,000,000 (Grant)

Implementation Progress:

- The cash grant provided in FY 1984 was applied to reduce the Government's trade and current account deficits.
- The FY 1985 cash grant was disbursed to the Government in March, 1985 and is being used to reduce its trade and current account deficits.

TECHNICAL AND FEASIBILITY STUDIES (0002, 0003, 0013, 0025, 0042 and 0102)

Purpose: To assist the Egyptian Government to identify, develop, test and execute priority development activities and make appropriate investment decisions to meet long-term development needs.

Description: These projects provide grant funds primarily to finance the cost of technical and feasibility studies that assist in the identification and development of specific projects for AID financing. Funds are also used for technical services to carry out evaluation studies, sector assessments, pre-project design work and to support selected private voluntary agency activities. The primary implementing agent for this project is the Ministry of Planning and International Cooperation (MPIC) with the participation of other technical Ministries as appropriate.

Current Status:

Duration: 0002: FY 75 - FY 78 (Completed)
0003: FY 75 - FY 79 (Completed)
0011: FY 76 - FY 79 (Completed)
0013: FY 76 - FY 78 (Completed)
0025: FY 77 - FY 82 (Completed)
0042: FY 78 - FY 86
0102: FY 83 - FY 88

Life of project authorization: \$82.1 Million (Grant)
\$.9 Million (0002)
\$.9 Million (0003)
\$ 1.9 Million (0011)
\$14.6 Million (0013)
\$17.8 Million (0025)
\$31.0 Million (0042)
\$15.0 Million (0102)
Obligation to date: \$82.1 Million (Grant)
\$.9 Million (0002)
\$.9 Million (0003)
\$ 1.9 Million (0011)
\$14.6 Million (0013)
\$17.8 Million (0025)
\$31.0 Million (0042)
\$15.0 Million (0102)
FY 85 obligation: \$ 5.0 Million (0102-Grant)

Implementation Progress:

- These projects, especially project 0042, have led to further investment by the Egyptian Government and AID in the implementation of over 100 discrete activities totalling about \$1.5 billion.
- Examples of studies that have led to currently active USAID-funded projects include: the Mineral, Petroleum and Groundwater Assessment project (\$21 million); the Small Farmer Production project (\$49 million); the Quattamia Cement Plant project (\$95 million); and the Aswan High Dam Rehabilitation project (\$85 million).
- From studies and surveys funded by these projects, major data sources are now available on agriculture, education, health, population, housing, urban policy, power, telecommunications, electricity, ports industry and water and sewerage.
- A substantial number of feasibility studies and technical assistance requests have been initiated directly by the Government of Egypt, particularly in the productive sectors.

TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT
(0002, 0011, 0026)

Purpose: To update and improve the skills of Egyptian scientists and technicians to enhance their ability to solve technical/managerial problems in both the public and private sectors.

Description: The project provides grants to finance: (1) long and short-term visits to the U.S. for Egyptian technical experts and administrators; (2) technical assistance from U.S. source to support selected technicians/scientists; and (3) purchase of critically needed equipment to demonstrate updated technological processes. Support is given to technicians and scientists engaged in problem solving activities in the following areas: agricultural production; hospital administration; health services delivery systems; nutrition survey techniques; public administration; foreign investment promotion and negotiation procedures; civil aviation; navigation; and geological and mineral survey techniques. The Primary Egyptian implementing agent is the Ministry of Planning and International Cooperation.

Current Status:

Duration:	0002:	FY 75 - FY 78 (Completed)
	0011:	FY 76 - FY 78 (Completed)
	0026:	FY 77 - FY 87
Life of project authorization:		\$43.3 Million
		\$.9 Million (0002)
		\$ 1.9 Million (0011)
		\$40.5 Million (0026)
Obligations to date:		\$43.3 Million
		\$.9 Million (0002)
		\$ 1.9 Million (0011)
		\$40.5 Million (0026)
FY 85 obligation:		\$ 6.0 Million (0026 - Grant)

Implementation Progress:

- Projects 0002 and 0011 together have financed the training of 401 participants in a variety of disciplines in the United States and other countries while project 0026 has financed the training of some 1800 participants in the United States.
- Under project 0026, training and related experiences have been arranged for approximately 85 sponsoring organizations.
- The senior level Egyptians supported under project 0026 were provided the opportunity to visit and work with American counterparts in identifying and/or solving technical and managerial problems constraining Egyptian private and public sector development.

- The exchanges funded under the project have fostered effective linkages between American and Egyptian professionals and institutions. For example, linkages have been established between:
 - CAPMAS and the Bureau of Labor Statistics, and the Bureau of the Census;
 - the Ministry of Finance and the U.S. Banking System and Department of Treasury;
 - the Ministry of Manpower and the various U.S. labor organizations;
 - the Egyptian Civil Aviation Organization and the Federal Aviation Administration;
 - the Ministry of Agriculture and various Agro-Industrial Organizations in the U.S.; and
 - the Egyptian medical establishment and U.S. medical research centers.

DEVELOPMENT PLANNING STUDIES
(0061)

Purpose: To create a permanent institutional framework through which Egyptian applied research and training capabilities can strengthen the capacity of Government Ministries to carry out development program and project planning activities.

Description: The project is being implemented by Cairo University (CU) through a contract with the Massachusetts Institute of Technology (MIT). MIT is assisting Cairo University to establish a semi-autonomous applied research training institute, the Development Research and Technological Planning Center (DRTPC), which, in collaboration with staff from MIT, Cairo University and development-oriented GOE ministries, work to improve the willingness and capacity of Cairo University and participating ministries to work together in the identification and solution of key Egyptian development problems. Efforts in the final phase of the project are dedicated to enhancing the working relationships between Cairo University and GOE ministries through faculty and staff exchanges, joint research efforts, provision of computer services, and training. It is expected that the DRTPC will have the institutional capacity to continue such activities on a financially sound basis beyond the terminal date of the project. The primary Egyptian implementing agent is the DRTPC.

Current Status:

Duration:	FY 1978 - FY 1987
Life of project authorization:	\$22.8 Million (Grant)
Total obligations to date:	\$22.8 Million (Grant)
FY 1985 obligation:	None

Implementation Progress:

- Training: A total of 135 staff from CU and participating ministries have studied or are studying in the U.S.; 411 staff from ministries have attended training and/or seminar sessions at the DRTPC in such areas as transport, planning, investment policy, water resource development and energy.
- Research: Twelve joint CU/MIT research projects have been completed and 9 are ongoing. Nine totally Egyptian funded research projects have been completed and 19 are ongoing. Three non-Egyptian, non-AID funded research efforts are ongoing.
- Institutional Outreach: Twelve GOE ministries, three governorates and ten public sector companies have signed research and/or training contracts with DRTPC. Two new computer service contracts have been negotiated.
- Institutional Viability: In 1983, AID through the project, was paying 100 percent of all direct and indirect costs for operating the DRTPC. The AID portion of support has been reduced to approximately 50 percent and will rapidly decrease over the remainder of the project.
- DRTPC activity pay-off: Studies completed by the Ministries of Transport, Energy and Irrigation indicate that Egypt is saving approximately 133.5 million Egyptian pounds annually as a direct result of having implemented DRTPC project research findings.

SINAI PLANNING STUDIES
(0113)

Purpose: To assist the government to identify, investigate, and evaluate priority reconstruction and development programs in the Sinai.

Description: The project provided funds for technical assistance planning and feasibility studies as well as equipment and supplies directly related to the identification, investigation, and evaluation of priority reconstruction and development programs in the Sinai. The project was administered by the Ministry of Development which supervised the research efforts of the U.S. consultant Danes and Moore.

Current Status:

Duration: FY 79 - FY 85

Life of project authorization: \$2.7 Million (Grant)

Obligations to date: \$2.7 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- The U.S. consultants for this study are currently working on the report of the results of the study including recommendations for project priorities for agriculture, industry, mineral development, tourism, and community infrastructure. The report is expected to be printed in late FY 85.

II. INFRASTRUCTURE

Programs and projects presented in this section support Egyptian Government efforts to lay the necessary foundation for increased production and facilitate the delivery of community services. They support the rehabilitation, modernization, and expansion of Egypt's economic infrastructure. These programs/projects will build or improve water and sewerage systems, energy generation and distribution, carry out other infrastructure improvements including telecommunications, transportation, and urban upgrading and support development of improved infrastructure by village and urban jurisdictions as part of the Government's decentralization program.

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CAIRO WATER SUPPLY
(0038)

Purpose: To provide for the rehabilitation and expansion of the south portion of the Rod El Farag Water Treatment Plant in the city of Cairo.

Description: The project involves increasing the capacity of the Rod El Farag water treatment plant from its current output of 200,000 cubic meters per day to a rated capacity of 650,000 cubic meters per day, strengthening the management capability of the General Organization for Greater Cairo Water Supply (GOGWS), and construction of approximately 6 Kilometers of transmission lines. The primary Egyptian implementing agent is the GOGWS.

Current Status:

Duration: FY 77 - FY 86

Life of project authorization:	\$91.4 Million (Loan/Grant)
	\$30.0 Million (Loan)
	\$61.4 Million (Grant)
Obligation to date:	\$91.4 Million (Loan/Grant)
	\$30.0 Million (Loan)
	\$61.4 Million (Grant)
FY 85 obligation:	None

Implementation Progress:

- The design for the expansion of the filtration plant and the procurement of 5 kilometers of water transmission lines are complete. Construction work is being carried out by a joint venture of three American construction contractors (Howard-Harbert-Jones) and is approximately 55 percent complete. It is anticipated that this work will be completed on schedule in March, 1986.
- Construction supervision is being satisfactorily provided by a U.S. engineering consultant, ES-Parsons.
- AID is also financing the services of a U.S. management consultant, James M. Montgomery to assist in upgrading the services provided by the General Egyptian Organization for Greater Cairo Water Supply (GOGWS). Both the engineering and the management consultants are providing training as required to the GOGWS personnel.

ALEXANDRIA SEWERAGE I
(0089)

Purpose: To improve public health conditions in Alexandria by improvement, expansion and development of wastewater collection and disposal facilities.

Description: This project provides for the rehabilitation of the existing wastewater system in Alexandria. The project was comprised of the following elements: (1) establishment of an improved collection and disposal system for solid wastes and toxic materials, together with cleaning of existing sewers, (2) repair and replacement of sewer lines now in disrepair, (3) extension of service into the Ras El Soda area presently unsewered, and (4) import of selected sewer maintenance materials and equipment. The primary Egyptian implementing agent is the Alexandria General Organization for Sanitary Drainage (AGOSD).

Current Status: (Completed)

Duration: FY 77 - FY 84

Life of project authorization: \$15,000,000 (Loan)

Obligations to date: \$15,000,000 (Loan)

FY 85 obligation: None

Implementation Progress:

- Three of the project's components were completed by the project's termination in FY 84 while two are being completed under the Alexandria Wastewater System Expansion project number, 263-0100.
- Project components completed include:
 - (1) Repair and cleaning of existing sewers;
 - (2) Import of maintenance materials equipment; and
 - (3) Design of sewer system expansion upgrading.
- Project components continuing under Project (0100) include:
 - (1) Expansion and upgrading of collection system; and
 - (2) Construction and resident engineering for Sporting and Ras El Soda Pump Stations.

**CANAL CITIES WATER AND SEWERAGE SYSTEMS
(0048)**

Purpose: To provide urgently needed improvements in the existing water and sewerage systems of the three Suez Canal cities of Ismailia, Port Said and Suez.

Description: The project finances (1) rehabilitation and repair of water treatment plants, water distribution systems, and sewerage collection systems and (2) expansion of sewerage collection and water treatment and distribution systems to rapidly developing areas. The project also provides for the extension of a water pipeline (the Southwest Transmission Main) to the Suez Cement Company. The primary Egyptian implementation agents are the Suez Canal

Authority (for water improvements) and the National Organization for Potable Water and Sanitary Drainage (for sewerage system improvements).

Current Status:

Duration: FY 78 - FY 87
Life of project authorization: \$169 Million (Grant)
Obligation to date: \$169 Million (Grant)
FY 85 obligation: None

ALEXANDRIA WASTEWATER SYSTEM EXPANSION
(0100)

Purpose: To alleviate the serious health problems in the city of Alexandria resulting from water-borne diseases caused by sewerage flooding in residential areas and disposal of raw sewerage in beach areas.

Description: This project finances the dollar cost of the design, construction and start-up of Phase I of a two-phased sewerage development program. Activities financed under the first phase are: (1) a review and analysis of the 1979 City Master Plan; (2) management advisory services to the Alexandria General Organization for Sanitary Drainage; (3) sewerage project design services; (4) construction engineering services; and (5) construction of sewerage facilities and related equipment and supplies procurement. The primary Egyptian implementing agent is Alexandria General Organization for Sanitary Drainage.

Current Status:

Duration: FY 77 - FY 87
Life of project authorization: \$198.7 Million (Grant)
Obligation to date: \$198.6 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- The U.S. firm the Wastewater Consultants Group, has completed design of all activities to be completed in Phase I of the project with the exception of the sludge disposal site design which has been delayed pending site acquisition.
- Award of the contract for construction of five pump stations was made in April, 1985 and contractor mobilization is underway.
- Selection of a contractor for the rehabilitation of two treatment plants will be made upon selection of the sludge disposal site.

- Contractor selection for construction of two major sewage collector systems awaits a binding by the GOE to approve final disposal of sewage by sea outfalls.

CAIRO SEWERAGE I
(0091)

Purpose: To rehabilitate and expand the Cairo Sewerage System.

Description: The project involves the following activities: (1) rehabilitation of approximately 50 pumping stations; (2) construction of collection system sewers; (3) purchase of pump stations and sewer cleaning equipment; (4) drafting of design plans for the rehabilitation of the Zenein Treatment Plant; and (5) a pilot program for unsewered areas and a training program for the Cairo Wastewater Organization. The primary Egyptian implementation agent is the Cairo Wastewater Organization (CWO).

Current Status:

Duration: FY 78 - FY 85

Life of project authorization: \$129 Million (Grant)

Obligation to date: \$129 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- The AMBRIC, a consortium of US and British engineering firms, has completed most of the design work for the rehabilitation and systems expansion work for the Cairo Sewerage System.
- All major equipment procurement contracts have been signed.
- A US joint venture company made up of three U.S. firms, Howard, Harbert and Sadelmi, is rehabilitating 90 subsidiary pumping stations, constructing 6 new stations, and constructing 27 kilometer of force and gravity mains at 27 different locations. The Sadelmi firm is also rehabilitating 5 major pumping stations which will be completed by the end of calendar year 1985.
- The design for 4 additional pumping stations on Beda Island and Tabein and for the renovation of the Zenein treatment plant by AMBRIC is underway.
- Implementation of the pilot program for unsewered areas is expected to begin once all necessary Government approvals are obtained.

**CAIRO SEWERAGE II
(0173)**

Purpose: To expand the Cairo sewerage collection system into the largely unsewered areas on the West Bank of the Nile River and to increase the Cairo treatment plant's capacity.

Description: The project includes four major elements: (1) installation of a large interceptor system between the west bank community of Embaba and the new Abu Rawash Treatment Plant near Cairo; the interceptor system will also provide for a major branch from the Pyramids areas of Cairo; (2) construction of collectors, laterals and house connections in the presently unsewered areas of Embaba and the Pyramids areas; (3) construction of a relief system to decrease pressure on the overloaded systems in the presently sewered communities of Mohandesein, Dokki and Giza; and (4) provision of management and operations training for the Cairo Organization for Sanitary Drainage (COSD). The primary Egyptian implementing agent is the Organization for the Execution of the Greater Cairo Wastewater Project.

Current Status:

Duration: FY 84 - FY 94

Life of project authorization: \$165.2 Million (Grant)

Obligations to date: \$165.2 Million (Grant)

FY 85 obligation: \$195 Million

Implementation Progress:

- The design work for the interpreter and pressure relief systems of the Cairo sewerage system has been completed.
- CWO is currently negotiating a contract with the U.S./British joint venture engineering firm, AMBRIC, for engineering construction services.
- The contracting process to secure the best qualified firms for the construction work has been initiated.

**ELECTRIC POWER DISTRIBUTION
(0001)**

Purpose: To provide electric distribution equipment needed to reconstruct the war-damaged power system in the Suez Canal cities of Suez, Ismailia, and Port Said.

Description: The project financed procurement of equipment needed for reconstruction of the three power systems such as underground cable, switchgear, transformers, distribution points, main distribution boxes, capacitor banks, tools and fittings. The Egyptian Electricity Authority was primarily responsible for project implementation.

Current Status:

Duration: FY 75 - FY 81 (Completed)
Life of project authorization: \$29.8 (Million (Grant))
Obligations to date: \$29.8 (Million (Grant))
FY 85 obligation: None

Implementation Progress:

- Purchase and final installation of the equipment for the power systems have been completed and residual funds deobligated.
- A project completion report has been issued.

ISMAILIA THERMAL POWER PLANT
(0009)

Purpose: To construct a 600 MW thermal power plant just south of Ismailia, Egypt along the Suez Canal,

Description: Under this project, consulting services and construction of facilities to generate 450 MW of thermal power is financed by AID while facilities for the generation of an additional 150 MW are financed by the U.S. Export Import Bank. Supplier credits are provided by the General Electric Company. The steam turbine generator units are designed to use fuel oil and/or natural gas. Electricity generated from this plant will supply Egypt's unified power system. The primary Egyptian implementing agent is the Egyptian Electricity Authority.

Current Status:

Duration: FY 76 - FY 87
Life of project authorization: \$254 Million (Grant)
Obligations to date: \$250 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- The first two thermal power units were initially synchronized in March and August, 1983. Modifications are currently being made on these units to meet performance guarantee standards.
- The third thermal power unit began operation in the fall of 1984.
- Construction of the fourth thermal power unit is currently progressing on schedule.

NATIONAL ENERGY CONTROL CENTER
(0023)

Purpose: To significantly enhance reliability and economy of operations of the Egyptian Unified Power System (UPS).

Description: The project provides grant financing for the establishment of the National Energy Control Center (NECC) at the Egyptian Electricity Authority (EEA) Dispatch Office. The NECC is a sophisticated computer system including 36 remote terminal units at selected power stations and substations throughout Egypt. The project also finances a communications subsystem to connect the NECC to the remote terminal units sites. This computer system will provide monitoring, supervision, and on-line computer control of the generation and transmission of electric power in the UPS.

Current Status:

Duration: FY 76 - FY 87

Life of project authorization: \$43.5 Million (Loan/Grant)
 \$41.0 Million (Loan)
 \$ 2.5 Million (Grant)

Obligations to date : \$43.5 Million
 \$41.0 Million (Loan)
 \$ 2.5 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Installation of computer equipment by the prime U.S. contractor, Control Data Corp., and the U.S. subcontractor, General Electric, is complete.
- The performance acceptance tests for the computer system have been completed.
- The full NECC system is expected to be fully operational by June, 1986.

**GAS TURBINE GENERATORS (TALKHA AND HELWAN)
(0008)**

Purpose: To help alleviate the urgent demand for electrical production in the cities of Helwan and Talkha in the Kalubia Governorate.

Description: The project finances installation of a 120 megawatts (MW) gas turbine electric generating plant near the city of Helwan and a similar plant of 180 MW near the city of Talkha. The primary Egyptian implementing agent is the Egyptian Electricity Authority.

Current Status:

Duration: FY 76 - FY 83 (Completed)
Life of project authorization: \$67.3 Million (Loan)
Obligations to date: \$67.3 Million (Loan)
FY 85 obligation: None

Implementation Progress:

- Both power plants are operational and supplying a significant portion of the demand for electricity generation in the cities of Helwan and Talkha.

**URBAN ELECTRIC POWER DISTRIBUTION EQUIPMENT
(0033)**

Purpose: To rehabilitate and expand the capacity of electric distribution systems in the cities of Cairo, Alexandria, Shibin El Kom and Beni Suef.

Description: The project provides financing for engineering services and procurement of equipment needed to rehabilitate the existing electric distribution systems in the four cities of Cairo, Alexandria, Shibin El Kom and Beni Suef and to expand the systems as necessary to meet current and projected increased demand.

Current Status:

Duration: FY 77 - FY 87
Life of project authorization: \$98.000 Million (Loan/Grant)
\$46.012 Million (Loan)
\$51.188 Million (Grant)
Obligations to date: \$76.012 Million (Loan/Grant)
\$46.012 Million (Loan)
\$30.000 Million (Grant)
FY 85 obligation: \$21.188 Million (Grant)

Implementation Progress:

- The Egyptian Electricity Authority (EEA) and the Rural Electrification Authority (REA) are implementing procedures for the installation of the power distribution equipment detailed in a work order construction form designed by the consultant engineers.
- Construction, while slow until recently, has been accelerated to an acceptable rate in Alexandria and Cairo.
- Due to slower implementation pace in the other two cities consideration is being given to transfer of unused materials and equipment to Cairo and Alexandria project sites.

SHOUBRA EL KHEIMA THERMAL POWER PLANT
(0030)

Purpose: To increase the generation capacity of the thermal power plant at Shoubra El Kheima in Cairo.

Description: The project consists of the design and construction of a 945 MW thermal power plant at Shoubra El Kheima in Cairo. The plant will include three steam generating units, and will be connected to the Egyptian Unified Power System. The project is supported by an AID grant and multiple international financing agencies. A.I.D. is financing: (a) design and construction management; (b) 3 turbine generator sets; (c) main system pumps; (d) condensers, heaters and accessories; and (e) panels and controls. The U.S. has recently agreed to a GOE proposal to expand the project to include a fourth 315 MW generating unit. The primary Egyptian implementing agent is the Egyptian Electricity Authority.

Current Status:

Duration: FY 79 - FY 86

Life of project authorization: \$208 Million (Grant)

Obligations to date: \$208 Million (Grant)

FY 85 obligation: \$ 55 Million (Grant)

Implementation Progress:

- Construction of the first turbine generation unit is completed and first commercial generation began in February, 1985.
- The second and third turbine units are scheduled to begin operation at six month intervals, i.e. August, 1985 and February, 1986.

- The contract team is fully mobilized and procurement and installation activities are proceeding as planned.

ASWAN HIGH DAM TURBINE REHABILITATION
(0160)

Purpose: To enhance the reliability of the Aswan High Dam's electricity generating capacity.

Description: This project finances the rehabilitation and modernization of the twelve hydro turbine generators of the Aswan High Dam, and the replacement of circuit breakers, relays, and control related instruments. Since ten turbines must remain in operation at all times to meet the current demand for power generation replacement of two turbines each year for six years is planned. Technical assistance during installation, testing and start-up is provided by the U.S. Bureau of Reclamation. Allis Chalmers is the U.S. turnkey contractor and manufacturer of the turbines. The primary Egyptian implementing agent is the Egyptian Electricity Authority.

Current Status:

Duration: FY 82 - FY 90
Life of project authorization: \$100 Million (Grant)
Obligations to date: \$85 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- Rehabilitation of the first two generators is in progress with work being completed on replacement of the francis type runners.
- Replacement runners for the turbines arrived in Egypt in March, 1985.
- Overall implementation of the project is progressing on schedule.

EXPANSION AND MODERNIZATION OF TELECOMMUNICATIONS SYSTEMS
(0054, 0075, 0117)

Purpose: To improve the telecommunications system of Egypt by strengthening the planning, management, operating and training functions of the Egypt National Telecommunications Organization (ARENTO), and to rehabilitate and replace components of the system in the large population centers of Cairo and Alexandria.

Description: This series of three separate telecommunications projects is being treated as one integrated project. A U.S. contracting firm, Arthur D. Little International, is assisting the local telecommunications organization (ARENTO) with managerial and technical support services for all installation and construction activities and to improve ARENTO's operations. Additionally, ARENTO is being assisted by two other U.S. firms, American Telephone and Telegraph International, Inc., and Ford Aerospace Communications International, Inc., to install 8 electronic telephone exchanges in the cities of Cairo and Alexandria and with installation of the outside plant facilities and an expanded fiber optic junction network. The primary Egyptian implementing agent is Egypt National Telecommunications Organization.

Current Status:

Duration: 0054: FY 78 - FY 83 (Completed)
0075: FY 79 - FY 85 (Completed)
0117: FY 79 - FY 86

Life of project authorization: \$242 Million (Grant/Loan)
\$ 40 Million (0054-Loan)
\$202 Million (Grant)
\$ 80 Million (0075)
\$122 Million (0117)

Obligations to date: \$242 Million
\$ 40 Million (0054-Loan)
\$202 Million (Grant)
\$ 80 Million (0075)
\$122 Million (0117)

FY 85 obligations: None

Implementation Progress:

- The telephone exchange for the Cairo suburban development Maadi began operation in December, 1983.
- Three other exchanges Zamaiek, New Maadi and Heliopolis began operation in May, 1984; July, 1984; and December, 1984 respectively.
- ARENTO's operations have been improved by the establishment of improved finance and accounting systems, payroll and personnel systems, fundamental planning systems and project planning and management systems.
- In addition, the operation of the four Cairo exchanges and the Centre of Operations and Maintenance (COM) established at Ramses has resulted in a vast improvement in telephone service in these areas. The COM centre data outputs have made it possible for ARENTO to monitor and pinpoint trouble areas in the entire Cairo telephone network.

LOW INCOME HOUSING AND COMMUNITY UPGRADING
(0066)

Purpose: To demonstrate that socially acceptable basic housing, public utilities and community facilities can be provided for low income families at an affordable price which also allows a substantial recovery of the investment made.

Description: This project is attempting to demonstrate the validity of the Government's new policy for the development of urban housing in the city of Helwan, 30 kms south of Cairo. The project has two major components:

- (1) development of the Helwan New Community (HNC) with 7,000 fully serviced plots, 4,000 "core" housing units, community organizations, credit, and public facilities for an initial population of 35,000; and
- (2) community upgrading programs in seven existing low income Helwan neighborhoods with a combined population of nearly 100,000, including provision of credit for housing and small enterprise development; provision of water, sewer, roads, vocational training opportunities and public/community facilities; and establishment of a community organization.

The primary Egyptian implementing agent is the Joint Housing Project Agency (JHP).

Duration: FY 78 - FY 86

Life of project authorization: \$80 Million (Grant)

Obligations to date: \$80 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Engineering design and construction of the planned model housing estate is complete.
- Steady progress is being made in the construction of infrastructure in the city of Helwan. Construction is being carried out by a joint venture of the US firm, Perini International, and an Egyptian firm, AYOUBCO.
- Construction of roads, sewers and other community infrastructure and credit projects are being carried out in six of the seven Helwan communities selected for upgrading.
- Some 1,500 loans with values ranging from 500 to 2,000 Egyptian pounds have been made to families to upgrade housing.

SUEZ CANAL CLEARANCE EXTENSION
(0004)

Purpose: To clear the Suez Canal and its approaches to enable maritime traffic to continue using the Canal as a principal international waterway.

Description: The project provided the necessary support for the United States Navy to clear the Suez Canal and its approaches. The primary Egyptian implementing agent was the Suez Canal Authority.

Current Status:

Duration: FY 75 - FY 78 (Completed)

Life of project authorization: \$44.026 Million (Grant)

Obligations to date: \$44.026 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Clearing of the Suez Canal was completed by the December 31, 1978 project termination date.
- The Canal is continuing to be used as a principal international waterway.

HYDROGRAPHIC SURVEY FOR THE SUEZ CANAL
(0071)

Purpose: To conduct a hydrographic survey and develop up-to-date, accurate nautical charts of approaches to the Suez Canal.

Description: The project financed a hydrographic survey and produced up-to-date, accurate maps of waterways into and out of the Suez Canal. The survey facilitated widening and deepening operations of the canal and its approaches by identifying the navigational obstacles to be removed. The project also provided training in modern hydrographic survey methods for Egyptian specialists. The Ministry of Maritime Transport (MMT) was the primary Egyptian implementing agent.

Current Status:

Duration: FY 77 - FY 81

Life of project authorization: \$7.068 Million (Grant)

Obligations to date: \$7.068 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- All planned nautical charts and personnel training have been completed.
- Maps developed under the project now assist international mariners and permit ships to navigate through the Canal with greater confidence, safety and efficiency.

ROAD BUILDING EQUIPMENT
(0007)

Purpose: To finance purchase of heavy road construction equipment required for the reconstruction of the Suez Canal area.

Description: The project provided the necessary financing for procurement of heavy road construction equipment for the reconstruction of the Suez Canal area. The equipment included bulldozers, tractors, asphalt mixing plants and portable rock crushing plants.

Current Status:

Duration: FY 75 - FY 78

Life of project authorization: \$13.888 Million (Grant)

Obligations to date: \$13.888 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- All equipment was procured on schedule and used in reconstruction of the Suez Canal area as planned. The equipment is currently being used by the Government on construction sites throughout the country.

GRAIN STORAGE FACILITIES
(0028)

Purpose: To reduce large product and monetary losses associated with the importation and distribution of food grains and to provide needed additional closed storage capacity.

Description: This project finances the construction of two 100,000 metric ton grain silo complexes, one at the Port of Alexandria and the second in the Shoubra district of Cairo and two pneumatic ship unloaders for the Port of Alexandria. The primary Egyptian implementing agent is the General Authority for Supply Commodities (GASC).

Current Status:

Duration: FY 75 - FY 85
Life of project authorization: \$57.7 Million (Loan/Grant)
\$44.2 Million (Loan)
\$13.5 Million (Grant)
Obligations to date: \$57.7 Million (Loan/Grant)
\$44.2 Million (Loan)
\$13.5 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- All major structures have been completed.
- Ancillary building and site works have been completed.
- At the Alexandria site, construction of the fire station has begun, and final corrective actions for the quay extension have begun.
- Full operation of the silos is expected by the end of July, 1985.
- The ship unloaders cannot be placed in service until quay work is completed by GASC's contractor. Full operation of the ship unloaders is estimated to begin in 1986.

GRAIN, TALLOW, OIL, AND FATS STORAGE AND DISTRIBUTION
(0037)

Purpose: To construct a tallow and fats storage facility in the city of Alexandria, and a transportable grain handling facility in the port of Alexandria.

Description: This project was initiated to support the Government of Egypt's effort to create an effective and efficient food grain storage and distribution system to meet the pressing needs of the increased urban population. It provided the financing needed to construct a 60,000 metric ton tallow and fats storage facility in Alexandria, and an 8,000 metric tons/day transportable grain handling facility in the port of Alexandria. The primary Egyptian implementing agent was the General Authority for Supply Commodities.

Current Status:

Duration: FY 77 - FY 84
Life of project authorization: \$37 Million (Loan)
Obligations to date: \$37 Million (Loan)
FY 85 obligation: None

Implementation Progress:

- The grain handling facilities constructed in Alexandria have been fully operational since January, 1982.
- The tallow oil and fats facility has been fully operational since September, 1983.

SUEZ PORT DEVELOPMENT
(0047)

Purpose: To rehabilitate and modernize the port at Suez to increase the present cargo capacity of the port from 644,000 metric to 1,615,000 metric tons a year.

Description: The project was originally designed to increase the cargo capacity of the Suez port facility by constructing four new multi-purpose deepwater berths, rehabilitating existing facilities, and creating a new autonomous port authority. However, the project was later revised to concentrate AID efforts on rehabilitation of existing port facilities and the creation of a new autonomous port authority. The Red Sea Ports Authority, using its own resources, has proceeded with construction of two deepwater berths. The Red Sea Port Authority is the primary Egyptian implementing agent.

Current Status:

Duration: FY 78 - FY 85

Life of project authorization: \$11.3 Million (Loan)

Obligations to date: \$11.3 Million (Loan)

FY 85 obligation: None

Implementation Progress:

- Implementation of this project was delayed for three years due to project design modifications.
- Rehabilitation of the Port of Suez is almost complete. All existing facilities at Port Ibrahim (part of the Port of Suez) have been rehabilitated and are now being used.
- Rehabilitation of the Adabiyah Quay and construction of the contiguous marginal wharf (deepwater berths) are underway.
- Two new deepwater berths are now in use.
- All cargo handling equipment has been delivered.
- Delivery of the workshop tools and equipment for the port is in progress and on schedule.

ALEXANDRIA PORT AUTHORITY
(0014)

Purpose: To finance procurement of equipment and related services to assist the rehabilitation and expansion of port facilities in the city of Alexandria.

Description: This project was jointly financed by the World Bank, AID, and the Government of Japan. The AID contribution to this phase of the rehabilitation and expansion of port facilities in Alexandria financed cargo handling and transport equipment and related services, including storerooms for spare parts. The Government of Japan and the World Bank financed new berth construction, dredging, paving, floating equipment and related services. The primary Egyptian implementing agency was the Alexandria Port Authority.

Current Status: (Completed)

Duration: FY 76 - FY 83

Life of project authorization: \$30.2 Million (Loan)

Obligations to date: \$30.2 Million (Loan)

FY 85 obligations: None

Implementation Progress:

- All AID financed activities of this project are completed.
- All equipment has been delivered.
- Three spare parts storerooms have been constructed, stocked and card index inventory systems established.
- The U.S. consulting engineer, FRC Harris, Inc., completed work on schedule.

SAFAGA GRAIN SILOS
(0165)

Purpose: To construct a 100,000 MT grain handling/storage and bagging complex located in the port of Safaga on the Red Sea.

Description: The facility being constructed under this project is designed to serve the grain distribution needs of Upper Egypt. A total of sixty-four silos will be constructed to enhance the efficiency with which grain imports are handled to reduce waste and food losses. The primary Egyptian implementing agent is the Ministry of Supply.

Current Status:

Duration: FY 82 - FY 86
Life of project authorization: \$80 Million (Grant)
Obligations to date: \$80 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- The first 42 grain silos were completed during November, 1984 to March, 1985.
- Construction of the remaining grain silos is underway.
- A rail bed for grain shipment has been installed in the nearby city of Qena. The Ministry of Transportation has agreed to provide the funds required to complete track installation.

DECENTRALIZATION SECTOR SUPPORT (DSS)
(0161-0)

Purpose: To assist the Government of Egypt to institutionalize its decentralized local development strategy.

Description: Under this program, AID resources have been focused to improve the quality of life of low income residents, both rural and urban, through decentralizing the management of local projects and increasing the role of local elected councils in development decisions. The program is comprised of five discrete projects: Development Decentralization I (DDI); Basic Village Services (BVS); Decentralization Support Fund (DSF); Neighborhood Urban Services (NUS); and Sector Development and Support (SDS). As the program evolves it will address the additional issues of local resources mobilization, operation and maintenance of local infrastructure and equipment, and involving small private enterprises in development. Direction of the project is provided by an Interministerial Steering Committee, chaired by the Minister of Local Government, and inter-agency committees for each of the five constituent activities supported under the project. The primary Egyptian implementing agent is the Ministry of Local Government.

Current Status:

Duration: FY 78 - FY 87
Life of project authorization: \$525,000,000
Obligations to date: \$467,200,000 (plus \$75,500,000 from
PL 480 Title III for
subproject 0161.2)
FY 85 obligation: \$63,000,000

Implementation Progress:

- All local administrations are now implementing DSS supported development projects; the program reaches every corner of Egypt.
- Local elected councils have demonstrated their ability to initiate and implement projects to meet basic local needs.
- The process of decentralized management and democratic decision making in 870 local councils has been significantly strengthened. The councils have designed and implemented over 6000 sub-projects.
- More than 45,000 elected officials and local government staff have been trained in decentralization, project planning and management.
- More than 30,000 planning, implementation and maintenance manuals have been distributed to local units and used in training programs.
- Linkages between local governments and the emerging private sector have been stimulated through contracts awarded by local authorities for project implementation and the demonstration effects of village enterprises initiated under the program.

DEVELOPMENT DECENTRALIZATION I
(0161.1)

Purpose: To increase the project development capabilities and revenues of village councils throughout Egypt, and to encourage cooperation between elected and executive councils during project selection, design and implementation.

Description: The project finances the establishment of a Local Development Fund (LDF) within the Organization for Reconstruction and Development of the Egyptian Village (ORDEV) and for related training and technical assistance to improve ORDEV's ability to manage the fund. The LDF provides small loans to village councils and also through the councils to villagers for income producing projects. The primary Egyptian implementing agent is the Organization for Reconstruction and Development of the Egyptian Village (ORDEV).

Current Status:

Duration: FY 78 - FY 85

Life of project authorization: \$26 Million (Grant)

Obligation to date: \$26 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Over \$19 million dollars from the Local Development Fund (capitalized at \$19.4 million) have been disbursed in 730 loans to 560 village units. These funds have been matched with \$8 million of locally contributed capital.
- Over 15,000 elected and executive council members have participated in project selection, design, and management under the project.
- More than 7,000 local elected and executive councilors and their staff have received project design, management, and technical training.
- Sub-projects financed under the project studied by an evaluation team in December, 1983 were found to be returning an average of 19% per annum on investment.
- Many sub-projects act as demonstration projects and are being replicated by local private entrepreneurs.
- The project has caused major policy change in the Egyptian implementing organization. For example, all future funds for rural economic projects financed by ORDEV will be provided as loans, not as grants as in the past.
- Project implementation is demonstrably promoting local development by supporting participatory, democratically elected institutions. In so doing it is contributing to the evolution, growth and stability of democracy in Egypt.

BASIC VILLAGE SERVICES
(0161.2)

Purpose: To decentralize decision making related to public investment projects and strengthen the network of administrative processes and local management skills at village, district and governorate levels in all participating governorates.

Description: The project provides a coordinated mix of technical assistance, training and small grants to 870 local councils, representing about 3700 villages in 22 governorates. The councils select, design and implement small infrastructure projects such as potable water systems, feeder roads, small bridges, swamp filling, and lining of canals. Particular emphasis is placed on involvement of elected village councils in project selection and execution. The primary Egyptian implementing agent is the Ministry of Local Government.

Current Status:

Duration: FY 80 - FY 87
Life of project authorization: \$225 Million (Grant)
\$ 75 Million (PL-480 Title III)
Obligations to date: \$207 Million (Grant)
\$ 75 Million (PL-480 Title III)
FY 85 obligation: \$ 18 Million (Grant)

Implementation Progress:

- A total of 4300 sub-projects have been financed to date, 1760 of which have been completed. These subprojects include: water sub-projects providing about 15,100 km of pipes, 980 pump sets and 190 water wells; road projects providing about 2700 km of roads; and projects providing ferry boats, small bridges, drainage systems, and sewerage systems.
- A total of 3400 villages (92 percent of the target) have at least one BVS financed project.
- More than 25,000 village leaders and governorate staff have received orientation or training in project planning, design, management, accounting and implementation.
- Over 700 man-months of direct on-site technical assistance have been delivered to villages, markaz and governorates, along with 20,000 copies of 20 Arabic language manuals in support of this technical assistance.
- A March 1984 evaluation concluded that the Basic Village Services (BVS) project is a major rural development success story.

PROVINCIAL CITIES DEVELOPMENT
(0161.3)

Purpose: To enhance the capability of three provincial city governments (Fayoum, El Minia and Beni Suef) to effectively develop, finance, establish and maintain urban infrastructure and public services at the municipal level.

Description: The project finances technical assistance to the three provincial city governments, operating and maintenance improvements in the three cities and the design and construction of selected urban infrastructure projects, particularly water and sewerage systems. The water and sewerage projects will emphasize improvement and extension of existing facilities. The primary Egyptian implementing agent is the Project Steering Committee comprised of the mayors and governors of the three provincial cities and governorates.

Current Status:

Duration: FY 82 - FY 87
Life of project authorization: \$75 Million (Grant)
Obligation to date: \$30 Million (Grant)
FY 85 obligation: \$45 Million

Implementation Progress:

- The U.S. firm, Wilbur Smith and Associates, is providing technical services and training to the three city governments in the development, financing, and maintenance of urban infrastructure and public services.
- More than 250 urban infrastructure sub-projects have been designed, of which 170 are currently being implemented while 80 have been completed.
- All three cities have made considerable progress towards self-sufficiency in the procurement of goods and services. Master plans for each city have been completed and are under review by an AID environmental assessment team.
- Design of items included in the master plans (e.g. design and construction of water treatment plants, pumps stations, lift stations, distribution and collection systems) will begin in January, 1986 and will be financed by increased AID and Government of Egypt funding.

DECENTRALIZATION SUPPORT FUND
(0161.4)

Purpose: To support and accelerate the process of administrative decentralization to rural governorates by increasing investment budgets under their jurisdiction.

Description: This project establishes a Support Fund which enables governorates to plan their needs for heavy equipment for local development programs. It provides US dollar budget support to each of 21 rural governorates for purchasing American equipment to support local programs of public utilities, infrastructure and social services. The primary Egyptian implementing agent is the Ministry of Local Government.

Current Status:

Duration: FY 80 - FY 87
Life of project authorization: \$100,000,000
Obligations to date: \$100,000,000
FY 85 obligation: None

Implementation Progress:

- Solid links between governorates and suppliers have been established for basic training and equipment maintenance.
- Over 1200 items of heavy equipment have been delivered, and more than 600 items are being ordered.
- Equipment already provided such as bulldozers, graders, fire trucks and refuse collectors is being used continually to meet locally determined needs, and is frequently integrated with other resources provided through other AID supported projects.

NEIGHBORHOOD URBAN SERVICES
(O161.5)

Purpose: To finance modest size infrastructure improvements in selected low-income neighborhoods of the cities of Cairo and Alexandria and in the urban districts of Giza and Qaliubia to improve the living conditions and economic climate in those areas.

Description: Under the project, public works programs to improve infrastructure in the selected neighborhoods are jointly identified, developed and executed by local elected and executive officials and residents in participating urban districts. While three-fourths of all sub-projects are implemented through the district administrative units, a large number of smaller activities are being implemented through local private voluntary organizations and neighborhood associations. The primary implementing agents are the Governorates of Cairo, Alexandria, Giza and Qaliubia.

Current Status:

Duration: FY 81 - FY 87
Life of project authorization: \$89 Million (Grant)
Obligations to date: \$89 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- Education infrastructure improvements: 523 new classrooms have been constructed; 20 school renovation sub-projects executed; 34 equipment purchase sub-projects have been financed; and new sanitation facilities including toilets have been installed in 45 schools.
- Physical infrastructure improvements: 1.18 million square meters of paving have been laid; 187,200 linear meters of street lighting installed; 16,100 meters of sewer lines installed; 9,500 meters of water lines laid;

72 community water taps installed; 10,350 vertical sewer pipes on low income flats replaced; 30 public toilet units constructed; 27 solid waste projects have been initiated providing several hundred cleaning carts and tractors and several thousand pieces of hand equipment.

- Health infrastructure improvements: 20 new hospitals, clinics and waiting sheds have been constructed; 15 renovations/additions to hospitals and clinics completed; 40 government hospitals and clinics equipped; and 251 Private Voluntary Organization clinics and dispensaries equipped.
- Youth/culture/social affairs infrastructure improvements: 29 new youth centers (or additions) have been constructed; 258 private and 8 government vocational training centers equipped; 222 other facilities equipped (including youth centers, homes, cultural centers, libraries, elderly and handicapped hostels); 6 sports fields constructed; and 291 nurseries and day care centers equipped.

Markets/food security infrastructure improvement: 13 markets have been constructed/renovated and 17 food caravans placed in low income neighborhoods.

SECTOR DEVELOPMENT AND SUPPORT
(0161.6)

Purpose: To augment and enhance efforts of the USAID sponsored Decentralization Sector Support Program (L'S) to support Government of Egypt decentralization objectives by financing activities not specifically provided for by the DSS program, which impact on decentralization in a broad sectoral sense, and which strengthen the key institutions involved in the decentralization process.

Description: This project, by providing the Government Of Egypt with a flexible fund for decentralization sectoral activities, encourages a focus on the decentralization process as a whole where the other projects in the program portfolio finance various discrete activities in support of Government decentralization objectives. The activity also assists AID to expand and deepen the policy dialogue with the Government of Egypt and to focus on future governmental strategies for local development in Egypt. Project funds are programmed by the Sector Steering Committee (SSC), through support of proposals from interested government and non-governmental organizations. The primary Egyptian implementing agent is the Ministry of Local Government.

Current Status:

Duration:	FY 82 - FY 87
Life of project authorization:	\$10,000,000
Obligation to date:	\$10,000,000
FY 85 obligation:	None

Implementation Progress:

- Several research proposals for local development projects are currently being considered for funding. A proposed Cairo University study investigating local revenue generation has been approved.
- Several workshops have been set up to plan the organization and program for the local development training center to be established at Sakkara in the Cairo metropolitan area.
- The Ministry of Local Government has promulgated a Decree establishing the Sakkara Training Center. Plans for technical assistance for the operation of the Center is in the final stages of discussion with Government officials.
- The Amana, a technical interministerial board to design a second phase of the Decentralization Sector Support Program has been established and is meeting regularly.

III. PRODUCTIVITY

Programs and projects presented in this section support Egyptian efforts to promote gains in agricultural and industrial productivity. They encourage improvement of Government policies for these sectors, promote private sector responses to economic needs, support public industries selectively and assist with the development and dissemination of productive technologies, especially renewable energy technologies.

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WATER USE AND MANAGEMENT
(0017)

Purpose: To research, develop and demonstrate replicable water management practices which will increase the efficiency of the irrigation system and increase agricultural growth.

Description: The project financed small farm adaptive research activities in water and agricultural management at three field sites, Kafr El Sheikh, Mansoura and El Minya, which are located in the Delta and Middle regions of Egypt. The primary implementing agent was the Water Research Institute of the Egyptian Water Research Center. Assistance was provided to the Water Research Institute through a contract with the Consortium for International Development and included a broad range of activities related to water management, plant production and economic development.

Current Status:

Duration: FY 76 - FY 85 (Completed)

Life of project authorization: \$13,000,000

Obligations to date: \$13,000,000

FY 85 obligation: None

Implementation Progress:

- All project objectives were achieved including:
 - (1) development of replicable agronomic practices;
 - (2) development of on-farm water management practices;
 - (3) reorganization of water delivery systems;
 - (4) development of farmer organizations to assist with the control and scheduling of water deliveries;
 - (5) economic evaluations, and
 - (6) training of MOI Staff

- A final project evaluation was completed in March, 1985. It recommended:
 - that the methodologies and technologies developed under the project be put into practice;
 - establishment of the necessary official role, guidelines and incentives for the organization of water user associations; and
 - extrapolation of the economic cost-benefits of large scale implementation of the projects findings.

- Findings of the project are currently being implemented by the Regional Irrigation Improvement Project and research activities are being continued by the Water Research Center. Both activities are receiving support thru the AID sponsored Irrigation Management Systems Project.

IRRIGATION MANAGEMENT SYSTEMS
(0132)

Purpose: To assist the Egyptian Government to improve the operating efficiency of the irrigation system in Egypt and to strengthen the Ministry of Irrigation's (MOI) operational, maintenance and planning capabilities.

Description: The project provides financing to support the following activities:

- a. planning and design of a country wide structural replacement program for the irrigation system;
- b. planning and improvement of operations and maintenance for the irrigation system in the Gharbia Directorate in the Central Delta;
- c. development of a Project Preparation Unit in the MOI planning Department;
- d. undertaking of a feasibility study to redesign and improve the irrigation system for the North Zifta District;
- e. provision of technical and financial assistance for the Regional Irrigation Improvement Project and the Water Research Center; and
- f. installation of a telemetry system to monitor Nile River and major canal flows.

The primary Egyptian implementing agent is the Ministry of Irrigation.

Current Status:

Duration: FY 81 - FY 87
Life of project authorization: \$139.5 Million
Obligations to date: \$ 58.0 Million
FY 85 obligation: \$ 15.0 Million

Implementation Progress:

- The first phase Structural Replacement program involving 3000 structures is essentially completed eliminating the structural replacement backlog in five Directorates. Contracts are currently being awarded for the second phase structural replacement program (8000 structures) which will be carried out in the remaining Directorates.
- The Project Preparation Unit (PPU) has been formed, staffed and is currently analyzing a canal drainage project, a canal maintenance project and a pump rehabilitation project.
- The irrigation project plan for the North Zifta Directorate is nearing completion and a plan is being completed to upgrade the quality of operation and maintenance in the Gharbia Directorate.

- The Training and Manpower Development Unit has been developed and is implementing an aggressive training program.
- Contracting is currently underway for acquisition, installation, training, software development and testing of the telemetry system that will provide 250 measurement platforms throughout the irrigation and drainage system.

AGRICULTURAL DEVELOPMENT SYSTEMS
(0041)

Purpose: To strengthen the Ministry of Agriculture's (MOA) capability to plan and conduct development activities which encourage production and profitability in agriculture.

Description: The project finances some 35 research activities in agricultural economics and horticulture under a technical assistance contract between the MOA and the University of California. In addition, special feasibility studies were financed in agricultural statistics, libraries, and livestock. The focus of the studies is on providing the MOA with recommendations for improving production and profitability in agriculture. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 77 - FY 85
Life of project authorization: \$14.9 Million
Obligations to date: \$14.9 Million
FY 85 obligation: None

Implementation Progress:

- The University of California at Davis, the original U.S. technical assistance contractor, worked closely with Egyptian officials and completed a range of studies focusing primarily on agricultural economics (19 studies) and horticultural research (16 studies). Special studies were carried out in the areas of agricultural statistics, agricultural libraries, and livestock production.
- A project evaluation has confirmed that the studies have made significant contributions to increasing both agricultural production and profitability, and that a number of the research activities are worthy of continuation.
- Fifteen agricultural economic and fourteen horticultural research studies are being continued by the MOA.
- Three participants are currently studying for advanced degrees in agricultural economics, and several participants have completed short term training courses in the U.S.

POULTRY IMPROVEMENT
(0060)

Purpose: To assist the Egyptian Government to meet its long-term goal of increasing poultry meat and egg production.

Description: The project as amended was designed to carry-out nine principal tasks to assist the Ministry of Agriculture (MOA) to improve its delivery of poultry meat and eggs in the rural communities of Egypt. These tasks were as follows:

- (1) improve the MOA capacity to assess production needs in the poultry sector.
- (2) improve three demonstration breeding/hatching farms.
- (3) provide recommendations for a national breed and hatchery improvement program.
- (4) make policy recommendations to the Egyptian General Poultry Company.
- (5) develop a plan to increase the availability of poultry pharmaceuticals.
- (6) conduct studies on the role of village chicken flock in the poultry industry.
- (7) conduct a poultry vaccine and pharmaceutical domestic demand study.
- (8) develop and establish a disease program for selected breeding/hatching farms and traditional hatcheries.
- (9) provide commodities, training and technical assistance to establish three additional breeding/hatching poultry farms.

Current Status: (Completed)

Duration: FY 77 - FY 83

Life of project authorization: \$5.5 Million

Obligation to date: \$5.5 Million

FY 85 obligation: None

Implementation Progress:

- The capacity of the MOA to assess production needs in the poultry sector was significantly improved through technical assistance in poultry, brooding and marketing provided by the U.S. contractor, Experience Incorporated.
- Procurement of materials and equipment for improving the three demonstration breeding/hatching farms was completed; improvement of facilities and installation of equipment was nearly completed.
- A study of poultry vaccine and pharmaceutical domestic demand was completed and a disease control program for selected breeding/hatching farms and traditional hatcheries was developed and established by the U.S. contractor, Experience Incorporated.
- Construction of facilities for three additional breeding/hatching farms was begun but work progressed so unsatisfactorily that AID decided to discontinue support for the activity.

- A project evaluation conducted in September, 1983 was unfavorable.
- AID terminated its involvement in the project in September, 1983 with less than half the original objectives achieved.

**AQUACULTURE DEVELOPMENT PROJECT
(0064)**

Purpose: To develop the capacity for sustained development of the fish farming industry on an economic basis by improving existing aquacultural institutions responsible for planning and coordination, applied research, training and extension.

Description: The project will establish a National Fish Farming Center at Abbasa in the Sharkiya Governorate to conduct training and applied research and to provide extension services to the Egyptian aquaculture industry. Also, a 1200 feddan (about 1200 acres) production area for 80 fish production homesteads for recent aquacultural graduates will be established. Two carp fish hatcheries and two mullet fish fry (recently hatched fishes) collection stations will also be established by the project. An extensive program for long, medium, and short-term training is also provided. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 78 - FY 86

Life of project authorization: \$27.5 Million

Obligations to date: \$27.5 Million

FY 85 obligation: None

Implementation Progress:

- Construction activities at the National Center at Abbasa were temporarily suspended in mid 1984. However negotiations are nearing completion for the contractor to resume construction before the middle of FY 85.
- Staff housing and fish production homestead buildings are in place and are nearly completed. The research and training facility as well as the research and homestead fish ponds are about half completed.
- A mid-term evaluation recommended: (1) an extension of the project; (2) that the construction contractor return to work to complete research facilities as soon possible; (3) that a special two person technical assistance team be provided for at least one year; (4) that fish ponds be redesigned to correct for small omissions in original designs; (5) that training programs now underway be continued until the end of the project; and (6) that construction of homestead ponds be deferred until a financial analysis is conducted to determine their profitability.

- AID has accepted these recommendations and is taking the necessary action to see that they are implemented.

MAJOR CEREALS IMPROVEMENT SYSTEM
(0070)

Purpose: To provide small farmers in selected areas with improved agronomic technology to increase cereal production by 25 percent and legume and forage production by 20 percent and to establish an Egyptian capacity to continue to develop and extend such technology.

Description: The project develops improved methods and practices for increasing the production of cereal grains, grain legumes, and forages through improving Egyptian research, training, and extension capabilities. With technical assistance from a U.S. contractor, the Consortium for International Development, the project concentrates on developing and extending to farmers packages of improved agronomic methods and practices and strengthening the Ministry of Agriculture's (MOA) ability to develop and extend these packages. Accordingly, project efforts have focused on research, extension, training, seed production and processing, and mechanization and on providing the MOA with the technical services, improved physical facilities, supplies and equipment, and training necessary to improve its capacity to develop and extend the improved agronomic methods and practices. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status

Duration: FY 79 - FY 86
Life of project authorization: \$47 Million
Obligations to date: \$47 Million
FY 85 obligation: None

Implementation Progress:

- Improved packages of agronomic methods and practices have been developed and extended to farmers.
- Yields from project demonstration plots for various crops have exceeded national averages by 50-80 percent.
- Four seed processing plants have been constructed.
- At five different sites, construction of research and administration facilities are nearing completion.
- A total of 132 Egyptians have received training in such fields as agronomy, soils utilization, and plant breeding.

SMALL FARMER PRODUCTION
(0079)

Purpose: To develop and apply an improved and replicable pilot agricultural credit and farm production input system.

Description: This project is assisting the Principal Bank for Development and Agricultural Credit (PBDAC) to improve its delivery system for production inputs, expand its short, medium, and long term credit facilities, and strengthen bank administration and related customer services. The project provides technical assistance, training, capitalization of loan funds, construction of facilities and support for evaluation and analysis. The primary Egyptian implementing agent is the PBDAC.

Current Status:

Duration: FY 79 - FY 87
Life of project authorization: \$49 Million
Obligations to date: \$49 Million
FY 85 obligation: None

Implementation Progress:

- Agricultural Cooperative Development International (ACDI) has worked closely with PBDAC to develop a highly effective system, now operational in three governorates, which has to date issued loans valued at over \$40,000,000 to over 25,000 farmers with a payback ratio of 99.5 percent.
- To improve delivery of services, 27 village banks and over 125 storage and input distribution agencies have been or are in the process of being established by the project.
- An operational manual has been developed for use by participating and non-participating banks to improve the provision of credit. Accounting and managerial procedures are important elements of the manual and are a part of the improved management information system also developed by the project.
- The project has been very successful in demonstrating that the proper mix of credit and farm management advice can significantly increase incomes to small farmers. The PBDAC and the Ministry of Agriculture are replicating this approach in at least eight other governorates.

AGRICULTURAL COOPERATIVE MARKETING
(0095)

Purpose: To: (a) increase the efficiency and effectiveness of Egyptian agricultural marketing cooperatives; (b) provide sufficient capital for production credit to stimulate a 30% increase in fruit and vegetable production; and (c) establish an institutional capability in the cooperative network to provide marketing guidance, cooperative development and management assistance to farmers and other pilot cooperatives.

Description: The project provided assistance to establish alternative approaches to management of cooperatives in Egypt. It was originally anticipated that AID and the IBRD (World Bank) would jointly finance the project. AID was to provide funding principally to expand production credit opportunities to cooperatives, through an apex organization to be established as the implementing agent for the project, the IBRD was to provide funding for infrastructure improvement. When the IBRD declined to participate, AID agreed to finance the production credit component with and provide limited technical assistance, through the Cooperative League of the U.S.A. (CLUSA).

Current Status: (Completed)

Duration: FY 79 - FY 83

Life of project authorization: \$5.0 Million

Life of project obligation: \$5.0 Million

FY 85 obligation: None

Implementation Progress:

- Limited progress was made in the provision of credit to seven fruit and vegetable cooperatives primarily in the Delta region of Egypt.
- Only marginal progress was made in developing marketing structures for cooperatives and conducting related surveys.

**SMALL SCALE AGRICULTURAL ACTIVITIES
(0096)**

- Purpose:** (a) To introduce and adapt technologies appropriate to small farmers and the rural community;
- (b) to begin the establishment of an institutional capacity in the Ministry of Agriculture; (MOA) for addressing appropriate technology concerns and needs in rural communities; and
- (c) to increase rural employment opportunities through the expansion of small rural-based agribusiness enterprises.

Description: The project was designed to encourage the development of small scale appropriate technology packages for extension to rural farming communities. The project's original focus was on modification of farm equipment to increase efficiency and output. This focus was later expanded to include introduction of such small scale technology as bio-gas generation; farm employment generating activities such as silk weaving and ornamental flower arranging, and literacy and other community improvement programs. Activities were implemented in the Delta, Upper Egypt and the Sinai. Support for ongoing activities is being continued under the AID sponsored Agricultural Mechanization project through assistance to the Egyptian Agricultural Mechanization Research Institute. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 79 - FY 84
Life of project authorization: \$1.7 Million
Obligations to date: \$1.7 Million
FY 85 obligation: None

Implementation Progress:

- A total of 53 discrete activities were successfully introduced in twelve governorates. The activities transferred technology, provided income generation to farm families - especially women, offered educational opportunities for rural women and youth denied schooling because of farm duties, and taught improved sanitation practices to rural households.
- The appropriate technology packages introduced included bio-gas generation for household heating, ornamental plant arranging, machinery repair, bee keeping and silkworm rearing.
- Rural employment was increased through provision of job opportunities primarily for women in silk weaving, canning, blanching, literacy instruction, child care and sanitation

- Through limited project assistance to the Ministry of Agriculture, an interest in and focus on appropriate technology was encouraged and developed. This interest led to the establishment in 1984 of an appropriate technology division of the Ministry's Agricultural Mechanization Research Institute 84.

AGRICULTURAL MECHANIZATION
(0031)

Purpose: To build the Egyptian capability to plan, implement and evaluate appropriate agricultural mechanization programs.

Description: The project supports Egyptian efforts to introduce selected agricultural mechanization activities to create a sound planning, implementation and support base for future agricultural mechanization programs. The focus of effort under the project is to increase the effectiveness of selected current agricultural mechanization programs, and to develop the Ministry of Agriculture's ability to design and implement alternative mechanization programs that do not require Egyptian commitment to a specific mechanization system. Support is provided to public and private sector firms or organizations which have demonstrated the ability to carry out effective agricultural mechanization programs. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 80 - FY 85
Life of project authorization: \$40,000.000
Obligations to date: \$40,000.000
FY 85 obligation: None

Implementation Progress:

- A total of \$4.4 million of mechanized equipment has been purchased from U.S. sources and assembled. The equipment is being used in rural villages for soil improvement, field trial and demonstration training programs. A total of \$3 million in mechanized equipment has been procured locally and is being effectively used in combination with the U.S. procured equipment.
- Loans to construct seven centers for the servicing of agricultural equipment have been approved and construction of the centers is currently underway. Some 40 small village workshop owners are participating in the construction work.
- Long term training in agricultural-mechanization and agricultural economics is continuing successfully and several groups of short term trainees are receiving training in the U.S. and other countries in 3-6 month programs in technology transfer.

- An agricultural machinery manufacture component of the project which is attempting to establish a local capability for farm machine manufacture has developed seed drills, threshers and land planes that are currently being tested.

RICE RESEARCH AND TRAINING
(0027)

Purpose: To improve the Egyptian capability for gathering, analyzing and disseminating information on rice production, seed processing and storage by establishing a national institute devoted to rice research and extension.

Description: The project provides grant financing to establish a National Rice Institute at the Sakha Research Station located in Kafr El Sheikh. Construction of all physical facilities, equipment and supplies and training of staff for the Institute are financed from project resources. With technical assistance from the U.S. contractor, the University of California at Davis, the focus of the new institute's efforts is on identifying and eliminating constraints to rice production and increasing production through field testing of high yielding rice varieties and demonstration of project developed technologies. Small farm equipment such as portable pumps is being introduced and tested by a mechanization unit established by the project. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 77 - FY 86
Life of project authorization: \$21.7 Million
Obligation to date: \$21.7 Million
FY 85 obligation: None

Implementation Progress:

- The project will be integrated with an AID sponsored National Agricultural Research Program scheduled to commence in late FY 85 or early FY 86 to facilitate its implementation.
- Packages of improved agronomic techniques are being extended to and utilized by farmers. More than 42,000 feddans (about 42,000 acres) of extension demonstration rice plots have been planted.
- Demonstration plot rice yields have exceeded the national average by approximately 60 percent.
- A permanent 90 feddan (about 90 acres) experimental site has been developed at Sakha.

- The mechanization unit has tested various small farm equipment; portable pumps and one meter reaper have been locally manufactured.
- Construction of the National Rice Institute facilities are approximately 30 percent completed.

AGRICULTURAL MANAGEMENT DEVELOPMENT
(0116)

Purpose: To establish an institutional capacity in management development at the Ministry of Agriculture (MOA) through the establishment of a center for Agricultural Management Development.

Description: Of the Ministry of Agriculture's more than 150,000 employees, few have received any systematic training in management of personnel and other resources. To address this problem, the project finances the cost of establishing the Agricultural Management Development Center (CAMD) to expand training programs developed under an earlier A.I.D. financed pilot project designed to improve management skills of over 3,000 middle-level managers in eight Egyptian governorates. Internal management analyses are also being conducted to help solve the Ministry's operational management problems. The project provides technical assistance, physical construction of a new training center at the Barrage area outside of Cairo, and equipment and supplies in support of the program. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 80 - FY 85
Life of project authorization: \$5 Million
Total obligations to date: \$5 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- At the request of the MOA, the project has added 5 additional governorates to the area served by the project, bringing the total number of participating governorates to 13.
- The staff for the CAMD has been recruited, is arranging and conducting management courses, and has contracted with an Egyptian private firm for the conduct of special seminars on agricultural management.
- Agricultural and engineering designs for the Center have been completed and a contract for construction of the Center has been signed.
- Construction of office and dormitory buildings for the Center are complete and in operation and refurbishment of the main Center building is complete. Refurbishment of other existing facilities is also complete.

- Training in agricultural management is being successfully carried out at the Center and in the governorates.
- CAMD staff have received short and long-term training at the USDA and long-term training (Masters level) at the University of Miami. To date a total of 1,920 mid-level managers from the MOA have been trained in 90 separate long and short-term courses.
- An evaluation conducted in late 1983 concluded that the CAMD is a successful training center and that its activities are having a positive impact on national agricultural programs.

AGRICULTURAL DATA COLLECTION & ANALYSIS
(0142)

Purpose: To improve the capacity of the Ministry of Agriculture for agricultural economic data collection and analysis and to increase the use of such data and analysis in policy formulation.

Description: This project assists the Ministry of Agriculture (MOA) to improve its data collection and analysis capability by providing technical assistance and other support to the Ministry's data collection and analysis division and to the Agricultural Economics Research Institute (AERI). Specifically, the project finances: short-term planning and policy analysis teams to examine and assist in solving data analysis problems of the MOA; extensive training in data collection and analysis for MOA and AERI staff; special data collection activities; limited supplies and equipment; and local consultants. The primary Egyptian implementing agent is the Ministry of Agriculture.

Current Status:

Duration: FY 80 - FY 86
Life of project authorization: \$5 Million (Grant)
Obligations to date: \$5 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- U.S. Department of Agriculture technical assistance advisors are successfully providing support in the design, conduct and application of improved data collection activities, automatic data processing planning and for cost of production studies. Training programs for Egyptian personnel have also been established with USDA support.
- International Agricultural Development Services (IADS) technical assistance teams have completed reports on improving data collection and analysis for livestock, horticulture, and irrigation management; the MOA has accepted the livestock report recommendations.

- Four PhD candidates have been placed in appropriate Phd programs in U.S. universities.
- In-country training in several areas of data analysis has been completed.
- Field research in objective yield sampling has been completed for cotton and similar research begun for wheat.
- Procurement of a central computerized system for national data collection is underway.
- A mid-term evaluation found that the project is making slow but steady progress.

IRRIGATION PUMPING
(0040)

Purpose: To improve the reliability and efficiency of the irrigation system serving an agricultural area in Upper Egypt of approximately 128,000 feddans (123,000 acres) and approximately 39,000 farm families.

Description: The project provides for the installation of large centrifugal irrigation pumps at 37 stations along the Nile in Upper Egypt. The improved capacity of these stations will make possible three to four crop yields per year. The primary Egyptian implementing agent is the Ministry of Irrigation.

Current Status:

Duration: FY 77 - FY 85

Life of project authorization: \$19 Million (Loan/Grant)
\$11 Million (Loan)
\$ 8 Million (Grant)

Obligations to date: \$19 Million (Loan/Grant)
\$11 Million (Loan)
\$ 8 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Civil construction under this project has been seriously delayed due to inadequate performance on the part of the construction contractor and subcontractor.
- Limited progress has been made on the civil works at 36 of the 37 stations. Installation of the irrigation pumps is dependent on substantial completion of the civil works.
- All pumping equipment has been delivered.

- Pumps have been installed in nine of the 32 stations. Pump installation is partially complete in another seven stations.
- The AID Mission is closely monitoring project implementation and is in continuous dialogue with the Ministry of Irrigation regarding means of resolving implementation problems.

CANAL MAINTENANCE
(0035)

Purpose: To procure equipment for dredging, earthmoving and general maintenance of irrigation canals to sustain agricultural levels in Egypt.

Description: This project addressed one of the major agricultural problems Egypt faces a declining water flow in the irrigation canals caused by silting and weed growth. The 26,000 miles of canals and drains must be continuously maintained or a serious decline in food production could occur. Procurement of dredging, earth moving, and general maintenance equipment under the project was undertaken to enable the Egyptian Government to reverse the declining water flow trend and thereby sustain agricultural production levels. The Egyptian Dredging Company was the primary Egyptian implementing agent.

Current Status: (Completed)

Duration: FY 77 - FY 83

Life of project authorization:	\$30.2 Million (Loan/Grant)
	\$25.0 Million (Loan)
	\$ 5.2 Million (Grant)
Obligations to date:	\$30.2 Million (Loan/Grant)
	\$25.0 Million (Loan)
	\$ 5.2 Million (Grant)

FY 85 obligation:	None
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Implementation Progress:

- Procurement of all excavation and service equipment is complete and all equipment has been received and is operational.
- Following unsuccessful efforts to procure floating maintenance equipment for dredge maintenance, the Egyptian Dredging Company decided not to procure the equipment. As a result, AID reprogrammed \$1 million dollars provided under the project for that purpose.

PVC PIPE DRAINAGE
(0019)

Purpose: To establish facilities at three selected locations (Qena, Assiut and Beni Suef) in Upper Egypt to produce plastic drainage pipe to facilitate land reclamation in Upper Egypt.

Description: The project finances procurement of the necessary raw materials to produce plastic drainage pipe for draining irrigated land. The pipe will help halt deterioration of land fertility caused by water-logging and salinity and will permit increased agricultural yields of 15 to 35 percent. Pipe installation is being financed by the World Bank Group in a separate project. The primary Egyptian implementing agent is the Egyptian Public Authority for Drainage Projects.

Current Status:

Duration: FY 76 - FY 85

Life of project authorization: \$20.025 Million (Loan)

Obligations to date: \$20.025 Million (Loan)

FY 85 obligation: None

Implementation Progress:

- The three pipe manufacturing plants have been established in upper Egypt at Qena, Assiut and Beni-Suef.
- To prevent accumulating unmanageable stockpiles of pipe that must be stored under cover, plant output was reduced to match the progress of the pipe installation program supported under the separate World Bank project.
- Delay in pipe installation has seriously delayed completion of this project.
- As a result of the delays in pipe installation the AID loan has been reduced from \$30 million to \$20.025 million.
- In areas where pipe produced under this project has been installed, drainage of the land is being achieved and crop production has increased.

SUEZ CEMENT PLANT
(0012)

Purpose: To furnish a major share of the cement requirements of the Suez and Sinai regions.

Descriptions: This project finances the design and supply of equipment for the construction of a portland cement plant capable of producing one million tons of cement per year. The plant site is approximately 60 kilometers South of the city of Suez, adjacent to the area which supplies the raw materials. The primary Egyptian implementing agent is the Suez Cement Company.

Current Status: (Completed)

Duration: FY 76 - FY 84

Life of project authorization: \$100 Million (Grant)

Obligations to date: \$100 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Construction of the plant was completed in September, 1983 and performance guaranty testing was completed in May, 1984.
- The plant is now in commercial operation supplying portland cement through the Egyptian Cement Sales Office.

QUATTAMIA CEMENT PLANT
(0052)

Purpose: To furnish a large share of the cement requirements of the greater Cairo and Delta areas.

Description: This project finances the construction of a cement plant capable of producing 1.4 million tons of cement a year. The site location for the plant is about 30 kilometers East of the Cairo suburb of Maadi on the Quattamia Road, close to the site of raw materials. The primary Egyptian implementing agent is the Suez Cement Company.

Current Status:

Duration: FY 78 - FY 85

Life of project authorization: \$95 million

Obligations to date: \$95 million

FY 85 obligation: None

Implementation Progress:

- Plant construction is more than 90% complete.
- Commissioning of the plant is underway; it is now expected that performance guaranty testing will be completed by August, 1985.
- Planned output for the current calendar year is about 360,000 metric tons of portland cement. The plant is projected to achieve the capacity to produce 1.4 million tons of cement annually by 1986.

INDUSTRIAL PRODUCTION
(0101)

Purpose: To assist the Ministry of Industry (MOI) in the planning, design and implementation of sub-projects aimed at rehabilitation, modernization and expansion of existing public industrial companies in Egypt.

Description: The project provides a sector fund to finance Government efforts to modernize and expand existing public sector industrial companies. Funds are also provided under the project to improve environmental control and reduce harmful emissions from existing plants. In addition, training is being provided for some 825 MOI personnel and plant managers in project planning and implementation, industrial operations analysis, and pollution control. The primary Egyptian implementing agent is the General Organization for Industrialization (GOFI).

Current Status:

Duration: FY 78 - FY 88

Life of project authorization:	\$130.0 Million (Loan/Grant)
	\$ 83.5 Million (Grant)
	\$ 46.5 Million (Loan)
Obligations to date:	\$130.0 Million (Loan/Grant)
	\$ 83.5 Million (Grant)
	\$ 46.5 Million (Loan)
FY 85 obligation:	None

Implementation Progress:

- A total of \$128.2 million (\$82.3 million Loan; \$45.7 million Grant) of the \$130 million granted has been provided to eight public sector firms through GOFI in support of sub-projects aimed at rehabilitating, modernizing, and expanding these firms. Sub-projects approved have been to finance or help finance capital development or expansion in such industrial areas as: tire making machinery, steel pipe production, refractories, gypsum processing, clay pipe manufacture, food processing and salt manufacturing.

- The capability of the MOI for planning, design and implementation of the sub-projects has been continually strengthened by the provision of managerial and other technical assistance and training by the U.S. contractors, McKee-Kearney and Weston International.

INDUSTRIAL PRODUCTIVITY IMPROVEMENT
(0090)

Purpose: To relieve constraints in industrial productivity by transferring American business know-how in management, manpower, and production technology, and by expanding indigenous institutional capacity to provide consulting services in these fields.

Description: This is an umbrella program with four interrelated sub-projects designed to address different aspects of the problem of relieving constraints to increased industrial productivity in Egypt. The four sub-projects are described separately in this report.

Current Status:

Duration: FY 82 - FY 87
Life of project authorization: \$39 Million
Obligations to date: \$39 Million
FY 85 obligation: None

Implementation Progress:

See implementation sections under current status for sub-projects 0090.1, 0090.2, 0090.3, 0090.4.

MANAGEMENT DEVELOPMENT FOR PRODUCTIVITY
(0090.1)

Purpose: To improve management in selected public and private sector industrial organizations, and to increase the supply of and demand for effective management and organization development services in Egypt.

Description: Under this sub-project, each of approximately 30 industrial firms receive up to one year of intensive, hands-on, consulting, training, and diagnostic services. In addition to increasing the productivity and managerial performance of these firms, sub-project resources are used to develop training and public education programs geared to improving productivity. Consulting services are being provided by Westinghouse, the American Management Association, TEAM MISR and Delta Business Consultants.

Current Status:

Duration: FY 82 - FY 85
Life of project authorization: \$8.5 Million
Obligations to date: \$8.5 Million
FY 85 obligation: None

Implementation Progress:

- Clients serviced by the sub-project have dramatically improved their productivity as a result of project services. For example, one firm is realizing annual savings of 5 million Egyptian Pounds; another increased its production level by 35% while reducing costs at the same time. A cost saving innovative productivity-management information system for management is being installed in another firm.

INDUSTRIAL TECHNOLOGY APPLICATION
(0090.3)

Purpose: To assist public and private sector industrial firms to make more productive use of technology and to identify, assess, and introduce new appropriate technology in an effective manner.

Description: This sub-project provides for delivery of industrial extension services to individual firms in the form of plant visits, diagnostics of productivity problems, and technical assistance and information to solve the problems identified. These activities are supplemented by a specialized technical library, general training programs, and task force visits to the U.S. The project also aims to institutionalize Egyptian capacity to provide such assistance through increasing reliance on Egyptian expertise. Egyptian and American short-term experts complement the professional staff of the implementing agency, the Egyptian Engineering and Industrial Design Development Center (EIDDC) and that of the Georgia Institute of Technology, the U.S. contractor assisting EIDDC implement the sub-project.

Current Status:

Duration: FY 81 - FY 87
Life of project authorization: \$10 Million (Grant)
Obligation to date: \$10 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- During the first two years of the project more than 170 separate engineering diagnostics for client firms were conducted.
- The project's specialized library and information center has responded to nearly 850 requests for information.
- Numerous technical symposia and training programs have been offered. Three groups of industrial leaders and experts have visited specialized facilities and trade fairs in the U.S.

- Firm-level research and development activities have been supported in several factories.
- A new program of computer-assisted productivity-improvement services has been initiated.
- Slightly over half of all firms contacted are from the private sector.

INNOVATIVE PRODUCTIVITY ACTIVITIES
(0090.4)

Purpose: To finance experimental or pilot interventions to improve industrial productivity.

Description: Under this sub-project, private and public sector Egyptian agencies responsible for productivity-enhancement work with U.S. advisors to identify appropriate activities for financing. Activities are supported to the extent that they show potential for improving industrial productivity with a moderate investment of additional resources, especially where the investments encourage participation of the private sector.

Current Status:

Duration: FY 81 - FY 87
Life of project authorization: \$3 million
Obligation to date: \$3 million
FY 85 obligation: None

Implementation Progress:

- Support has been given for the initial start-up of the International Executive Service Corps (IESC) which provides technical advisors to industrial firms from a pool of retired executives recruited internationally.
- The Egyptian Engineering and Industrial Design Development Center has been assisted by the U.S. firm of Ralph Sims and Associates to design a modest-size, affordable, appropriate-technology clay-brick factory.
- The Egyptian Federation of Industries has received support for four activities: a study and strategy for the automotive feeder industry, as well as a follow-on prefeasibility analysis of the production of a small passenger vehicle in Egypt (A.T. Kearney is the U.S. contractor for this activity); a similar study and strategy for the readymade garment industry (the U.S. contractor is Kurt Salman Associates); initial support for the development of a quality-control training program at the American University of Cairo; and assistance to the food, engineering, and textile chambers to help them better understand and service their members (the U.S. contractor is Partnership for Productivity).

PORT SAID SALINES PLANT
(0072)

Purpose: To increase the production of salt for domestic and export markets.

Description: The project finances the reconstruction and modernization of the Port Said Salines Plant, which was partially destroyed during the 1967 and 1973 wars with Israel. The improved plant will have an output of about 194,000 metric tons per year of various types of salt which will be used in industries such as food processing, chemicals, paper, textiles, petroleum, and leather tanning. The primary Egyptian implementing agent is El Nasr Salines Company.

Current Status:

Duration: FY 77 - FY 85
Life of project authorization: \$13 Million
Obligation: \$13 Million
FY 85 obligation: None

Implementation Progress:

- Plant construction was completed in early 1985.
- Commissioning of the plant is completed and performance testing is expected to be completed by the end of July, 1985, at which point the plant will go into full commercial operation.

MEHALLA TEXTILE PLANT REHABILITATION
(0010)

Purpose: To increase the supply of competitively priced textile products to the local and foreign markets.

Description: This project financed the renovation and expansion of the Misr Spinning and Weaving Company textile complex at Mehalla El Kubra. In addition to financing the replacement of obsolete spinning, weaving and finishing equipment, it also financed the dollar costs of a new spinning mill and garment manufacturing plant, power and water treatment facilities, and extensive managerial and technical assistance and staff training. The primary Egyptian implementing agent is the Misr Spinning and Weaving Company.

Current Status: (Completed)

Duration: FY 76 - FY 84
Life of project authorization: \$96 Million
Obligations to date: \$93 Million
FY 85 obligation: None

Obligations to date: \$32.0 Million (Loan/Grant)
 \$31.5 Million (Loan)
 \$.5 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- All funds with the exception of a small residual amount were disbursed for the purchase of U.S. equipment as planned.
- All activities under the project have been terminated; the only remaining actions are the reconciliation of accounts and deobligation of any residual funds.

DEVELOPMENT INDUSTRIAL BANK II
(0045)

Purpose: To improve the institutional capability of the Development Investment Bank (DIB) to provide financing to Egypt's industrial sector, with particular emphasis on support to the private sector.

Description: The project will provide assistance to improve operational management of the DIB. It will focus on reorganizing the Bank's operations, training of Bank personnel by exposure to methods in other development institutions and providing needed equipment including a mini-computer and other required hardware.

Current Status:

Duration: FY 76 - FY 86
Life of project authorization: \$2 Million (Grant)
Obligations to date: \$2 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- This project was slow in starting due to a reorganization of the DIB which had to be completed prior to project start-up.
- Emphasis to date has been on computerization to improve loan processing, monitoring, and internal operations and administration.
- A computer system has been installed and with U.S. consultant assistance the DIB is in the process of shifting from a manual to a computerized system.
- Project implementation is in its final phase with project completion expected by February, 1986.

PRIVATE INVESTMENT ENCOURAGEMENT FUND
(0097)

Purpose: To establish credit facilities for medium and larger sized private sector enterprises for improvement of production facilities.

Description: This grant provides the Government of Egypt with financial resources to establish a fund for medium-term credit for private sector projects with co-financing by participating banks. All sub-loans approved are used to purchase U.S. equipment and related services. Advisory services for project implementation and sub-project appraisal are also provided. The primary Egyptian implementing agent is the General Authority for Investment and Free Zones (GAFI).

Current Status:

Duration: FY 79 - FY 86
Life of project authorization: \$10.8 Million (Grant)
Obligations to date: \$10.8 Million (Grant)
FY 85 obligation: \$22.195 Million

Implementation Progress:

- Because of various problems, the project has not yet reached a fully operational phase; problems encountered include inadequate and inappropriate staffing and lack of proper organizational and necessary legal arrangements to ensure the proper functioning of the Fund.
- USAID suspended approval of Fund sub-loans on April 26, 1982, pending corrective action.
- In June, 1984, USAID, the GOE and selected banks agreed to work together to establish the Fund on a businesslike basis. This effort has resulted in considerable modification of the Fund's organizational and legal arrangements and it is expected that the Fund will become fully operational by the end of June, 1985.
- AID has agreed to provide additional funding (\$22.195 million) in FY 1985 because of the project's improved performance.

PRIVATE SECTOR FEASIBILITY STUDIES
(0112)

Purpose: To undertake several studies and other related activities to determine appropriate means of stimulating U.S. private sector investment in Egypt.

Description: The project involves the conduct of studies and related activities in the following areas: (1) sectoral studies on selected industries; (2) cost-sharing of feasibility studies undertaken by U.S. firms interested in investing in Egypt; (3) cost-sharing of reconnaissance visits to Egypt by representatives of U.S. firms; and (4) development of the criteria, systems procedures and regulations by which the results of the studies and other activities will be managed and implemented. The primary Egyptian implementing agent is the General Authority for Investment and Free Zones (GAFI).

Current Status:

Duration: FY 79 - FY 86

Life of project authorization: \$5 Million (Grant)

Obligations to date: \$5 Million (Grant)

FY 86 obligation: \$3 Million

Implementation Progress:

- The U.S. contractor provided under the project developed the criteria, systems, procedures and regulations for the project reimbursement program and provided 10 sector studies on selected industries. These studies provide guidance for feasibility study requests by U.S. investors.
- A total of eighty-four applications from U.S. investors for cost-sharing of feasibility studies and reconnaissance visits have been received, 36 were approved and 44 disapproved with 4 currently under review.
- Thirteen firms undertook and completed feasibility studies. Three of these firms are proceeding with investment.
- Planning is underway to add 3 million dollars to this project in early FY-86. This planning effort is aimed at exploring new approaches that might enhance both Egyptian and U.S. investment in Egypt.

TAX ADMINISTRATION

(0115)

Purpose: To modernize the administration of the Government of Egypt's personal and business income tax systems to achieve improved tax equity and additional tax revenues.

Description: The project finances the development of an institutional capacity to administer the tax collection program by establishing a Tax Training Institute (TTI), developing an independent automatic data processing (ADP) division and by reorganizing the Government's Tax Department. The primary Egyptian implementing agent is the Ministry of Finance.

Current Status:

Duration: FY 80 - FY 86
Life of project authorization: \$3.7 Million (Grant)
Obligations to date: \$3.7 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- Two full-time advisors for the U.S. Internal Revenue Service are continuing their technical advisory role with the Ministry of Finance to improve the tax collection system in the country.
- Automatic Data Processing (ADP) equipment is in place, and a favorable evaluation of the project's ADP component was completed in December, 1984.
- Progress to date in establishing the TTI includes: increasing institutional capability to carry on development and implementation of various internal training programs; establishment of regional training offices; establishment of off-site training centers in Alexandria and Ismailia.
- New procedures in several operational areas of tax administration are currently being implemented nationwide; e.g., processing of forms for data processing and office collection programs and distribution of reports generated by ADP.

PRIVATE SECTOR PRODUCTION CREDIT
(0147)

Purpose: To increase investment in productive private sector enterprises.

Description: The project provides short term credit to the Egyptian private sector to finance the importation of goods and equipment from the United States. Nine local private and public sector banks administer the loan program. The project also finances a sizable training and studies component to upgrade the level of administration and management of participating banks. The primary Egyptian implementing agent is the Ministry of Planning and International Cooperation.

Current Status:

Duration: FY 82 - FY 85
Life of project authorization: \$88 Million (Grant)
Obligations to date: \$88 Million (Grant)
FY 85 obligation: \$20 Million (Grant)

Implementation Progress:

- The project originally allocated \$67 million for credit activities. To date over 365 transactions valued at approximately \$65 million of the \$67 million allocated for credit activities have been approved.
- A group of six bankers has recently begun training at the University of Pittsburgh to upgrade the level of management performance at their respective banks by serving as in-house trainers.
- Companies such as Union Carbide Egypt (a Law 43 company), Ramsis International Aviation Transportation and Agribusiness Company, Express Washing Machine Company and the Bishura Textile Manufacturers have used project financing to import respectively raw materials such as acetylene black, manganese ore, and other chemicals used in the manufacture of batteries; agricultural spray aircraft and spare parts, electric motor washing machines, and textile machines, dye stuffs, and yarns.
- About \$3 million per month is being provided in credit.

BUSINESS SUPPORT AND INVESTMENT
(0159)

Purpose: To accelerate real growth of the Egyptian private sector and promote increased private investment.

Description: The project provides assistance for a series of interrelated activities to assist the Egyptian Government to improve the investment/business climate in Egypt. Those activities are being implemented by local counterpart organizations and provide assistance to selected private firms in the following areas: (1) capital markets mobilization; (2) support to the Investment and Free Zone Authority; (3) support to the International Executive Service Corps. (IESC); (4) improvement of accounting and financial reporting and auditing; and (5) improvement of legal and financial systems. The primary Egyptian implementing agent is the General Authority for Investment and Free Zones (GAFI).

Current Status:

Duration: FY 83 - FY 86

Life of project authorization: \$9.1 Million (Grant)

Obligations to date: \$9.1 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- Investment and Free Zone Authority (GAFI) - GAFI and AID recently concluded negotiations on a plan of action to assist GAFI in the areas of training, technical assistance and purchase of office equipment to improve its capability for assisting private sector firms.

- International Executive Service Corps (IESC) - To date, 53 Egyptian firms have worked with IESC supplied advisors to increase their productivity and profitability.
- Little progress has been made to date in the areas of capital markets mobilization and improvement of accounting and financial reporting and auditing. AID is closely monitoring performance of these components to see that necessary actions are taken to improve performance or to reallocate resources to other components if performance is not improved.

APPLIED SCIENCE AND TECHNOLOGY RESEARCH
(0016)

Purpose: To improve the institutional capability of the Egyptian Science and Technology community to develop and manage research programs to solve priority development problems.

Description: The project finances four sub-projects which provide financial support for selected science and technology activities being carried out by Egyptian technicians in the areas of: policy studies, research and development management; research demonstration in agriculture, and bio-energy; industrial research and development in industry; infrastructure support systems in scientific and technical information services, instrumentation technology, maintenance and repair; and standards and quality control. The primary Egyptian implementing agent is the Egyptian Academy of Scientific Research and Technology (ASRT).

Current Status:

Duration: FY 80 - FY 86
Life of project authorization: \$24.4 Million
Obligations to date: \$24.4 Million
FY 85 obligation: None

Implementation Progress:

- The U.S. National Academy of Sciences (NAS) has assisted in a number of Science and Technology policy studies which culminated in the preparation of a draft technology policy for Egypt by ASRT. NAS has also provided consulting service and on-the-job training in research and development management, and research and development demonstration projects.
- The U.S. National Institutes of Health (NIH) and the University of Wisconsin (UW), are establishing an instrumentation technology unit at the Scientific Instrumentation Center (SIC) located at the National Research Center in Cairo and maintenance and repair centers at eight universities in Egypt.

- The Georgia Institute of Technology is establishing five science and technology information nodes at five Egyptian ministries.
- The U.S. National Bureau of Standards (NBS), is introducing new methods of quality control and standardization at the Egyptian Organization of Standardization and the Egyptian National Institute of Standards.

ENERGY POLICY AND RENEWABLE ENERGY FIELD TESTING
(0123)

Purpose: To assist the GOE achieve efficient utilization of Egypt's extensive and increasingly complex range of energy resource options.

Description: Under this umbrella program these sub-projects have as their common goal the strengthening of Egypt's overall national energy planning and management capability. This improved capacity will enable the GOE to analyze various energy supply options, better identify and pinpoint energy demand and effectively design and implement appropriate energy programs.

Current Status:

Duration: FY 80 - FY 85
Life of project authorization: \$32,600,000
Obligations to date: \$12,300,000
FY 85 obligation: \$ 2,000,000 (for sub-project 0123.1)

Implementation Progress:

See implementation progress sections for sub-projects 0123.1 and 0123.2

ENERGY POLICY PLANNING
(0123.1)

Purpose: To strengthen the Government of Egypt's institutional capability to undertake data collection, perform integrated energy supply/demand analysis in support of national energy planning and policy making and implement policy decisions.

Description: The project is comprised of three components: institution building; professional development and special studies. The institutional building components assists the newly created Organization for Energy Planning (OEP) in its primary role of providing analytical analysis to the Egyptian Supreme Council on Energy and to assist in the implementation of energy policy. The professional development component provides training to OEP staff and staff from other cooperating government agencies. The special studies component conducts priority planning studies that will focus on priority

energy policy topics and serve as a learning vehicle for OEP. The primary Egyptian implementing agency is the Organization for Energy Planning attached to the Ministry of Petroleum and Mineral Wealth.

Current Status:

Duration: FY 82 - FY 88
Life of project authorization: \$8.5 Million
Obligations to date: \$5.0 Million
FY 85 obligation: None

Implementation Progress:

- The OEP has been established by the Government of Egypt and staff recruitment is almost complete.
- Initial training of Government officials in industrial energy conservation has been completed.
- Detailed descriptions of work to be performed during planned special studies in industrial conservation and national energy analysis have been completed and approved. Similar descriptions of work for studies in transportation, energy conservation and electric power systems conservation have been completed in draft.
- Because of OEP staff efforts more than 60 Egyptian public sector companies representing over 150 plants have indicated interest in energy audits of their operations.
- Nine industrial plants representing moderately large energy users in separate industrial sectors have been identified for initial energy audits.
- Pre audits have been completed and full audits initiated in two plants.

RENEWABLE ENERGY FIELD TESTING
(0123.2)

Purpose: To strengthen Egyptian public and private sector capability for design, procurement, installation, operation, maintenance and evaluation of renewable energy technologies that have potential for commercial use throughout Egypt.

Description: The project finances eleven field tests including: 5 solar thermal industrial process heating tests; 3 photovoltaic tests and 3 wind tests systems. The proposed field tests will be reviewed for their technical, financial and economic attributes. Following a positive review, the Egyptian Electricity Authority (EEA) will undertake site preparation prior to installation of test equipment. A period of up to two years is scheduled for

gathering data and evaluating systems performance. Training will be provided to site engineering and operating personnel as well as EEA's technical and management personnel. An information system based on user needs will be developed as an integral part of the project. The primary Egyptian implementing agency is the Egyptian Electricity Authority (EEA).

Current Status:

Duration: FY 82 - FY 88

Life of project authorization: \$24.0 Million (Grant)

Obligations to date: \$ 7.3 Million (Grant)

FY 85 obligation: \$ 2.0 Million (Grant)

Implementation Progress:

- Project administration was moved within the Ministry of Electricity from the Qattara Authority to the Egyptian Electricity Authority resulting in substantial delays in implementation.
- The project management contractor, Louis Berger International Inc., has fielded a full staff of advisors and is performing satisfactorily.
- The wind resource assessment contractor, Battelle PNL, has purchased and installed the wind instrumentation equipment.
- The first Wind Resources short training course has been held with attendees from EEA, other Egyptian ministries, universities and one international organization.
- The Project Annual Operating Plan has been reviewed and approved.

MINERAL, PETROLEUM AND GROUNDWATER ASSESSMENT
(0105)

Purpose: To improve the availability and usefulness of data gathered by the government of Egypt on existing and potential mineral, petroleum and groundwater resources to enable both public and private decision makers to better determine technology transfer requirements for the development of these resources and to encourage greater private sector participation in their development.

Description: The program is designed to create conditions for technology transfer in the fields of geology, hydrology, and remote sensing and to enhance the role of the private sector in the expansion of industrial productivity by strengthening the Government of Egypt's ability to provide commercially relevant information on existing and potential petroleum, mineral and groundwater resources. It will provide assistance to the four Government geological institutions to: (1) improve the organization of current data on

potential mineral, petroleum, and groundwater resource; (2) compile reports on newly summarized areas of potential mineral, petroleum, and groundwater resources; and (3) improve Government institutional capacity to acquire, organize, analyze, retrieve and disseminate data on potentially commercial mineral and petroleum resources. The primary implementing agents are the four Government geological institutions the Egyptian General Petroleum Corporation (EGPC), the Egyptian Geological survey and Mining Authority (EGSMA), The Desert Research Institute (DRI), and the Remote Sensing Center (RSC).

Current Status:

Duration: FY 80 - FY 87
Life of project authorization: \$46.2 Million
Obligations to date: \$29.7 Million
FY 85 obligation: \$ 9.0 Million

Implementation Progress:

- An aeromagnetic/radiometric survey to identify petroleum basins and buried minerals has been completed in the eastern desert by a U.S. contractor, Aeroservice Division of Western Geophysical of America.
- Twenty Egyptians have received on-the-job training on data acquisition and compilation of sophisticated airborne geophysical instruments.
- A joint U.S.-Egyptian team has completed aeromagnetic interpretation of the central part of the eastern desert. This study lead to the ESSO corporation acquiring a petroleum concession.
- Seventeen Egyptian field parties for EGSMA and DRI are currently investigating gold, gypsum, potach and groundwater in the eastern desert of Egypt.
- Twenty Egyptians have completed training in the U.S. in different geology and remote sensing disciplines. The training is organized by a U.S. technical assistance contractor, Bendix Field Engineering Cooperation.
- Five colored geology and metallogenic maps were compiled and printed locally by the cartographic department established with project funds.

IV. HUMAN RESOURCES

Programs and projects presented in this section focus on improving the physical quality of life of the Egyptian people and on improving their productivity in the workplace. They focus specifically on: (1) Population - supporting Egyptian public and private programs to spread modern family planning methods; (2) Health - improving child survival rates and developing private health services on a cost-recovery basis; (3) Education - improving access to primary schooling and upgrading professional training through training programs in the United States and in Egypt.

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FAMILY PLANNING
(0029, 0144)

Purpose: To strengthen family planning services and contraceptive supply services nationwide in order to increase the number of couples actively practicing family planning.

Description: The program is coordinated by the Ministry of Health (MOH) and the Population Family Planning Board. Other implementing organizations are: the State Information Service; the American University in Cairo; The Cairo Demographic Center; and several government and private agencies, such as the Family of the Future. These organizations implement sub-activities designed to improve the administration, supply, and outreach of Egypt's family planning program. The second grant program (0144) continues activities initiated under the first grant program (0029), as well as providing support to the MOH for a rural family planning promoting campaign and helping finance the 1986 population census.

Current Status:

Duration: FY 77 - FY 85 (0029)

FY 83 - FY 85 (0144)

Life of project authorization:	\$170.0 Million (Grant)
	\$ 67.4 Million (0029)
	\$102.6 Million (0144)
Obligations to date:	\$ 87.4 Million (Grant)
	\$ 67.4 million (0029)
	\$ 20.0 million (0144)

Implementation Progress:

- The Population and Development Project (PDP) administered by the Population and Family Planning Board, continues to successfully promote and institutionalize family planning and the increase of contraceptive usage at the village level and provide support for socio-economic activities in rural communities in 13 rural governorates. Renovation of 385 rural health units and centers has also been completed with project support.
- A Field Training Center has been established at the village of Abbis II by the High Institute of Public Health (HIPH), of the University of Alexandria to provide HIPH graduate students, MOH delivery services staff and other social service professionals practical experience in the planning and management of health and family planning outreach services.
- As of December 31, 1984 the MOH had completed a three year comprehensive contraceptive training program for 1,500 physicians in six governorates. The MOH has also initiated a contraceptive training program for resident physicians in nine university and 27 MOH teaching hospitals which reaches over 5000 newly graduated MD's a year.

- An International Islamic Center for Population Studies has been established.
- A family planning information education and communication program initiated by the MOH has been established for all personnel in each health unit and center nationwide.
- Promotion and distribution of contraception through pharmacies and private physicians is encouraged through support to a private sector social marketing program, the Family of the Future. This program has been responsible for a 26 percent increase from March, 1984 to March, 1985 in "couple years" of contraceptive protection.

STRENGTHENING RURAL HEALTH DELIVERY
(0015)

Purpose: To assist the Ministry of Health to improve the health status of the Egyptian people and reduce the population growth rate through the development of replicable health and family planning services that will strengthen the rural health delivery system.

Description: The project has developed and tested health and family planning delivery services which are most likely to have a significant long-term impact on the improvement of the health of the rural Egyptian population. Examples of services developed include: an improved health/family planning supervisory system; a health services village outreach program; tetanus immunizations; and an oral rehydration therapy (ORT) program for the reduction of the high rate of diarrhea deaths in the infant population. The primary Egyptian implementing agent is the Ministry of Health.

Current Status:

Duration:	FY 76 - FY 86
Life of project authorization:	\$14.9 Million
Obligations to date:	\$14.9 Million
FY 85 obligation:	None

Implementation Progress:

- The project has trained in excess of 3,500 Egyptian physicians, nurses, sanitarians and laboratory assistance in Egypt and approximately 75 in the United States and other countries.
- The successful test results of the project-developed Oral Rehydration Therapy program led to a separate \$26 million project aimed at decreasing infant mortality by 40% nationwide.

- A program of all proven interventions developed under the project are currently being tested in the four Governorates of Assiut, Fayoum, Dakahliya, and Beheira.
- Project activities presently impact on almost 10 percent of the Egyptian population.

URBAN HEALTH DELIVERY SYSTEM
(0065)

Purpose: To improve delivery and utilization of urban primary health care services, particularly maternal and child health (MCH), in the cities of Cairo and Alexandria.

Description: The project provides training, technical assistance, community outreach programs support for, the delivery of health services in the most needy neighborhoods, physical improvements or construction of health facilities and cooperation between the health services of the Ministry of Health, Cairo University and the Health Insurance Organization to upgrade health care services in Cairo and Alexandria. The primary Egyptian implementing agent is the Ministry of Health.

Current Status:

Duration: FY 78 - FY 87

Life of project authorization: \$45.55 Million

Obligation to date: \$45.30 Million

FY 85 obligation: \$ 8.30 million

Implementation Progress:

- The renovation of 13 maternal/child health (MCH) Clinics in Cairo has been completed. Renovation work in 5 more clinics in Cairo and 11 in Alexandria is underway.
- Construction of eight General Urban Health Clinics in Cairo is underway.
- Design work for a Center for Social and Preventive Medicine at Cairo University is nearing completion.
- Health service improvement interventions are being implemented successfully in the project's MCH clinics.
- Over 3,000 physicians, nurses, midwives and other health workers in the project areas have been trained in Egypt.

INTEGRATED SOCIAL WORK CENTERS
(0020)

Purpose: To assist the Ministry of Social Affairs (MSA) to expand and improve social services.

Description: This project was designed to find ways in which social services, such as child care centers and vocational training, could be made more responsive to community needs. It financed establishment of a center for the training of social workers in the town of Tanta in the Delta region of Egypt. The center is structured and its curriculum focused to produce trained social workers capable of identifying community needs and recommending and implementing appropriate responses to these needs.

Current Status: (Completed)

Duration: FY 77 - FY 83

Life of project authorization: \$2.5 Million (Grant)

Obligations to date: \$2.5 Million (Grant)

FY 85 obligation: None

Implementation Progress:

- A model Demonstration Training Center in Tanta was established and is fully operational.
- A full range of training programs were designed and one full training cycle completed.
- A University of North Carolina (UNC) team provided technical guidance for the introduction and establishment of a wide range of training programs for the Tanta Center; the Ministry of Social Affairs is now conducting in-service courses begun as a result of the project.
- Short and long-term training in social work and community development was carried out in the U.S. at UNC for MSA staff members.

CONTROL OF DIARRHEAL DISEASES
(0137)

Purpose: To reduce infant and child mortality due primarily to diarrhea-caused dehydration by making rehydration services widely available through a national program.

Description: The project trains public and private sector health personnel in rehydration therapy, establish rehydration centers in all governorate health centers and hospitals, produce and distribute rehydration materials, and

promote the use of rehydration through a multi mass-media campaign. The primary Egyptian implementing agent is the Ministry of Health.

Current Status:

Duration: FY 81 - FY 87
Life of project authorization: \$26 Million
Obligations to date: \$26 Million
FY 85 obligation: None

Implementation Progress:

- A National Oral Rehydration Therapy (ORT) campaign began in 1984, after a successful pilot effort in Alexandria in 1983.
- ORT training centers have been established in 30 teaching hospitals nationwide and 2000 physicians and 1000 nurses have received training; ORT services are now available in every governorate of Egypt.
- The ORT campaign is being supported by T.V. commercials which have proven effective in dispensing ORT information.
- Oral Rehydration Salts (ORS) are being produced by a private firm in Egypt; 98 percent of all pharmacies in Egypt now sell ORS.
- The project is conducting baseline data surveys and supporting research in diarrheal disease treatment and control.
- Activities in FY 85 are focused on establishment of ORT centers in 2000 Ministry of Health clinics, training of clinic personnel and development of additional media messages for T.V. on ORT and child nutrition.

PL-480 TITLE II

Purpose: (a) To improve elementary school attendance and increase classroom attention by providing energy and improved nutritional status for elementary school students in Egypt; (b) to reduce mortality and morbidity among Egypt's zero to three year olds and their mothers by providing nutrients to infants during their weaning period and to their mothers; and (c) to provide a nutritious meal to other young children at Day Care Centers and orphanages, and children of Bedouin families in the Sinai.

Description: The project provides support through the Catholic Relief Services, (CRS), CARE, and the World Food Program (WFP) for child feeding programs including: (1) a School Lunch Program, which provides a nutritious lunch to 1.2 million elementary school students in Egypt from Cairo north to the Delta region; (2) a Maternal and Child Health (MCH) Program which distributes nutritious foods such as wheat flour and milk to mothers and

children through Ministry of Health operated MCH Centers; (3) other child feeding activities which provide nutritious foods to mothers and children through day care centers and directly to Bedouin families in the Sinai. Under the Title II arrangement, USAID makes annual allocations of such commodities as milk powder and wheat flour to CRS, CARE and WFP who in turn have these converted into nutritious foods such as cheese and bread for the School Lunch Program or packaged for direct distribution to orphanages and families with children in Government MCH clinics, day care centers or of Bedouin families in the Sinai. The primary Egyptian implementing agent is a GOE International Committee responsible for coordination from the point of discharge at the port in Alexandria.

Current Status:

Duration: FY 85 - FY 89

Life of project authorization: Authorizations are made annually.

Obligations to date: \$158.3 Million (Grant)

FY 85 obligation: \$ 11.7 Million (Grant)

Implementation Progress:

- School Lunch Program (SLP): In FY 84 under CRS administration 13.8 thousand metric tons (MT) of wheat and milk powder valued at \$1.8 million were provided for 1.2 million students in schools north of Cairo. Through WFP 3.6 thousand MTs of milk powder valued at \$0.4 million were provided for approximately the same number of students in schools south of Cairo. The Ministry of Education is convinced that this mid-day lunch sustains high levels of attendance.
- Maternal Child Health (MCH): In FY 84 under CRS administration 17.2 thousand MTs of instant corn-soy-milk, milk powder, and vegetable oil was provided for 0.9 million mothers and infants in Maternal Child Health Centers throughout Egypt. While benefits attributable specifically to these nutrients cannot be shown, their employment in combination with oral rehydration therapy, immunization, and improved health facilities have contributed to infant mortality reductions as high as 40% in some governorates.
- Other Child Feeding (OCF): In FY 84 through CRS and CARE 8.9 thousand MTs of food valued at \$2.5 million including milk powder, bulgur wheat, vegetable oil and wheat flour was provided for 95 thousand children attending Day Care Centers and for children of Bedouin families. These recipient numbers are expected to decrease rapidly as CARE AND CRS programs encouraging food self-reliance are implemented.
- The PL 480 Title II program in Egypt will begin a gradual phase out in FY 85 with the ending of the School Lunch Program and complete the phase out in FY 89 with the ending of the MCH program. GOE resources and USAID resources provided under a nutrition education and a weaning food supplement program will be provided as Title II assistance is gradually terminated to continue the level of nutrition support for mothers and children.

PEACE FELLOWSHIPS PROGRAM
(0110)

Purpose: To strengthen and expand the trained manpower available to assist Egyptian development efforts.

Descriptions: The project provides grant assistance for scholarships for 1900 potential Egyptian leaders to study in U.S. universities for one or two years in disciplines critical to the country's economic growth. The grant is administered by the Ministry of Higher Education (MOHE) whose Missions Department handles participant training for the Government of Egypt. The Ministry selects Peace Fellow candidates and directs the program through a Project Management Committee. A U.S. private voluntary organization, AMIDEAST, under contract with the Missions Department handles placement of Peace Fellowship candidates in U.S. institutions and provides counseling and financial management. AMIDEAST also provides technical assistance to the Missions Department to improve its operations.

Current Status:

Duration: FY 80 - FY 86

Life of project authorization: \$60 Million

Obligations to date: \$60 Million

FY 85 obligation: \$6 Million

Implementation Progress:

- Over 1000 Peace fellowships (20 percent women) have completed training and 500 are currently studying in the U.S. Approximately 67 percent of the students are pursuing non-degree studies, and of the remaining 33 percent, 19 percent are pursuing doctorates and 14 percent are pursuing master's degrees.
- Sponsorship of Peace Fellows has come from a good mix of sources: universities (50%); Ministries (23%); private firms (15%); public companies (6%); research institutions (6%). Also fields of study pursued have been varied including: engineering and applied science (30%); health (29%); agriculture (12%); education and social science (12%); business administration (10%); architecture (4%); and economics (3%).
- An evaluation conducted in 1983 as well as ongoing AID observation/monitoring and dialogue with Egyptians officials confirm that the Government of Egypt is pleased with the performance of returned Peace Fellows and that skills acquired under the program are appropriate and are making a significant contribution to Egypt's development.

- In November, 1984, USAID Cairo received an official request from the Ministry of Planning and International Cooperation for a \$6 million increase in support for the Peace Fellows program. AID responded favorably to this request and is in the process of making this additional funding available.

UNIVERSITY LINKAGES
(0116)

Purpose: To support an Egyptian Government plan to mobilize and supplement the applied research activities of Egyptian university professors by financing their efforts to solve priority Egyptian development problems under sub-projects carried out jointly by Egyptian and American universities.

Description: The project provides the mean for improving Egypt's applied research capacity and the research and analysis skills of key contributors to the development process in Egypt by financing resource requirements for applied research sub-projects carried out jointly by Egyptians and American university researchers. Assistance is also provided in establishing the necessary linkages between Egyptian and U.S. institutions and researchers. Grant funds are channeled to select researchers through the Foreign Relations Coordination Unit (FRCU) of the Egyptian Supreme Council of Universities which acts as the central disbursement agent and program manager for the sub-projects supported by this project. The primary Egyptian implementing agent is the Supreme Council of Universities (SCU).

Current Status:

Duration: FY 80 - FY 86

Life of project authorization: \$27.5 Million (grant)

Obligations to date: \$17.5 Million (grant)

FY 85 obligation: \$ 3.0 Million

Implementation Progress:

- A total of 248 joint research ventures or "linkages" between Egyptian universities and U.S. universities have been arranged and supported to date. 145 of these are "mini-linkages" funded at \$50,000 a year for one to three year durations; 45 are capacity building grants funded at \$50,000 for one year and aim to raise the capability of Egyptian faculty members to do applied research; 53 are "micro survey linkages" funded at \$10,000 for one year and supporting preliminary investigations of research topics leading to larger linkages, and 5 are "maxi-linkages" involving broad multi-disciplinary applied research activities between Egyptian and U.S. universities. The maxi-linkages have been in the areas of desert development, sugar beets studies, liver diseases, citrus seedlings and energy studies.

- To date the project has involved roughly 3000 participants from Egyptian universities, ministries and industries interested in research results, as well as U.S. research counterparts.
- Many of the joint research projects supported have arrived at findings that have caused considerable savings in industrial processes, others have the potential for causing such savings. In the industry priority area promised annual savings are of the order of \$2.3 million. A mini-linkage investigating the Suez oil refineries has caused annual savings of \$600,000. Another linkage involving the Cairo Power Generation Stations promises a 30% saving in operating costs. A linkage in the food production priority area has produced a new cattle fodder. This new fodder has been certified by the Ministry of Agriculture (MOA) and will cause savings of 160 Egyptian Pounds per ton. The annual capacity for its production is 1.5 million tons leading to potential savings of LE 240 million a year. The MOA is carrying out a feasibility study with Ain Shams University for mass production of this new fodder.

VOCATIONAL TRAINING FOR PRODUCTIVITY
(0090.2)

Purpose: To strengthen the capacity of the Ministry of Industry and Mineral Resources to plan and implement vocational training programs that support the Government of Egypt's strategy to raise productivity.

Description: The focus of this project is on providing training services directly to individual companies to increase the productivity of their existing labor force and on institutionalizing the service capability of the Ministry of Industry and Mineral Resource's vocational training arm, the Productivity and Vocational Training Department (PVTD). Assistance to PVTD is strengthening its ability to manage decentralized, user oriented innovative vocational training systems through: (1) providing instructor training and upgrading; (2) developing skill standards and competency tests; (3) providing selected participant training in the U.S.; (4) establishing a management information system and an instructor training institute; and (5) increasing employment opportunities for women in skilled trades. The primary Egyptian implementing agent is the Ministry of Industry and Mineral Resources.

Current Status:

Duration: FY 83 - FY 87
Life of project authorization: \$17.5 Million (Grant)
Obligations date: \$13.4 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- Vocational education curriculum and instructional materials are being developed, translated into Arabic, and field tested.

- Various in-service activities have been offered to improve performance of PVTD staff members and instructors including: job related training; development of instructional materials; pedagogical techniques; and occupational skills.
- About half of those selected for participant training abroad have completed the training program; the other half will complete training over the next 2 years.
- Substantial progress has been made in encouraging women to enroll in non-traditional occupational programs. For example, brochures, posters and audio visual presentations have been developed to recruit women; approximately 16 women completed training in the electrical program, and another group of women is being recruited for training in this area.
- Progress has been made in the development of a management information system, and in the development of trade standards and competency exams.
- A planned instructor training institute and instructional materials production center are being designed and are expected to be completed and operational by January, 1986.

SUEZ AREA MEDICAL EDUCATION AND HEALTH SERVICES DEVELOPMENT
(0136)

Purpose: To develop an innovative problem-solving mode of medical education for community physicians in primary and preventive health care delivery and in the management and delivery of basic community health services.

Description: This project assist the Suez Canal University establish an innovative system of medical education at it's new Faculty of Medicine. Assistance is primarily directed towards the provision of high level technical assistance from several American medical schools and one Canadian, and a Dutch medical school to establish the innovative system of medical education. The project also promotes integration of the resources of the Faculty of Medicine and the Ministry of Health for support of programs in the five governorates bordering on the Suez Canal. It further provides funds to renovate approximately 30 Ministry of Health facilities which collaborate in training Faculty medical students. The primary Egyptian implementing agent is the Ministry of Health (MOH).

Current Status:

Duration: FY 80 - FY 87

Life of project authorization: \$17.1 Million (Grant)

Obligation to date: \$15.9 Million (Grant)

FY 85 obligation: \$5.1 Million (Grant)

Implementation Progress:

- Development of detailed curricula and associated activities for four years of the six-year medical program has been completed.
- The first group of MOH facilities have been renovated; renovation of a second group is underway.
- To date, more than 100 months of professional training has been provided to Faculty of Medicine and Ministry of Health officials; permanent housing has been provided to 9 faculty members; and a faculty group practice has been established and is self-sufficient.
- Work is progressing on completion of the detailed curricula for the fifth year of the medical school program.
- A graduate degree program for core Faculty of Medicine personnel will begin in late 1985.

BASIC EDUCATION
(0139)

Purpose: To expand the capacity and increase the relevance, efficiency, and effectiveness of basic education in Egypt.

Description: This project includes four components: (1) construction of primary and preparatory schools; (2) provision of instructional materials; (3) provision of technical assistance to the Ministry of Education in educational planning and management; and (4) evaluation of the AID assistance effort. The primary Egyptian implementing agent is the Ministry of Education.

Current Status:

Duration: FY 81 - FY 88

Life of Project authorization: \$85 Million

Obligation to date: \$85 Million

FY 85 obligation: None

Implementation Progress:

- A total of 180 primary and preparatory schools has been constructed to date. Instructional materials and equipment including maps, globes, overhead projectors, science equipment, carpentry tools, etc. totaling \$20 million have been procured, more than half of which has been distributed among 15,000 primary and preparatory schools.
- Teams of Egyptian and American technical advisors have produced studies to assist the Ministry of Education in educational planning and management,

and made specific recommendations for the improvement of curriculum, teacher training and for reducing the number of drop-outs and repeaters. A micro-computer based planning and monitoring model also has been produced for use by Ministry officials in Cairo and in regional offices.

- An evaluation of the first year of AID assistance was completed in August 1984 and recommendations for improvement of project performance are being implemented.

VEHICLE MAINTENANCE TRAINING (0114)

Purpose: To establish a heavy vehicle maintenance training center to serve the training needs of nine large Egyptian public sector bus and truck transport companies.

Description: The project provides technical assistance, participant training and equipment and supplies to establish a vehicle maintenance training center in the Mataria District of Cairo to upgrade the skills of the approximately 5000 vehicle maintenance workers employed by the nine target public sector bus and transport companies. Implementation of the project is carried out under a contract between the Egyptian General Syndicate for Land Transport (GLT), the primary Egyptian implementing agent, and a U.S. RCA service company.

Current Status:

Duration: FY 80 - FY 85
Life of project authorization: \$4.5 Million (Grant)
Total obligation to date: \$4.5 Million (Grant)
FY 85 obligation: None

Implementation Progress:

- The GLT Training Center became fully operational in August, 1984 and has developed the capability of providing training in over 12 key vehicle maintenance occupation/trade areas and of upgrading approximately 540 key maintenance workers to the skilled mechanic level each year.
- The fifteen instructors trained in U.S. vehicle maintenance training programs and seven others trained in-country are performing well at the new training center.
- Twelve engineers are currently receiving training at the new GLT Training Center.
- A Total of \$1.2 million in equipment for the training center has been installed and is now fully operational.