

TAPR IQC Egypt
Technical Assistance to Support Economic Policy Reform
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Deliverable for Task Order 12 – Support to the Foreign Trade Sector Office

**Task Order #12
Training Plan**



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IV. Introduction (pages 5&6)

Management & Organization of FTS

There are seven units in MEFT responsible for trade affairs, including policy, promotion of exports, negotiations, product inspection, data, WTO relations, and remedies. The key unit among them is the Foreign Trade Sector (FTS). The Sector, with about 350 employees, was established with a very broad mandate for making, monitoring and implementing trade policies. The mandate is carried out through analyzing data, conducting research, developing policy reform recommendations, developing trade remedies, and supporting trade negotiations.

FTS is broadly involved in policy analysis and policy implementation. Other, specific duties include the administration of trade remedies, supporting negotiations, monitoring trade agreements, interpreting and enforcing trade regulations and carrying out sector specific studies of international trade problems and issues. FTS is the organization in the GOE with primary responsibility for trade policy analysis and economic research required to support policy reform, trade negotiations, and trade policy implementation.

The Contractor will assist the GOE in the implementation of the reorganization plan and institutional reform plan for the FTS. To this end the Contractor will:

Develop and manage the training of the newly appointed staff in FTS and other existing staff in accordance with the training needs specified in the plan. Four elements constitute the broadly conceived institutional capacity building effort: 1) employing and training new technical and managerial staff, 2) reorganizing functional units, 3) improving processes needed to carry out their mandate, and 4) further strengthening the Economic Research Unit by employing a critical number of technically advanced analysts and integrating them with existing personnel.

In carrying out the reform plan, the Contractor will work closely with DT2 on:

(remainder of (1) unchanged)

(2)Economic Analysis Strengthening

A new trade policy analysis unit will be formed, using as a base the twenty newly employed economists. The contractor will be responsible for identifying economic research requirements and assisting the unit in carrying out the indicated research. Technical transfer through on the job training will be the principal means of assistance. For this purpose the contractor will:

Assist in selection of the new economic analysis staff.

Identify the major problem areas requiring economic research and assist through hands on involvement in producing trade policy studies. Assistance throughout the process, from problem identification to policy recommendations, is required, and it must be through direct involvement of the contractor throughout.

Design training programs and materials and carryout the training program. Programs must be carefully tailored to the specific requirements of the research tasks and level

of formation of the research staff. Training will necessarily range from economic theory to economic research methodology to trade policy more broadly defined. DT2 will be used to implement the training where practicable.

The principal method of technical transfer will be intensive on-the-job training, where the advisor actually becomes a part of the research team. Research will fall within five general areas: 1) impact of trade policy reform on macro-economic variables, 2) industry analysis, 3) impact of trade policy reform on consumers and producers, 4) economic analysis to support export promotion and 5) quantitative modeling of a whole range of trade related policies.

Lead meetings and discussions with FTS top management designed to formulate a strategy for enhancing the role of the private sector in trade policy formulation. Recommend software, analytical packages, and models to be used by the FTS in conducting economic analysis and provide FTS with technical assistance in their use. Provide technical (economic) input into development of the overall institutional reform process.

(4) Trade Policy Analysis

Trade policy analysis has several dimensions in addition to economic research. These dimensions, including economic analysis, political analysis, social analysis, and international agreements, are seen to be part of the newly envisioned FTS which is to be composed of four central departments: 1) external relations including intergovernmental affairs, public affairs, negotiations, and international affairs, 2) trade policy analysis, including economic research, trade remedies, competition policy, trade agreements, and information systems, 3) legal aspects of trade, including counsel to FTS, litigation, and expert testimony, and 4) administrative services.

The trade policy analysis unit is the central unit for developing trade policy in most of its dimensions. As such, the policy reform recommendations or proposals that arise from its work must include the several dimensions (economic, political, international, and social.) The trade policy analyst envisioned in this SOW will have the broad function of enhancing FTS capability to produce trade policy proposals that include all of the dimensions in trade policy reform necessary for producing a complete, comprehensive package to policy makers. To this end, this advisor will undertake the following specific tasks:

- A. Develop and design training programs that would enhance the staff capacities of the FTS trade policy team with respect to international trade policy analysis, policy formulation and policy implementation.
- B. Provide guidance to training needs and design and implement on the job training with respect to trade policy, WTO agreements, and the trade policy formulation process.
- C. Assess and make recommendations concerning the current trade policy formulation process in the FTS and implement enhancements as needed.
- D. Participate in meetings and discussions designed to develop a strategy for enhancing the role of the commodity councils and

other private sector associations in trade policy formulation and implementation.

I. Proposed Training Plan for the New Recruits

A two-track training plan is suggested for the new recruits:

1st. Understanding the Ministry of Economy and Foreign Trade Sector

It is suggested that the new recruits be provided with an in-depth orientation covering the structure, functions and mandate of the Ministry of Economy and Foreign Trade. Topics shall include:

1. Ministry of Economy and Foreign Trade (MEFT) mission, functions and organizational divisions. Also, interface between MEFT and other governmental authorities.
2. Employee salary structure, benefits and career path.
3. Mission, functions and organizational divisions at FTS.
4. Review of job descriptions, responsibilities and skills required.
5. Methods of resource allocation to functions to be carried out and training provided.
6. General information covering the global and national economies and recent developments in international trade. Also, current status of trade in Egypt.
7. General information describing key global, regional and bi-lateral economic blocks, partnerships and organizations.
8. Sources and methods for international and local trade data gathering.
9. Description of present research conducted, reports and studies preparation, methodologies, and the existing policies evaluation process.
10. Existing process of trade policy making
11. Existing processes applied in supporting trade agreements negotiation.
12. Existing processes applied in monitoring trade agreements implementation.
13. Field visits to observe first hand and familiarize trainees with sources of information, potential interface organizations, FTS existing staff functional duties and methods of work.
14. Outside training focusing mainly upon specialized training courses in addition to computer and language courses.
15. Emphasize increasing the level of general knowledge and supplying them with minimum basic information on different fields, among which are the economic, political, cultural and social ones, as they constitute a general, obligatory background for any good researcher.

Furthermore, the new recruits will benefit greatly by interacting, listening and discussing trade issues with senior government officials, business leaders, professional experts, and expatriate advisors.

The objective of this training will be to expose them to a broad range of organizations, ideas, individuals and issues that are important to trade and trade policies in Egypt. Suggested topics shall include export finance, product inspection, investment, international agreements, the economics of trade, trade policy and Egypt's trade negotiation experiences.

2nd. Introduction to Economic Research

The following tables outline a proposed plan for technical training for the new recruits over the next six-month period. The proposed topics are offered based on an intensive interaction with the new recruits during the past few weeks. Such training will refresh their theoretical knowledge, promote self-confidence through individual research and problem solving and prepare them for more complex economic analysis training in the future.

Topic	Date	Content
<p>Economic Concepts (2 hrs./day) and introduction to MEFT & Orientation to FTS (2 hours/day)</p>	<p>Nov. 15 - Dec. 15</p>	<p>Demand theory Theory of the firm Markets and prices</p> <ul style="list-style-type: none"> • Competitive • Monopolistic <p>The impact of tariffs and NTB's</p> <p>Macro Economics</p> <ul style="list-style-type: none"> • GDP • Employment, interest and money • Balance of payments & exchange rate • Current account & capital account <p>Gains from trade</p> <ul style="list-style-type: none"> • Comparative advantage • Specific factor model <p>Standard trade model</p> <p>Instruments of trade policy</p> <ul style="list-style-type: none"> • Tariffs • Costs and benefits of tariffs • Other instruments • Trade policy in developing countries <p>International macro-economics policy</p> <ul style="list-style-type: none"> • Exchange rate policy • Capital markets

<p>Critical review of trade policy studies</p>	<p>Dec. 16 - Jan. 15</p>	<p>Textiles, rice and furniture</p> <p>Structured review of:</p> <ul style="list-style-type: none"> • Problem identification • Methods of analysis and data • Economic impact of trade policy • Recommendations and political concerns • Reviewing the data set <p>Exports and export promotion</p> <ul style="list-style-type: none"> • Trends in Egyptian exports • Export promotion activities • Economic research & export promotion
<p>Research Methods</p>	<p>Jan. 15 - April 15</p>	<p>Basic Statistical concepts</p> <ul style="list-style-type: none"> • Central tendency • Variance • Statistical inference <p>Price analysis</p> <ul style="list-style-type: none"> • Trends and cycles • Border prices & domestic prices <p>Estimating supply & demand</p> <ul style="list-style-type: none"> • Regression • Graphics <p>Partial equilibrium analysis, basic concepts</p> <p>Introduction to economic modeling</p>
<p>Guided Research, Egyptian trade awareness program (2 hours/day, 3 days/week) and review of WTO agreements</p>	<p>Jan. 15 - April 15</p>	<p>New recruits are divided into teams of 5-6 people</p> <ul style="list-style-type: none"> • Macro Economics • Industry analysis • Export promotion • Trade policy analysis <p>Each team will:</p> <ul style="list-style-type: none"> • Identify a policy issue by

<p>Performance Review</p>	<p>April 15 - June 15</p>	<p>talking to policy makers, interviewing private business leaders, and review available studies</p> <ul style="list-style-type: none"> • Frame the research problem in a way that leads to structuring the research • Develop hypotheses • Gather data • Choose and apply methods of analysis • Conduct the analysis and write up the results • Present results and recommendations <p>Review outputs</p> <p>Discuss progress, observe changes in skills, plan and adjust future development program accordingly</p>
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B. Workshops

We suggest that we implement two workshops and eight executive retreats:

1. Institutional Development for Trade Liberalization conference
100 attendees for two days plus simultaneous translation
2. FTS Reengineering Progress workshop
50 attendees, 1 day
2. Executive retreats
10 attendees each

Lunch and conference rooms should be budgeted for each of the above activities.

C. Legal scope of work

An attorney with a strong background in trade and WTO processes will be fielded to work with the FTS legal staff and senior executives. He/She will meet and assess the legal staff technical knowledge and understanding of the international trade law and the WTO agreements signed by Egypt. Based on this assessment, the legal advisor will design, develop, recommend and initiate, to the extent possible, under this current specific focused training to expedite the development of FTS legal staff. Such training could include guidance in legal research, briefs preparation, contract development or review and other duties as needed.

Moreover, the advisor will review the current and proposed organization structure to ensure that the legal function was properly allocated within the new framework. He/She will make recommendations as needed and will discuss any enhancement suggestions with the senior FTS staff.