

9/5/79

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <input checked="" type="checkbox"/> C A ADD C CHANGE D DELETE		PP 2. DOCUMENT CODE 3
3. COUNTRY/ENTITY EGYPT		4. DOCUMENT REVISION NUMBER <input type="checkbox"/> 2		
5. PROJECT NUMBER (7 digits) <input type="text" value="263-0026"/>	6. BUREAU/OFFICE A. SYMBOL B. CODE <input type="text" value="NE"/> <input type="text" value="03"/>		7. PROJECT TITLE (Maximum 40 characters) <input type="text" value="Tech. Tsf. & Manpower Development III"/>	
8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="text" value="83"/>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="text" value="77"/> B. QUARTER <input type="checkbox"/> C. FINAL FY <input type="text" value="79"/> (Enter 1, 2, 3, or 4)		

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	4,500		4,500	18,500		18,500
(GRANT)	(4,500)		(4,500)	(18,500)		(18,500)
(LOAN)						
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		1,000			3,000	
OTHER DONOR(S)						
TOTALS	4,500	1,000	4,500	18,500	3,000	18,500

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>77</u>		H. 2ND FY <u>78</u>		K. 3RD FY <u>79</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) ESF	990 B	900		4,500		4,000		10,000	
(2)									
(3)									
(4)									
TOTALS				4,500		4,000		10,000	

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED <input type="text" value="MM"/> <input type="text" value="YY"/>
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) ESF					18,500		
(2)							
(3)							
(4)							
TOTALS					18,500		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE				15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION			
SIGNATURE 							
TITLE Donald S. Brown Director, USAID/Egypt			DATE SIGNED MM DD YY <input type="text" value="09"/> <input type="text" value="05"/> <input type="text" value="79"/>	MM	DD	YY	

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Project: Technology Transfer and Manpower Development III

263-0026

Seven million dollars were obligated in May of 1979. This amount was to finance the project's activities for FY 79 and FY 80.

In the interest of quickly implementing activities related to the Peace Program, it was concluded that initial funds should be used from this project to finance the first group of Post Peace participants pending the full documentation required to establish a discrete Post Peace Scholarship Program. Accordingly, in July 1979, USAID sub-obligated \$3.0 million for this purpose with the intent that funds would be replenished later to carry on activities already planned.

As of August 27, the unreserved balance of \$493 thousand remains. (See flow of funds schedule below). The \$3.0 obligation is therefore required to carry on the technology transfer and manpower development sub-activities described in PP Amendment 2 dated January 24, 1979.

Flow of Funds Schedule
(\$000)

<u>Date</u>	<u>Activity</u>	<u>Obligations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
5/11/79				27
5/12/79	Amendment #2	7,000		7,027
	Workers' University		275	
	Allocation for			
	Various Agreed to			
	Training Programs			
	(Implemen. Letter)		1,400	
	Post Peace Scholar-			
	ship PIO/T		3,000	
	English Lang. Trng. (AUC)		856	
	Admin. Support for			
	Participants		120	
	Participants and Other			
	Activities (Consolidated)		883	
8/27/79				493
9/30/79		3,000*		3,493
	Tax Administration		50	
	Wind Energy		300	
	Remote Sensing		150	
	Agriculture Technical Ser-			
	vices		230	

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Flow of Funds Schedule (Cont'd.)
(\$000)

<u>Date</u>	<u>Activity</u>	<u>Obligations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
	Rural and Urban Health Technical Services		100	
	Vocational Education Technical Services		75	
	Basic Education		65	
	Ministry Health Participants		200	
	English Language Training		900	
	Egyptian Electricity Authority		100	
	Egyptian General Petroleum Corp.		250	
	Other Activities		800	
9/30/80				273

*Additional FY 79 Funding

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5/6/77

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">A</div> A - ADD C - CHANGE D - DELETE		PP 2. DOCUMENT CODE 3
3. COUNTRY/ENTITY Arab Republic of Egypt		4. DOCUMENT REVISION NUMBER 		
5. PROJECT NUMBER (7 digits) <div style="border: 1px solid black; display: inline-block; padding: 2px;">263-0026</div>	6. BUREAU/OFFICE A. SYMBOL NE B. CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">03</div>	7. PROJECT TITLE (Maximum 40 characters) Dev. III Technology Transfer-Manpower/		
8. ESTIMATED FY OF PROJECT COMPLETION FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">80</div>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">77</div> B. QUARTER <div style="border: 1px solid black; display: inline-block; padding: 2px;">3</div> C. FINAL FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">79</div> (Enter I, J, K, or L)		

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	4,500		4,500	9,500		9,500
GRANT	4,500		4,500	9,500		9,500
LOAN						
OTHER						
U.S.						
HOST COUNTRY		1,000	1,000		3,000	3,000
OTHER DONOR(S)						
TOTALS	4,500	1,000	5,500	9,500	3,000	12,500

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>77</u>		H. 2ND FY <u>78</u>		K. 3RD FY <u>79</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) SA	759 B	720		4,500		3,000		2,000	
(2)									
(3)									
(4)									
TOTALS				4,500		3,000		2,000	

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		12. IN DEPTH EVALUATION SCHEDULED
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)					9,500		MM YY <div style="border: 1px solid black; display: inline-block; padding: 2px;">04 78</div>
(2)							
(3)							
(4)							
TOTALS						9,500	

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

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 1 = NO
 2 = YES
No PID or PRP

14. ORIGINATING OFFICE CLEARANCE SIGNATURE		15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
TITLE Director USAID/Egypt		DATE SIGNED MM DD YY <div style="border: 1px solid black; display: inline-block; padding: 2px;">15 16 77</div>	

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PROJECT PAPER

TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III

A. SUMMARY AND RECOMMENDATIONS

1. Grantee: Arab Republic of Egypt

Implementing Agency: Ministry of Economy and Economic
Cooperation

2. Amount: \$9.5 million (\$4.5 million in FY 1977, \$3.0 million in
FY 1978 and \$2.0 million in FY 1979)

3. Terms: Grant funding from Security Supporting Assistance
appropriations

4. Summary Description of Project:

This project will finance the cost of advisory services^{1/} commodities, technical exchanges and training, and other items which are required by the Egyptian Government to solve technical or planning/managerial problems in its programs and, at its request, in those of the private sector. Such problems are related to making both improvements and innovations. The anticipated results of the project include not only the achievement of these development-type changes, but also the establishment of an appreciation on the part of the Egyptians for the improvements effected and a willingness to make further changes based on recommendations by outside experts and on their own knowledge of how things work in the U.S.

By making technical assistance available, including equipment, to solve specific problems, and by creating positive attitudes on the part of key technicians and administrators towards the possibilities for change, this project will lay the groundwork for Egyptians themselves to improve the implementation of their development programs. It is not generally involved in the building of new institutions, but rather largely in the improvement of existing institutions and programs.

As appropriate for specific sub-activities, the U.S. private sector, U.S. institutions, or U.S. Government organizations and agencies will be called upon to provide the required services.

^{1/} These will normally be short term in duration (one year or less).

5. Summary of Background and Relevance:

In June of 1974, President Sadat and President Nixon agreed to a program of cooperation under which U.S. technology would be brought to bear on a wide spectrum of Egyptian activities and problems. This project was conceived to help implement this agreement by facilitating a timely U.S. response to Egypt's immediate needs for short-term assistance to improve the administration of government programs, and is consistent with the overall Supporting Assistance objectives of obtaining maximum impact and visibility of assistance within the minimum time.

6. Issues:

As a follow-on to two previous grants, the majority of this project, which continues along the same lines as in the past, contains no feasibility issues for this project. Evaluations of the past grants show that there are no unresolved financial or implementation problems and that the sub-activities are achieving the project purpose. However, there is a new equipment element introduced for the first time in the project which needs consideration.

The project design includes a significant commodity element that goes beyond teaching and demonstration equipment and supplies used in conjunction with technical advisory services. The new commodity element is designed to support the implementation of:

(a) U.S.-assisted adaptive research and other technology transfer activities of priority to A.I.D. and being coordinated by the several Joint Working Groups; and

(b) U.S. economic assistance activities aimed at strategic target populations (including politically strategic target populations).

The issue has been debated within the Mission with the following results:

1. JWG activities, because they are in the forefront, should be supported when they are consistent with general A.I.D. priorities. Some commodity support seems warranted, but requests should be reviewed on a case-by-case basis and coordinated by the Mission rather than other USG agencies.

2. The diffusion of technology, clearly within the intent of this project, should not necessarily be limited to technical consulting

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services and related demonstration and training equipment. There is a need to support technology transfer through commodity assistance beyond that available in our CIP program and regular projects. Therefore, some mechanism should be established.

The Applied Science and Technology Research project (263-0016) is not an apt funding vehicle because it is directed to research institutions only. The needs extend to many other Egyptian institutions. The logical funding vehicle is the Technology Transfer project.

We intend to use commodities funded under this project to address important constraints to the ability of the GOE to carry out development programs. Critical screening of requests will ensure that this is done.

7. Extended Cost:

Nine and one-half million dollars will be made available from Security Supporting Assistance funds over three years. Local currency expenses normally will be funded from an allotment of U.S.-owned excess Egyptian pounds.

8. Mission Views:

The U.S. Mission in Cairo strongly supports this project.

9. Recommendation:

Authorization of this project with a grant of \$9.5 million for the purposes stated herein.

B. THE PROJECT

1. Background and Relevance:

The Egyptian Government's desire for advanced technical information and know-how from the United States was made clear in the earliest discussions regarding the renewal of economic cooperation. As a framework to define and help answer this need, President Nixon and President Sadat established a Joint Cooperation Commission in June 1974. This Commission is supported by a number of Joint Working Groups which, in effect, provide the mechanism through which can be discussed proposals for a broad range of activities to address specific Egyptian problems and needs as they are perceived. They are also a forum for discussing the ability of AID and other USG agencies to supply needed financing and support for such activities.

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The utility of a technical assistance grant which would support a wide variety of AID initiatives and at the same time facilitate the work of the Joint Commission was recognized early in discussions with the Ministry of Economy and Economic Cooperation. The FY 1975 and FY 1976 Technology Transfer and Manpower Development grants (263-0002 and 263-0011, respectively), which preceded the proposed grant, demonstrated the effectiveness of this type of assistance instrument in addressing the particular technical/administrative needs of Egyptian development programs.

Egypt is not without established institutions in areas of social/economic development, and there are large numbers of highly educated persons in the country. While each case is different, for the most part the constraints to better development programs seem to be a lack of planning and management skills; frustrations over being out of touch with up-to-date technical knowledge in the West; and a lack of motivation to make the changes required in the administration and content of development programs. Thus the immediate need in this project generally is not to undertake long-term technical assistance and training to build institutions, but to provide the short-term technical and planning/managerial expertise, plus training and commodities, to solve specific problems and to expose key technical and administrative staff to new ideas, to develop their appreciation of the need to make those changes that will improve their programs, and to expand their knowledge of what changes are possible.

Both of the preceding grants have been formally evaluated, with results showing that their overall management and the performance of the individual sub-projects have been very satisfactory.

The Government of Egypt has indicated its satisfaction with the prior grants, and has requested a follow-on project for FY 1977-79. In view of the performance of the project to date, and particularly, due to its continuing importance projected for the future, the project is being funded for a three-year period.

2. Project Description and Analyses

a. Project Purpose

In general, the purpose of the project is to create the conditions for the Egyptians themselves to carry forward with improvements in the planning and implementation of their development programs. Specifically, this requires (a) solving immediate technical and planning/managerial problems and (b) creating an appreciation of the need for change and

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the means of accomplishing this. The first purpose is the application of improved or more suitable technology or management practices, or both. These changes would be seen in new or improved plans, management systems, or technical processes. (The latter can cover a wide range of activities from, for example, research methods or curriculum changes to technical skills or production methods.) The problem areas expected to be addressed by the sub-activities include: the need to increase effectiveness or efficiency of a particular activity; the need to eliminate production or administrative bottlenecks; the need to augment planning capabilities by identifying areas which could profit by further outside assistance, and recommending plans for this; and the need to augment individuals' skills. Also, we would expect to see political benefits resulting from the expanded relationships between the U.S. and Egyptian professional communities.

The second (and equal) purpose of this project is to demonstrate to key Egyptian technicians and administrators the need for continued improvements/innovations and the ability of U.S. assistance to provide the means to effect such changes. This would be indicated by: the willingness to carry through the changes recommended by advisors under this project; positive attitudes expressed towards U.S. assistance activities and contacts - past and future; requests for additional assistance in other areas; acceptance of follow-on assistance and willingness to make the program and administrative changes required to make effective use of such assistance.

The dual purposes of the project are interdependent. If the development activities are not carried out in an effective and responsible manner, then these efforts will not have the effect of establishing confidence on the part of Egyptians in our development efforts and establishing a willingness to take initiative in making further changes, particularly on their own. Conversely, without this acceptance on the part of the Egyptians, the potential contribution of further U.S. assistance will be limited.

Three benefits are anticipated in addition to the objectives described above. Experience with the previous grants substantiates this. First, as a result of contacts made through the project, interest in Egypt and its development is generated on the part of U.S. institutions and individuals. They, like the Egyptians, tend to seek further contacts. Second, as a result of support of the JWG through this project, closer links have been established between the professional and scientific communities of the two countries. Third, as a result of early involvement with counterparts through these grants, which allows AID to gain an

appreciation of their institutional needs and capabilities, AID is both able to identify area for follow-on assistance and get insights on how better to design and implement any future involvement with those agencies.

While the project has been involved almost exclusively with technical exchanges to date (supplies and equipment being limited to those needed for demonstration and training directly related to these technical exchanges), we have concluded that the purposes of this grant can be served more broadly by inclusion of equipment and supplies related to important technology transfer needs but which go beyond specific training and demonstration materials. For example, the ability of some professionals trained under this project to demonstrate improved instructional techniques is limited by the dilapidated teaching laboratory equipment in certain universities. The effectiveness of this total activity could, therefore, be reinforced by the selective financing of equipment and supplies which reinforce the basic purposes of the grant. Criteria for financing such equipment and supplies are given under "inputs" below.

b. Goal

The goal to which the project contributes, along with other, more comprehensive assistance projects, is the improved administration of Egyptian development programs -- both public and private sector activities.

We would consider the goal to have been achieved when: major administrative problems identified in important development programs have been resolved; when these programs have been revised for substance as appropriate; when programs demonstrate they can respond to problems and the need for changes in both management and program; and when new programs are being established where (and only where) required to meet development needs not otherwise covered. The project will work towards achievement of these indicators insofar as problems are addressed by assistance activities.

In addition to these direct relationships, we are projecting a spin-off benefit which would contribute to the primary goals of the project, namely, that exposure on the part of U.S. institutions and individuals to Egypt, both through their work and the presence of Egyptian trainees and visitors in the U.S., will create a positive atmosphere on the home front for development, investment, and good relations with Egypt. Also, such exposure improves our information on the problems to be addressed, and the environment within which future activities must

be carried out. Experience with the first two Technology Transfer and Manpower Development grants supports this expectation, as does experience with the AID program as a whole.

Ultimately, this project will contribute to the ability of Egyptian development programs to resolve successfully the country's social and economic development problems.

c. Outputs

Six classes of outputs will be generated under this project:

(1) First and foremost, there will be on-the-spot solution of technical and managerial problems due to the provision of technical assistance and commodity inputs;

(2) A second class of output will be the recommendations made by U.S. consultants for changes aimed at solving other high priority technical and managerial problems;

(3) GOE officials will be exposed to U.S. concepts and methods due to involvement with U.S. consultants, or using training and observation travel opportunities;

(4) Potential long-term institutional and personal relationships will be established as a result of this project;

(5) Joint Working Group initiatives will be implemented through the project; and

(6) Accelerated implementation of AID development assistance to Egypt.

An additional generalized output embodied in all of the above would be a broad dissemination of technology. This will be expanded with the additional feature of selective provision of equipment and supplies to Egyptian institutions which have the capacity to duplicate within Egypt some of the technological advances being sought by the personnel exchange elements of project.

No objectively quantifiable output indicators are included in this paper. Specific outputs will be included in sub-obligating documents such as PIO/Ts and PIO/Ps.

d. Inputs

(1) Advisory services as required to introduce new technological processes or improved management practices, or to solve specific

technical or managerial problems which constitute developmental bottle-necks. The underlying rationale is that technical and managerial skills can most effectively be transmitted through close person/collaboration between U.S. and Egyptian specialists who focus on very specific problems over a relatively short period of time. For this reason, while longer term technical advice is not excluded, advisory services under this project will normally not exceed six months in duration.

(2) Demonstration and didactic materials required by the GOE to make full use of technical assistance made available under this grant, through the Joint Commission framework, or through other channels.

(3) Other supplies and equipment, as the Mission and the GOE may agree, that are needed to:

(a) relieve critical constraints to the solution of technical and planning/managerial problems;

(b) support GOE efforts to make more effective use of foreign assistance and, in particular, to speed up the implementation of assistance programs;

(c) support U.S.-assisted adaptive research and other technology transfer activities identified as having high priority by the Joint Working Groups; and

(d) support or implement U.S. economic assistance activities aimed at strategic target populations.

(4) Participant training, Long- and short-term training in the U.S., including academic and job-related training.

(5) Participant exchanges. Short-term visits for observation, to attend conferences and to establish contacts in public and private sectors.

(6) Such Other Cost items as may be needed. Based partially on expenditure trends observed in the FY 1975 and FY 1976 grants, we anticipate that approximately \$3.0 million of the \$9.5 million grant will go for advisory services (with a small amount included for required commodities), and approximately \$3.5 million of the grant will go for training and exchange visits to the U.S. The balance has been programmed for supplies and equipment.

3. Project Implementation and Financial Plan:

The implementation of this grant will follow the same general procedures as those employed for the FY 1976 grant. In FY 1976, in order

to streamline project implementation approval steps, USAID and the GOE agreed that the Ministry of Economy and Economic Cooperation would replace the Ministry of Foreign Affairs as the government's point of coordination and approval for sub-obligations against the grant. This decision was based upon the recognition that activities often require both dollars and Egyptian pounds. Since the Ministry of Economy and Economic Cooperation is responsible for the local currency grant (Project 263-0005, Local Cost Project Support) which provides local cost support to the Technology Transfer and Manpower Development activity, its responsibility for the dollar grant centers Egyptian Government approvals in one Ministry.

Requests for assistance to be financed under this project normally will originate with the organization desiring such assistance and will be forwarded to A.I.D. after approval by the Ministry of Economy and Economic Cooperation. (Many times, the concept has already been discussed in Joint Working Group meetings.) Following A.I.D.'s agreement in principle to provide financing, the Ministry initiating the request will prepare detailed cost estimates for review and approval by A.I.D. A.I.D. will arrange for private suppliers or U.S. Government agencies to provide approved assistance.

The action document to be used will vary depending on the particular transaction involved; standard action documents will be employed. Funds will be obligated by Grant Project Agreement. We expect the Grant Agreement will provide a procedure for emergency sub-obligation similar to that contained in the Grant Agreements for Project 263-0013, Technical and Feasibility Studies and Project 263-0005, Local Cost Project Support.

It is expected that contracts will be entered into directly by A.I.D., rather than the GOE, because the services usually requested under the project are both short-term in duration and highly specialized in nature. The Mission Director has signed a determination that allows direct contracts to be used as the normal mode of implementation of sub-activities under this grant (see Annex D).

4. Project Evaluation:

The FY 1975 grant (263-0002) was evaluated by the Mission. The report was submitted in CAIRO 3482 dated 17 March 1976. A copy is attached as Annex A. For the FY 1976 grant (263-0011), the Mission has also completed an evaluation (Annex B). Both of the preceding evaluations examined each of the sub-activities in the area of technical and planning/management services, looking both at their implementation and whether or not they were consistent with achieving the project purpose. As part of the FY 1976

evaluation, and the preparation of this Project Paper for the FY 1977 grant, the objectives of the project and its relevance have been stated in more explicit terms, and the criteria used in the evaluation were expanded slightly to include the full range of considerations.

Evaluation of the FY 1977 grant will follow the same lines as for the FY 1976 grant. The technical officer in charge of each particular sub-activity will, in conjunction with the advisors and the GOE, determine: (a) whether the technical or planning/managerial change was in fact achieved; (b) what follow-on appears required (and whether this need is appreciated by the GOE); (c) GOE willingness to make changes recommended by the advisors and, if not, its willingness to state why the implementation of such recommendations would be inadvisable; and (d) GOE attitudes toward U.S. assistance and contacts, and its view of the climate for further change in the area addressed by the sub-activity. The technical officer's assessment will be based on his observations and experience with the activity, and will generally not require any special data gathering or assistance. The technical officer will put his observations in writing and submit them to the project manager. In writing up the overall evaluation, the project manager will add a general assessment of the activity along the same lines used by the technical officer.

The impact of participant training and exchanges will be more difficult to evaluate than the impact of advisory-services and commodities because of the physical problems of follow-up on a large number of geographically dispersed individuals and because, in some cases, it will be difficult to establish that changes have resulted specifically from training.

The Mission feels that evaluation of participant training and exchanges under this project should be an integral part of the Mission's overall evaluation of its participant program, as is the monitoring of participants under the project. This makes sense from a management standpoint since training activities are administered by the Mission's Training division and have common programmatic objectives in Egypt. Project personnel will cooperate with the Mission's training staff to assure that, as the Mission develops a program for evaluating participant exchanges, it will cover the concerns of this project to the extent possible and practical.

We do not propose to evaluate the goal-level objective of this project as part of the project evaluation. Our development efforts are still at an early stage in Egypt. Thus, for the Technology Transfer and Manpower Development project, it makes more sense to look at the effects

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of assistance after there has been time to make an impact, and to look at this in a larger context than that of a single project or series of projects. It would also be difficult to trace the impact of the project at the goal level at this stage. The Mission has started an evaluation of its participant training program.

5. Beneficiaries/Impact on Women:

The direct beneficiaries of this project are the individuals and organizations which receive the services, commodities and training/exchange visits under the project. The intermediate beneficiaries of the project will be those people directly served by the organizations receiving assistance under the grant. These beneficiaries will perforce include those important to the economic, social and political development of Egypt. Indirectly, benefits will accrue to the nation as a whole, as development programs become more effective through being better conceived and administered.

With respect to the impact on women, there are already a significant number of educated women in Egypt, and they are accepted as professionals. A significant portion (8%) of the participants under the previous grants have been women, and Mission officers in charge of implementing project activities are expected to further encourage their involvement in both technical assistance and training under the project. There are professional women working in the Egyptian Government and private sector, and to the extent that they occupy positions in organizations to which project inputs are directed, they will not be discriminated against but will benefit on an equal basis with men.

6. Environmental Analysis:

A negative determination has been recommended by the Mission on the project per se (see Annex C). Nevertheless, specific sub-activities to be financed under the project may be the subject of environmental studies should they be likely to have a significant deleterious effect on the environment.

C. Covenants and Conditions Precedent

1. Covenants

The Grant Project Agreement will contain all applicable standard covenants given in A.I.D. Handbook 3.

2. Conditions Precedent

The GOE will be required to fulfill satisfactorily the following conditions:

a. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made,

(1) A statement of the name of the person or persons acting as GOE representatives, plus a specimen signature of each such person; and

(2) Such other information and documents as A.I.D. may reasonably request; and

b. Prior to any disbursement for a particular activity proposed for financing under the Grant, an identification of the activity, its purposes, the organization in charge of its implementation, and its estimated cost, including both the amounts proposed for A.I.D. financing and for financing from other sources.

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DEPARTMENT OF STATE TELEGRAM

TO

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FROM

AMEMBASSY CAIRO

CLASSIFICATION

UNCLASSIFIED

E.O. 11652:

N/A

TAGS:

17 Mar 76 1340z

SUBJECT:

PROJECT 263-11-995-002 TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT

ACTION:

SECSTATE WASHDC PRIORITY

UNCLASSIFIED CAIRO 248

AIDAC

REF: STATE 23534

AID-4

INFO:

AMB

DCM

ECON

CHRON

Following evaluation submitted in compliance with PROP provisions

and refuel. Please rush renewal of project approval and new
of \$ 2 million

allotment/as only \$4,000 of FY 1975 funds remains available

for subobligation/reservation. We will then sign new agreement

incorporating changes suggested below in para 3 ~~approved~~ approved

by AID/W. If processing of approval documents cannot be accomplished

quickly, request authority to obligate funds on basis of indivi-

dual PIO's. Please advise decision by priority cable.

1. Introduction:

As of March 15, 1976, the following subobligations had been

made for technical services:

DRAFTED BY:

AID:RJMaushammer:mja

DRAFTING DATE

3/17/76

TEL. EXT.

248

CONTENT AND CLASSIFICATION APPROVED BY:

AID:WRTempleton

CLEARANCES:

AID:PD orangeot

AID:DFBrown

UNCLASSIFIED

CLASSIFICATION

OPTIONAL FORM 152 (H)
(Formerly SF 44)

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PIO/T NO.	AMOUNT	TITLE	SERVICES COMPLETED
. 50001	694,840.93	Lower Dist. Equip.	Yes
. 50002	13,579.55	Port of Alexandria	Yes
. 50006	21,500.00	Tax Admin. (IRS)	Yes
. 50009	6,950.00	Ag Sector Survey (USDA)	Yes
. 50012	55,000.00	Rehabilitation Adv. (DHEW)	No
. 50021	192,500.00	Ag Sector Survey (USDA)	Substantially
. 50025	7,000.00	Water Management	Yes
. 50050	14,200.00	Biomedical Engr. Ed. / XXXXX (NSF)	No
. 50051	19,106.00	Rural Village Dev.	No
. 50052, 53, 59 & 60	19,000.00	Social Affairs Dev.	No
. -	1,843.89	TDY - Silo Survey	Yes
. -	153.00	English Proficiency Exams	Yes
TOTAL	\$445,673.37		

Of these, six have proceeded to the point where an evaluation makes sense (see para 4 below). The six activities account for over 75 percent of all funds subobligated for technical services. In addition, participant costs of \$550,300 had also been subobligated, leaving a balance of approximately \$4,000 unsubligated as of that date.

2. Evaluation of Overall Impact

This project has been instrumental in allowing the USG

to respond quickly to Egyptian requests for technical services, thus implementing President Sadat's request that American aid be aimed primarily at transferring U.S. technical know-how to Egypt, in this case through training and short-term consultancies. The project is an efficient complement to other technical assistance and capital projects which together represent an American contribution to an economic and social atmosphere in Egypt conducive to growth, development and close cooperation between the U.S. and Egypt.

All technical assistance and training activities carried out under this project have contributed to the introduction of either improved management practices or the solution of specific technical and managerial problems. In these terms, experience to date has been very favorable. In addition, all technical advisory activities except the tax administration advisory services and biomedical engineering education seminar have led or are expected to lead to substantial technical assistance or capital projects. The services financed under the grant have had a positive impact on development programs, through the upgrading^{of} GOE technical and administrative capabilities.

3. Management of the Project

A review of operations to date indicates that the project has been managed efficiently and used resources effectively.

No unwarranted charges were made to the project (PIO/T ~~██████~~ 50001 was charged to the project because Project 263-11-995-003, Feasibility Studies, was not in operation at the time). Since the establishment of Project 263-11-995-005, Local Cost Project Support, no local currency costs have been charged to project funds. Three minor problems in project management were encountered, however, which fortunately can be solved rather easily by small changes in project design or operating procedures.

First, the Grant Agreement establishes the Ministry of Foreign Affairs as the counterpart GOE coordinating office, despite the agreement having been signed by the Ministry of Economy and Economic Cooperation, whereas the Feasibility Studies and Local Cost Project Support projects are both coordinated through the Ministry of Economy and Economic Cooperation. Since subobligations under the Technology Transfer and Manpower Development project almost always require some local ~~██████~~ currency financing, the present procedure makes it necessary for AID/Cairo to obtain two partial clearances from the GOE. We intend to request GOE approval of designation of the Ministry of Economy as the sole counterpart coordinating office. In addition, if acceptable to the GOE, we would request the Ministry's signature on PIO's in place of the present exchange of letters.

Second, this project has been the main channel for responding to opportunities flowing from the various Joint Working Groups established under the Joint Cooperation Commission formed in mid-1974. While activities requiring large equipment inputs and/or long-term advisory assistance require separate review and approval as individual projects, short-term advisory services and all participant training can be funded under the Technology Transfer and Manpower Development project. The JWG's, however, have not taken advantage of this mechanism to the full extent anticipated. We are currently exploring ways of making funds directly available to the JWG's (possibly under PASAs with the sponsoring USG agency, for instance HEW in the case of the medical JWG) for minor activities which are not related to the main thrust of AID's technical assistance effort in Egypt.

Third, and partially ~~xxx~~ related to the above, the present grant agreement allows commodity purchases only in connection with training or advisory services funded under the grant. There should be a mechanism that allows AID to provide didactic and demonstration materials not linked directly to the provision of services. A more ample set of implementation tools would prove very valuable. For example, the GOE may determine that it would be useful to supplement another USG agency's activities in Egypt with study or demonstration materials. At present, AID could not approve the use of project funds for that purpose. We

propose to eliminate this restriction from the new Contract Agreement. The sums involved would not be great, perhaps around \$50,000 per year, but the development impact may well be substantial. A one or two year trial of this mechanism is well warranted.

4. Evaluation of Activities

(A) Agriculture Sector Survey and Water Management TA.

As a result of early discussions (particularly in the Joint Working Group) concerning possible U.S. assistance to Egyptian agriculture, it was decided that a general assessment of the sector should be made prior to any AID commitment of interest in specific projects. The USIA provided the services of the study team leader for two weeks in May in order to make arrangements for the full team and to prepare a preliminary outline in consultation with GOE officials. Although delayed for a number of reasons, the study was conducted in October and November of 1975 with a full team of USDA experts.

It was also decided in early discussions to move ahead with the development of a project in the area of water use management on the clear expectation that this would be a priority concern. Consequently, the Mission procured the services of a water management specialist and a ground water hydrologist to complement the USDA team. They worked in Egypt from mid-October to early November, and their contributions were incorporated

into the general report prepared by the study team.

Although the final report of the sector survey team is not completed, a preliminary evaluation based on ~~the~~ draft report is possible. The team did an excellent job in its description of the various subsectors, particularly in identifying constraints to improved production and in identifying and suggesting opportunities for overcoming these constraints. However, the draft report does not satisfactorily analyze the linkages among the various subsectors and between the agricultural sector and the rest of the Egyptian economy. Consequently, the survey does not provide a clear framework for the assessment of relative priorities and the subsequent development of effective projects.

At least part of this ^{deficiency} ~~deficiency~~ may yet be corrected in a section of the report on possible changes in cropping patterns which is currently under preparation in Washington, D.C. by a part of the USDA team in collaboration with NE/TECH, and with the assistance of two GOE agricultural economists. It is possible that continuing research efforts will be necessary to strengthen the analytical base for expanded AID participation in the development of Egyptian agriculture. In the interim the Mission is proceeding with the development of several specific projects based on the findings contained in the draft report.

(B) Power Distribution Equipment.

The contractor, Sanderson and Porter, Inc., provided on-time completion of the first phase of the scope of work that required them to visit Egypt to determine equipment requirements, to verify the adequacy of the GOE specifications and requirements to be incorporated into bid documents and to become generally familiar with the local conditions. The second phase, development of detailed specifications and tender documents, required ~~more~~ more time than originally planned, due to factors not under their control, such as extended mail time, GOE review time and problems of meshing GOE contract requirements with AID requirements. The tenders approved by AID/W were issued on 12 August 1975, some 6 to 8 weeks later than originally planned. There were initially only minor bidders' complaints with respect to the documents although later problems in analysis and award indicate some improvement would have been possible.

(C) Tax Administration Advisory Services.

The team provided by the IRS produced a comprehensive report that was, on balance, both more and less than called for in the scope of work agreed to by the Mission and the Ministry of Finance. It is quite possible that the size and duration of the team (3 men ~~for~~ for 3 weeks) precluded a specific, detailed set of concrete suggestions for improving the administration

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of certain limited parts of the Ministry's tax collection operations and necessitated a broad brush approach to the assignment. The breadth of the report was obviously more than the OIE expected and intended (for instance, Section III of the report suggested changes in basic tax laws). At the same time, the range and number of recommendations and the fact that priorities in possible future assistance were not ranked in effect left the Ministry with no usable ~~recommendations~~ recommendations.

We know that the Ministry has been quite anxious to avoid the presence of an American tax team while engaged in a major reshuffling of the tax structure. This is one reason why no follow-on advisory assistance has been requested to date. Another is that the Ministry is awaiting the impressions its six officials bring back from their U.S. training experience. We do expect, however, that the Ministry of Finance will request some advisory assistance in implementing the new tax ~~laws~~ laws when enacted.

(D) Port of Alexandria.

Given the broad scope of work and the limited time frame of the assistance provided to the Port of Alexandria, it has been somewhat difficult to identify changes or improvements resulting specifically from the consultant's work. We believe that the major impact was the exposure of responsible port

officials to new ways of looking at their ~~current port~~ ^{current port} management problems, and their greater awareness of the major problems they will have to address in the near future. Since the assistance was provided, there have been changes in procedures and methods which have prevented the recurrence of the massive congestion which was a feature of the port at the time the assistance was provided. Other suggested changes have also been adopted, such as the physical separation of the coal and chemical fertilizer handling, loading and storage. The consultant was judged by port authorities to be a very knowledgeable, impressive, diplomatic technician. They have asked for the services of an organization management specialist to continue the ~~same~~ improvements initiated under this project.

The work of the consultant also was relevant to the development of two AID projects which will have a direct impact on the medium-term improvement in the working of the port, i.e., the Grain Silos Loan to improve grain handling and the proposed Alexandria Port Equipment Loan (with IBID and perhaps other donor participation) to assist in the upgrading of cargo handling capabilities. Furthermore, once this equipment is in place, the port authority will be able to implement more of the medium-term improvements recommended by the consultant.

(E) Participant Training,

The majority of funds utilized to date were for participant training, which is an important mode of transferring academic and applied U.S. knowledge to Egypt. We have set up programs for over 100 participants in a wide range of technical specialties. We have utilized many specialized programs to tailor training to the needs of the sponsoring GOE agency, many having been designed to prepare GOE officials and technicians to work more effectively with U.S. advisors or to ~~consolidate~~ consolidate advances achieved as a result of advisory assistance.

Any substantive evaluation, however, must take into account the utilization of training received, and this requires, of course, more experience with returned participants than we have now. Therefore, we cannot undertake a more thorough evaluation of the participant training element of this project at this time.

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EVALUATION - FY 1977

TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT (263-0011)

I. INTRODUCTION

This project finances the cost of advisory services,^{1/} commodities and technical exchanges and training which are required by the Egyptian Government to solve technical or planning/managerial problems in its programs and, at their request, in those of the private sector. Such problems are related to making both improvements and innovations. The anticipated results of the project include not only the achievement of these development-type changes, but also the establishment of an appreciation on the part of the Egyptians for the improvements effected and a willingness to make further changes based on recommendations by outside experts and on their own knowledge of how things work in the U.S.

By making technical assistance available to solve specific problems, and by creating positive attitudes on the part of key technicians and administrators towards the possibilities for change, this project lays the groundwork for Egyptians themselves to improve the implementation of their development programs. It is not directly involved in the building of new institutions, but rather in the improvement of existing institutions and programs.

Many areas are addressed by the project; each activity is funded by a separate implementing document. As appropriate for specific sub-activities, the U.S. private sector, U.S. institutions, or U.S. Government organizations and agencies are called upon to provide the required services.

As of March 31, 1977 the following subobligations have been made for technical services under the grant.

^{1/} These are normally short term (one year or less).

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<u>PIO/T</u>	<u>Amount (\$000)</u>	<u>Title</u>	<u>Service Completed</u>
60002	\$27.0	Poultry Survey	Yes
60008	12.7	Local Government (University of Cairo)	Yes
60022	60.0	Egyptian Civil Aviation (FAA)	Yes
60055	82.5	JWG Health Technology (HEW)	No
60056	6.2	ORDEV Local Government	Yes
60059	16.5	Mineral Survey (USGS)	Yes
60077	22.0	Mgmt. of Lab. Instruments Workshop (NSF)	Yes
60084	3.4	Tax Administration Training (IRS)	Yes
60103	19.0	Investment Stimulation	No
60105 ✓	42.1	Wind Energy	No

The Mission has analyzed all of the above activities except 60105, Wind Energy, under which no activity has been initiated. Total subobligations for this project have been \$1,236,200 while reservations total \$485,000. To date \$291,400 have been subobligated for technical services and \$944,800 have been subobligated in support of the participant training program.

II. EVALUATION OF THE OVERALL IMPACT

This project has been one of the most visible parts of the AID program in Egypt. Efforts to date to mount a major AID program have proceeded generally on schedule. This has meant that although programs and projects have been agreed to, obvious project results are not yet visible, and in most cases will not be for 2 to 3 years. The Technology Transfer and Manpower Development project

has had immediate outputs and represents a visible demonstration of U.S. concern in numerous Egyptian professional communities. President Sadat's request that U.S. aid be focused on the transfer of appropriate technology and know-how to Egypt is being addressed in the short-term by this project. As other projects come on stream they also will serve this purpose, but until that time, the Technology Transfer project will remain an important demonstration of American concern for transferring know-how. The project has been a useful way of probing the real needs and capabilities of GOE organizations before entering into projects with them.

An analysis of how the project has worked points out a number of important considerations which should be taken into account when planning and implementing future Technology Transfer activities.

A. Types of Technology

There is a definite gap in the technological exposure of the Egyptian professional community to Western, particularly U.S., technology. In the field of scientific technology, there is an across-the-board gap in the professional journals available in Egypt representing the years when the U.S. and Egypt did not have intimate professional contacts. The real gap goes beyond the journals -- there is no basic understanding of innovations developed in the U.S. which occurred during these years.

The Mission has become aware during two years of operation of this project that a shortfall in managerial technology has at least as big an impact on Egyptian development efforts as does the gap in technical know-how. As is evident from the analysis of the subproject activities, an increasing number of efforts under this project look at both planning/management practices and specific technological problems. This trend will no doubt continue, because the need to address technological and planning/managerial issues as a dual approach to the reality of technical problems in Egypt will remain.

B. Methodologies

1. Technical Services

The Mission has used two types of technical services to accomplish the general purpose of the technology transfer project.

Where Egyptians or U.S. experts have identified a bottleneck in either a planning/management or technical system, and where AID has been requested to provide assistance to solve the particular problem caused by the bottleneck, we have provided short-term advisory assistance. These have been, by and large, one-shot consultancies aimed at addressing a specific problem. The mechanism of the Technology Transfer project allows AID to provide a quick response. This has proven to be an effective and visible sign to the GOE of U.S. assistance intentions.

There is a general problem, however, when dealing with such consultancies. They must be targeted at a readily solvable problem. As often is the case, a problem will be identified in technical terms, when in fact it is only an aspect of a larger management problem. Often these problems are not susceptible to short-term solutions, and particularly to technical solutions by technical personnel. The analysis of the problem is, therefore, one of the most important aspects of this project. There is often a lack of Mission staff technically qualified to make adequate judgments concerning the appropriateness of the problem identified. As Mission staff grows by the addition of specific technical personnel, it will be more able to appropriately pass judgment on the problem identification process.

The second type of technical service relationship which has evolved under this project has been developed generally between two institutions (one Egyptian and one American) which have a mutuality of professional interests and functions within their respective societies. In encouraging these types of relationships, the Mission has often agreed to finance a first stage consultancy for the purposes of (1)

analyzing the operation of the Egyptian organization and identifying technical and managerial problems and (2) proposing solutions to these problems. The result of fostering this type of contact has been a series of recommendations for additional contacts between the two organizations, most of which aim at the transfer of appropriate technology. These contacts are executed either through additional phased consultancies and training programs under the Technology Transfer program, under separate projects funded by AID, or general contacts funded by the Egyptian and U.S. institution involved. The value of this type relationship is that it goes a long way toward institutionalizing the contacts between the two organizations, with the respective benefits that this entails.

2. Participant Training and Exchanges

The participant training program has contributed to the objectives of this project by exposing a wide range of Egyptians to U.S. technological and managerial know-how. It has opened channels of communication and been used in conjunction with technical advisory services to establish comprehensive contacts between Egyptians and U.S. individuals and organizations.

We have not, however, included the participant activity as part of this evaluation because the Mission is in the process of evaluating the overall participant training program. This will be completed by August 1977 when we will have a statistically significant number of returned participants back at their jobs for a period of six months or more. This evaluation will be submitted to AID/W when completed.

C. Implementation

1. Activity Identification

When activities are proposed by the Joint Working Groups for financing under this project, a number of problems have developed. These problems are described in the section of this memo which deals with PIO/Ts 60055 and 60077. See below.

2. Follow-on Activities

As mentioned above, a number of the activities financed under this project have been designed as phased activities. The Mission has consistently maintained that financing an initial activity does not in and of itself constitute a commitment on the part of AID to finance further stages of the activity. Downstream financing depends on the nature of the recommendations which flow from the initial activity, its technical merit, the funds required and the suitability and availability of AID funding. However, no matter how many reclaimers are made, funding of an initial contact leads to a rising expectation on the part of both the U.S. and the Egyptian institutions that further AID assistance will be available. The Mission has dealt with this situation on an ad hoc basis and has tried to keep expectations within reason for all concerned; the situation, however, requires continued attention.

3. Project Evaluation

A lack of technical personnel and an evolving system of project management has led to a situation where follow-up on a number of the activities financed under this project has been minimal or non-existent. In these cases evaluation at a later date has proven to be difficult. To correct this situation, a responsible technical officer will be designated for each technical service activity. This officer will comment on the identified problem, monitor the implementation of service and provide the Project Manager with an evaluation memo at a suitable time after completion of the service. The collected memos will become the basis for future evaluations of the Technology Transfer activity.

III. EVALUATION OF SUBACTIVITIES

The following assessments of the consultancy services financed under this project are all structured along the following format:

1) Background: discusses the origin of the request and relates it to the problem or need which was identified;

2) Assistance: identifies who performed the service, how long it took, what was accomplished, e.g., a report or set of recommendations; the general quality of the work and a statement concerning the general utility of the results of the consultancy;

3) Follow-up Activity: comments on the longer run impact of the service rendered and its relationship to follow-on programs or activities; and

4) Special Problems: discusses any special problems encountered in relationship to the service rendered.

A. PIO/T #263-011-3-60002, Poultry

In January of 1976 the Prime Minister's office requested that a number of foreign business ventures take a look at the poultry sector in Egypt, and recommend to the GOE what steps were needed to significantly increase the production of poultry in Egypt. A number of firms responded, and a U.S. firm (Holly Farms) presented a proposal to the GOE which recommended a specific assistance program to the public sector Poultry Company.

The Ministry of Agriculture asked AID to comment on and consider financing of the U.S. firm's suggestion. AID responded by suggesting that the time might be appropriate to look at the poultry subsector in a comprehensive way. The Mission felt that a survey by technically qualified experts was necessary as a basis for properly assessing the GOE request. It would also provide necessary planning information for the GOE to use in ordering priorities in the poultry subsector. A scope of work was prepared emphasizing the development of a plan containing current recommendations related to the poultry subsector.

The PIO/T was issued, resulting in a contract with Experience Inc., which provided the services of three experts to conduct the investigation and to make recommendations. During their four-week stay in Egypt they had extensive discussions with the relevant members of the poultry sector, and went on a number

of field visits which allowed them to view the village production aspect of poultry production, as well as government poultry operations. Their plan set forth a series of recommendations aimed at improving poultry production in Egypt, although most were for follow-on studies.

The Mission feels the report does a good job of describing the present situation and evaluating the on-going effort in Egypt. However, it did not clearly set forth the causal relationships between the observations of the ongoing effort in Egypt and the recommendations. The team leader reworked portions of the report making the final report somewhat more clear in this respect than was the earlier version. Under existing conditions in Egypt, characterized by a lack of statistical data relating to agricultural production and marketing, the Mission found the report to be as well researched as could be expected.

When the final form of the report had been discussed with the GOE Ministry of Agriculture, it was decided to focus project development efforts on certain recommendations in the report which seemed to address key constraints to increasing poultry production in Egypt, and which were responsive to the Ministry of Agriculture's desire to go forward with a direct program aimed at breaking the most critical bottlenecks to development of poultry production. These were incorporated, with other project elements, into a PID for a Poultry Production project with financing planned during FY 1977.

During this consultancy it became obvious that the time programmed for conducting this type of investigation in Egypt was not sufficient. It has been a valuable lesson to be applied to subsequent consultancies, particularly when these consultancies are concerned with on-the-ground investigation and data analysis as the basis for planning assistance and making recommendations to the GOE.

PIO/T #263-011-1-60059, Geological Services

The Egyptian Geological Survey and Mining Authority (EGSMA) re-established contact with the United States Geological Survey (USGS) shortly after the

restoration of government-to-government relations between the U.S. and Egypt. Professional discussions were held in 1975 concerning geological and mineral survey techniques. In early 1976 a representative of USGS visited Cairo and a draft assistance proposal was developed. This proposal was targeted at introducing techniques and organizing the functions required for a comprehensive mineral resources assessment program and incorporating the preparation of metallogenic maps and a data evaluation system.

The proposal clearly sought to institutionalize a relationship to facilitate the transfer of technology from USGS to its counterpart Egyptian agency. PIO/T 60059 funded the first tranche of assistance under this program. It provided the services of two technicians from USGS for a period of two months to evaluate the capability of the EGSMA to carry out a national assessment of Egypt's mineral resources potential and to evaluate other ancillary functions which would be required at EGSMA to carry out this survey adequately.

The team was in Egypt during September, October and November and produced an assessment of EGSMA needs which would have to be addressed before EGSMA could: (a) prepare a preliminary assessment of Egypt's mineral resources, and develop a mineral data system and procedures for periodic up-dating of this assessment; (b) prepare a metallogenic map and guidelines for exploration; and (c) develop the capacity for those operations that are essential for better mapping, exploration and assessment of resources.

The report presented a comprehensive plan for the next phase of assistance needed to accomplish the above tasks. In many respects this activity represents one of the best examples or models for a Technology Transfer situation between Egypt and the U.S. Where counterpart organizations exist, where there is a mutuality of professional interests and where there is a desire for modern technology not available in Egypt, AID can assist by funding these contacts. By doing so, long-term relationships leading to the institutionalization of technology transfer

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will develop. We have authorized a second PIO/T to continue this relationship and accomplish the tasks identified as a result of the first PASA.

The Mission did encounter a special problem in developing the first phase of this activity. The proposal agreed to by USGS and EGSMA looked at the entire range of activities needed to develop this survey. This was a 2 to 3 year program which AID could not fund under this project, as this project is designed for short-term activities. After examining the proposal the Mission suggested that there were logical phases of assistance such that USGS/EGSMA could break the proposal into smaller packages of assistance which could be evaluated at the end of each phase before decisions were made regarding the financing of subsequent stages. As a result of the first phase, a reordering in subsequent phases was clearly indicated. This has been done.

PIO/T, #263-11-3-60008, University of Cairo/
Local Government

The original contacts between the University of Cairo and Indiana University in the field of Public Administration were initiated under the Joint Working Group on Education and Culture, with CUNEA funding an exploratory visit by EPI institutions. Out of these contacts a proposal was put forth by Indiana University and the University of Cairo, which requested AID financing for a team from Indiana University to advise the University of Cairo on its program for a "Diploma in Local Government Management." The Ministry of Local Government, through the University of Cairo, asked Indiana University to field a team of people who could a) prepare and administer a questionnaire which could be utilized to identify faculty resources to improve the local government development program; b) suggest changes in that program to make it more responsive to recent changes in the law concerning decentralization; and c) identify applied research topics for a summer intern program.

Indiana University sent a 3-man team to Cairo during 1976. The results of their trip and the recommendations based on their observations are contained in their trip report.

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Although briefly stated, the objectives of the technical services appear to be clear in the PIO/T. The team, however, was not able to accomplish everything which was listed in the scope of work in the PIO/T. The reason for this can be attributed in part to not scheduling enough time for the study of the problem and in part to the excessive protocol demands which were placed on the team by the Ministry. The major portion of the work was completed and the GOE has asked AID to finance a second trip for Indiana personnel. Since this activity is an important element in the proposed project on Local Government, we look forward to aiding the Diploma Program. (See also the discussion of PIO/T 600056.)

PIO/T #263-011-02-60022, Federal Aviation
Administration (FAA) Egyptian Civil Aviation
Organization (ECAO)

The origin of this activity stems from a visit by the Administrator of the FAA to Cairo in September 1974. This visit led to a series of contacts which culminated in a request in March of 1976 from ECAO for FAA assistance in assessing the processes, equipment and management practices related to air traffic control in Egypt. ECAO also requested recommendations regarding what further technical assistance they would need to address any inadequacies which were found in their system. FAA provided a team of 5 senior technical and administrative people during June, July and August of 1976.

During the period of FAA consultancy the team acted both as advisors to ECAO and as analysts of the air traffic control system in Egypt. The team produced a comprehensive report which the Mission and ECAO recently reviewed. The director of ECAO has asked for multiple copies of the report for use within ECAO and other sections of the Ministry of Civil Aviation.

The Mission feels that there exists a potential for an important technology transfer system to evolve between ECAO and FAA. The consultancy financed under this activity has reopened channels of communication between FAA and ECAO. Because of the nature of the air traffic control system there is a definite

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professional advantage to both organizations to remain in contact and to share information which would be mutually beneficial. If a future activity in air traffic control or other ECAO responsibilities is financed by AID its aim will be to establish a system which formalizes the transfer of the types of technology that FAA has to offer to ECAO. The potential for a long-range process of technology transfer, however, appears to be better because of the activity financed. Nevertheless, ECAO has serious problems in stemming the flow of qualified staff to better-paying jobs in other countries; this will have to be considered in determining what levels of future assistance will be appropriate.

PIO/T #263-011-3-60056, Organization for
Reconstruction and Development of Egyptian
Villages (ORDEV)

This PIO/T financed the consultancy of Dr. James Mayfield, a recognized authority on Local Government in Egypt. AID has had contacts with ORDEV since 1975 and Dr. Mayfield's consultancy has been one of a series by which we have been discussing local government planning, management, and administration policies with ORDEV.

This activity was generated by a request from ORDEV in early 1976, which asked for short-term assistance to look at various options open for local government development projects. AID/W identified Dr. Mayfield as an ideal candidate to assist ORDEV. Dr. Mayfield came to Egypt during September 1976. He visited a series of villages and developed a profile of the newly elected village officials. He also held lengthy discussions with various members of the GOE concerning the implications of local government related legislative and policy changes which had recently been enacted; the types of training needed by the new local leaders; and various other topics related to village development. The resulting report is an excellent analysis of local government and has proven to be a valuable indicator for potential areas of project development.

It has not, however, been a vehicle for direct technology transfer. The Mission believes, though, that it has been an important part in a process of dialogue between AID and the GOE concerning village development in an attempt to design a project to address local government problems. The technology to be used would be developed as a result of a series of consultancies like Dr. Mayfield's. The immediate return of this consultancy per se may not be apparent if considered as an individual activity, but when considered as part of the process, it is a vital link in developing a project activity aimed at the transfer of administration oriented technology.

It is also important to note that in this analysis, when speaking of technology, we are referring to planning, management and administration innovations and not to a physical scientific process. Both the GOE and the Mission have accepted these parameters as legitimate functions of the Technology Transfer project.

Follow-up activity has resulted in the planning of additional consultancies and a preliminary project idea which incorporates some of the recommendations contained in the Mayfield report.

PIO/Ts 263-011-2-60055, JWG Health (HEW)
263-002-2-60077, Management of
Laboratory Instruments Workshop (NSF)

In this evaluation we are dealing with these two PIO/Ts at the same time because of the related problem of funding JWG activity under the Technology Transfer project. Both PIO/Ts financed technical consultancies, and in the case of 60055 a limited amount of demonstration commodities was provided for.

The problem in evaluating this type of an activity is that they were not developed by an AID/GOE contact under the JWG. AID has tried to be particularly forthcoming to proposed activities developed by the JWGs, particularly in light of the political reasons for their establishment. In that the JWGs also constitute a grouping of highly professional Egyptians and Americans and represent a particularly impressive community of professional knowledge, the Mission has agreed to fund these activities on an ad hoc basis without making its own detailed technical analysis

and without making technical evaluations of the local institution which is a party to the cooperative arrangement.

Because of this arrangement we have not been involved in the actual provision of the service or in follow-on activity which would later allow us to evaluate these efforts.

Contents of Initial Environmental Examination:

I. Examination of Nature, Scope, and Magnitude of Environmental Impacts

A. Description of Project

The purpose of this project is to (a) introduce new or improved technological processes or planning and management practices, or both, in the areas addressed by project activities and (b) create an appreciation by the GOE of the improvements and innovations effected. This will be done through the provision of short-term technical assistance and related teaching and research commodities and through participant training and invitational observation visits. It is expected that technical expertise will be called on to assist in various sub-activities such as those in support of the Joint Working Groups (Education and Culture, Science and Technology and Medical Cooperation), general assessments of sectors of interest to AID and the GOE, specific problem-solving visits not related to AID projects and other topics. These are expected to amount to \$3 million over the next three years. Training and observation visits will be used in anticipation of AID projects to build up GOE knowledge and expertise in selected areas, and to provide general technical/administrative upgrading of GOE officials in areas of mutual interest. These are expected to amount to \$3.5 million over the next three years.

B. Identification and Evaluation of Environmental Impacts

As described in the Rules and Regulations, 216.2, Vol. 41, No. 127, June 30, 1976, Federal Register, "Not every AID activity...will be a major action significantly affecting the human environment for purposes of these procedures. For example, the following general classes of activities will not normally require the filling of an Environmental Impact Statement or the preparation of an Environemnt Assessment:

1. Education or training programs not designed to result in activities directly affecting the environment;
2. Controlled experimentation exclusively for the purpose of research which is confined to small areas and carefully monitored;
3. Analyses, studies, academic or investigative research, workshops and meetings;

4. Projects where AID is a minor donor to a multi-donor project and there are no potential effects upon the environment of the U.S. or areas outside the nation's jurisdiction;

5. Document and information transfers."

Since this project fits into at least areas 1, 3, 4 and 5 above, according to the sub-activities expected to be carried out under this project, the requirement for an environmental impact statement or an environmental assessment does not apply at this time. An initial environmental examination and threshold decision to this effect is attached.

C. Sub-activities

Should individual sub-activities to be funded from this project be likely to have an impact on the environment, the Mission Environmental Officer will prepare an assessment in accordance with applicable regulations.

II. Recommendation

This project should receive a "Negative Determination" because its likelihood of having any significant deleterious impact on the environment will be negligible. Therefore, no further analysis is required at this time.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas^{1/}

Impact
Identification
and
Evaluation^{2/}

A. LAND USE

1. Changing the character of the land through:

a. Increasing the population

N

b. Extracting natural resources

N

c. Land clearing

N

d. Changing soil character

N

2. Altering natural defenses

N

3. Foreclosing important uses

N

4. Jeopardizing man or his works

N

5. Other factors

B. WATER QUALITY

1. Physical state of water

N

2. Chemical and biological states

N

3. Ecological balance

N

4. Other factors

1/ See Explanatory Notes for this form.

2/ Use the following symbols: N - No environmental impact
 L - Little environmental impact
 M - Moderate environmental impact
 H - High environmental impact
 U - Unknown environmental impact

IMPACT IDENTIFICATION AND EVALUATION FORM

2

C. ATMOSPHERIC

1. Air additives

N

2. Air pollution

N

3. Noise pollution

N

4. Other factors

D. NATURAL RESOURCES

1. Diversion, altered use of water

N

2. Irreversible, inefficient commitments

N

3. Other factors

E. CULTURAL

1. Altering physical symbols

N

2. Dilution of cultural traditions

N

3. Other factors

F. SOCIOECONOMIC

1. Changes in economic/employment patterns

N

2. Changes in population

N

3. Changes in cultural patterns

N

4. Other factors

DETERMINATION: MODE OF IMPLEMENTATION OF
PROJECT 263-0026, TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT III

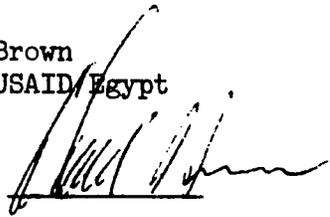
DISCUSSION:

By its nature, this project will include the provision of technical services to many GOE cooperating institutions by many U.S. sources (personal, corporate, institutional and U.S. Government agencies). While the average duration of these services will be about two months, in individual sub-activities the range may be from several days up to as much as one year. Host country contracting becomes less attractive as the period of services decreases. For small value, short-term contracts such as these the time and effort expended on a host-country contract would be totally disproportionate to the result obtained. In addition many of the activities financed under this grant will require a quick response. The approval process for Egyptian contracts (required by Egyptian law) takes several months at best. Host country contracts in Egypt are only suitable for larger, longer term contracts than those expected under this project. In addition, a substantial proportion of contracting under this grant will be through established Indefinite Quantity Contracts or Participating Agency Service Agreements. In these cases, host country contracting is inappropriate.

DETERMINATION:

I therefore determine, in accordance with applicable AID regulations and policies, most recently set forth in the attachment to AIDTO Circular A-564 of 10/27/76, that direct contracts will be the normally preferred mode of implementation for this project. Nevertheless, when conditions so warrant, the Mission will endeavor to have the GOE contract needed technical services to be financed under this project.

Donald S. Brown
Director, USAID/Egypt

APPROVED: 

DISAPPROVED: _____

DATE: 5/6/77

Drafted:

PRM:RJMaushammer/LEG :JRPhippard:mb

Clearances: PRM:PDDemongeot (draft)

DD:JROleson (draft)

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EC(2) - PROJECT CHECKLIST

Listed below are, first, statutory criteria applicable generally to projects with FAA funds, and then project criteria applicable to individual fund sources: Development Assistance (with a sub-category for criteria applicable only to loans); and Security Supporting Assistance funds.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? IDENTIFY. HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT.

1. App. Unnumbered; FAA Sec. 653(b) (a)
 - (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;
 - (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure plus 10%)?
 (b) The intended obligation for the project is within the level of funds appropriated for Egypt for FY 1977.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes. (b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required.

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated Sept. 5, 1973 (replaces Memorandum of May 15, 1962; see Fed. Register, Vol 38, No. 174, Part III, Sept. 10, 1973)?

Not applicable. Project is not for water or water-related land resource construction.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?

Not applicable. Not a capital assistance project.

A.

6. FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multi-lateral organizations or plans to the maximum extent appropriate?
7. FAA Sec. 601(a); (and Sec. 201(f) for development loans). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
9. FAA Sec. 612(h); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and, if so, what arrangements have been made for its release?

The project is not susceptible of execution as part of a regional or multi-lateral project. Assistance is not expected to encourage regional development programs although there may be minor regional benefits. Egypt is not a newly independent country.

Since project goal is to improve public administration and facilitate the solution of key problems in social and economic development, the project is expected to lead ultimately to improved technical efficiency in industry, agriculture and related service fields.

All commodities and services will have their source and origin in the U.S. All commodities and most services will be procured from U.S. private enterprise.

The project agreement will so provide.

Yes. Release by the GOE is not a problem at present.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- a. FAA Sec. 102(c); Sec. 111; Sec. 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas; and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

Not applicable.

B1

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: [Include only applicable paragraph -- e.g., a, b, etc. -- which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.]

- (1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;
- (2) [104] for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor;
- (3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;
- (4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:
 - (a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;
 - (b) to help alleviate energy problem;
 - (c) research into, and evaluation of, economic development processes and techniques;
 - (d) reconstruction after natural or manmade disaster;
 - (e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;
 - (f) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

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(5) [107] by grants for coordinated private effort to develop and disseminate intermediate technologies appropriate for developing countries.

c. FAA Sec. 110(a); Sec. 208(e). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing?

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on: (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communication; planning and public administration; urban development, and modernization of existing laws; or (b) integrating women into the recipient country's national economy.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

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B1

g. FAA Sec. 201(b)(7)-(4) and -(8); Sec. 201(b); Sec. 211(a)(1)-(3) and -(8). Does the activity give reasonable promise of contributing to the development: of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? and does project paper provide information and conclusion on an activity's economic and technical soundness?

h. FAA Sec. 201(b)(6); Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance-of-payments position.

2. Development Assistance Project Criteria (Loans only)

Not applicable.

a. FAA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within U.S.

b. FAA Sec. 201(b)(2); 201(d). Information and conclusion on (1) capacity of the country to repay the loan, including reasonableness of repayment prospects, and (2) reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

c. FAA Sec. 201(e). If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds \$100,000, has country submitted to AID an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

d. FAA Sec. 201(f). Does project paper describe how project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development?

B2

e. FAA Sec. 202(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources?

f. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Security Supporting Assistance

FAA Sec. 531. How will this assistance support promote economic or political stability?

4. Additional Criteria for Alliance for Progress

[Note: Alliance for Progress projects should add the following two items to a project checklist.]

a. FAA Sec. 251(b)(1), -(8). Does assistance take into account principles of the Act of Bogota and the Charter of Punta del Este; and to what extent will the activity contribute to the economic or political integration of Latin America?

b. FAA Sec. 251(b)(8); 251(h). For loans, has there been taken into account the effort made by recipient nation to repatriate capital invested in other countries by their own citizens? Is loan consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress (now "CEPCIES," the Permanent Executive Committee of the OAS) in its annual review of national development activities?

This assistance will promote economic stability by assisting the GOE find solutions to technical and managerial problems in its economic and social development programs, raising the level of technical expertise available and making technicians and managers aware of alternative solutions to such problems.

Not applicable.

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6C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation or covered in the agreement by exclusion (as where certain uses of funds are permitted, but other uses not).

These items are arranged under the general headings of (A) Procurement, (B) Construction, ... (C) Other Restrictions.

A. Procurement

- | | |
|--|--|
| 1. <u>FAA Sec. 602</u> . Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? | Procurement of goods and services will be pursuant to established AID regulations. |
| 2. <u>FAA Sec. 604(a)</u> . Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? | Yes. |
| 3. <u>FAA Sec. 604(d)</u> . If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed? | yes. |
| 4. <u>FAA Sec. 604(e)</u> . If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? | There will be no such procurement. |
| 5. <u>FAA Sec. 603(a)</u> . Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? | Consideration will be given to the use of excess property when practical. Few, if any, instances are expected. |
| 6. <u>IMA Sec. 901(b)</u> . (a) Compliance with requirement that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. | Yes. |
| 7. <u>FAA Sec. 621</u> . If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, | Yes. |

A7

are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974

If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

Not applicable.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

No construction is to be financed.

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

Not applicable.

C. Other Restrictions

1. FAA Sec. 301(d). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

Not applicable.

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

Not applicable.

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-Bloc countries, contrary to the best interests of the U.S.?

The project agreement will so stipulate.

4. FAA Sec. 636(1). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the U.S. or guaranty of such transaction?

Financing is not permitted to be used for such purposes.

C.

5. Will arrangements preclude use of financing:

- a. FAA Sec. 114. to pay for performance of abortions or to motivate or coerce persons to practice abortions? **Yes.**
- b. FAA Sec. 620(a). to compensate owners for expropriated nationalized property? **Yes.**
- c. FAA Sec. 660. to finance police training or other law enforcement assistance, except for narcotics programs? **Yes.**
- d. FAA Sec. 662. for CIA activities? **Yes.**
- e. App. Sec. 103. to pay pensions, etc., for military personnel? **Yes.**
- f. App. Sec. 106. to pay U.N. assessments? **Yes.**
- g. App. Sec. 107. to carry out provisions of FAA Sections 209(d) and 251(h)? (transfer to multilateral organization for lending). **Yes.**
- h. App. Sec. 501. to be used for publicity or propaganda purposes within U.S. not authorized by Congress? **Yes.**

ANNEX F.

The following two letters constitute the GOE's formal request for assistance. The amounts mentioned in these letters, which total \$5.0 million, are for the extension of the Technical Transfer and Manpower Development Project in FY 1977. Similar letters will be forwarded for assistance in FY 1978 and FY 1979.



MINISTER OF ECONOMY
AND ECONOMIC COOPERATION

COPIES TO	<i>P. A. H. El-Nazer</i>
COPIES TAKEN	<i>DATE 3/9</i>
NAME	INITIALS

lt. Dtd 3/1/77 Cairo : February 26, 1977

*To El Nazer
Min. of Economy*

Mr. Donald S. Brown
Director
Agency for International Development
Cairo.

CAPITAL DEVELOPMENT	

Dear Mr. Brown,

As you know, the Agency for International Development has made \$ 1 million in 1975 and \$ 2 million in 1976 available through the Technology Transfer and Manpower Development projects. These funds are being used to finance the services of U.S. experts to solve specific technical and administrative problems in Egypt, to explore areas of possible cooperation between our two countries and to develop Egyptian manpower and technical/managerial expertise through training and observation visits in the United States.

I believe that these two projects are a worthwhile component in the U.S. assistance program for Egypt and request that the activity be funded again this year. I suggest that at least \$ 2.5 million be allocated to the activity this year.

Sincerely Yours,

A. G. El Nazer
Undersecretary of State
For Economic Cooperation

FB/



MINISTRY OF ECONOMY
AND ECONOMIC COOPERATION

0/45109

Economic Cooperation Division
Office of the first Under Secretary

SECTION TO	PRM INTL DIV/D
ACTION TAKEN	DATE 5/14
NAME	INITIALS

Mr. Donald S. Brown,
Director
Agency for International Development
Cairo

Cairo 3 May, 1977

Dear Mr. Brown,

I am referring to my letter dated Feb. 26 concerning the Technology transfer and Manpower Development projects for Egypt. It seems now that this important program will need an additional sum of \$ 2.5 million to meet the cost of some related equipment needed in support of this project.

I would appreciate looking into this matter and await your response in the near future.

Best regards,

Sincerely yours,

GAMAL EL-NAZLI

First Under Secretary
of State For Economic Cooperation