USAID Development Assistance: An Integral Component of Egypt's Foundation for Growth

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Background: USAID and Egypt

USAID IN EGYPT

- In 1975, the United States and Egypt commenced a cooperation development program that has now been active for 30 years
- The initial focus of the early stage of the program was:
  - Physical infrastructure;
  - Technical and scientific expertise;
  - Expanding agricultural productivity
  - Health care; and Education
- As the 1970s began drawing to a close, the program was expanded in light of Egypt's important position of leadership within the Middle East region, and has grown into one of the US's largest development assistance programs globally

Egypt: 1975 and Today

USAID IN EGYPT

	1975	Today (2006)
GDP	$24 billion	$107 billion
GDP per Capita (PPP)	$580	$4,200
Inflation	3.9 percent	6.5 percent
Population	37 million	75.5 million
Labor Force	9.5 million	21.8 million
Unemployment (Official Rate)	2.8 percent	8.3 percent
Life Expectancy	54 years	71 years
Adult Illiteracy Rate	61 percent (1980)	29 percent (2004)

The 1970s

USAID-Egypt Development Timeline

USAID IN EGYPT

- Key Milestones and Achievements
  - Restoration and Modernization of the Suez Canal
  - Investment in:
    - Electric power generation
    - Telecommunications
    - Port facilities
    - Grain storage capacity
    - Clean water distribution

The 1980s

USAID-Egypt Development Timeline

USAID IN EGYPT

- Areas of Focus:
  - Social and economic development
  - Shift to a market economy
- Sectors: Agriculture, Health care and Basic Education

- Supported Programs:
  - Privatization
  - Business environment enhancement
  - Private sector development

The 1990s

USAID-Egypt Development Timeline

USAID IN EGYPT

- Areas of Focus:
  - Accelerating economic growth through privatizing state-owned enterprises and increasing exports
- Sectors: Water, Health care (women and children) and Access to infrastructure
- Supported Programs:
  - Reducing Air Pollution
  - Protecting National Resources
  - Improving Civil Courts
  - Supporting NGO development

2000 and Beyond

USAID-Egypt Development Timeline

USAID IN EGYPT

- Areas of Focus:
  - Job creation, investments in people, and optimizing the use of natural resources
- Supported Programs:
  - Increasing mutual trade
  - Attracting investment to Egypt
  - Developing a more productive and better-trained workforce.
  - Expanding and improving educational opportunities
  - Strengthening health and family planning services
  - Protecting the environment
  - Promoting citizen participation

Infrastructure

Development Programs in Egypt

USAID IN EGYPT

- Since 1975, USAID's projects and collaborations in the infrastructure field are estimated to have benefited almost half of all of Egypt's population
- The scope of assistance has extended to industrial activities, electric power, telecommunications, water and wastewater
- Present priorities of the Government of Egypt are expanding electric power generation to meet future demand, improving operating efficiency, introducing renewable energy technologies, and improving transmission and distribution systems.

Total Assistance: $5.8 billion

Power Generation

Development Programs in Egypt

USAID IN EGYPT

- Key Activities
  - Replacement of vital equipment in the Aswan High Dam power station, making it one of the world's most efficient producers of hydroelectric power and enabling Egypt to become an electricity exporter in the region;
  - Refurbishment and modernization of power plants in West Cairo and Hurghada to cope with the increasing power demand;
  - Expansion of the microwave communication system of the National Energy Control Center to collect operating data from six additional stations between Cairo and the Suez Canal; and
  - Construction of Regional Control Centers to monitor the power grid system and improve operational management in Cairo and Alexandria.

Total Assistance: $1.8 billion

Water and Wastewater

Development Programs in Egypt

USAID IN EGYPT

- Assistance in this sector initially targeted emergency provision of sewerage infrastructure to relieve flooding in Cairo and Alexandria, and the replacement and rehabilitation of services in the war-damaged canal cities of Port Said, Suez, and Ismailia
- In the 1980s and early 1990s, USAID programs focused on the needs of the populations of Cairo and Alexandria, where water and wastewater facilities serve millions of people
- Since the mid 1990s, a shift was made in the geographic focus of the portfolio from large urban centers to smaller, under-served urban centers in the Delta, South Sinai, Middle and Upper Egypt.
- Increased emphasis is now placed on institutional development of local utilities, including cost recovery.

Total Assistance: $3+ billion

Infrastructure Facts

USAID IN EGYPT

About 22 million people will have benefited from improved water and wastewater systems

Approximately 8 million people will have benefited from expanded telecommunications network and improved telephone service

More than 20 million people will have benefited from newly constructed or modernized electric power plants that increased Egypt's electric power capacity by 35%

Affordable water distribution networks brought to villages using contributions of labor by village communities and low cost credit

Total installed capacity increased from 3,789 megawatts in 1976 to more than 14,300 megawatts in 1999

Education

Development Programs in Egypt

USAID IN EGYPT

- USAID activities in Egypt have focused on the development of effective models of education in poor communities
  - This includes both formal and non-formal education reform in both urban and rural areas
- USAID has made girls' education a key area of focus.
- The USAID program addresses education reform, with community mobilization and capacity building at the local level.
- IT has been introduced in 40 schools, with a view to applying the same blueprint to more schools in the future.
- Teacher training efforts have produced a portal that houses 6,000 IT-enriched lessons from the national curriculum and provides a professional development curriculum for teachers.

Education

Development Programs in Egypt

USAID IN EGYPT

- At the higher education-level, USAID supports projects and scholarships with the American University in Cairo and tourism training in working with the Egyptian Tourism Federation. In the past, the main foundation of the Education program was the Peace Fellowship Program which supported over 17,000 professionals.
- USAID supports a number of additional program that assist with supplementary materials, such as the national books program which promotes literacy, high quality children's literature.
- The private book publishing industry been strengthened and the program has provided a 700 book library to each of the 39,000 public schools in the nation.
- USAID's efforts to ensure gender equality in education have helped raise the primary school attendance of girls from 56% in 1975 to 95% in 2005.

Total Assistance: $992 million

Health

Development Programs in Egypt

USAID IN EGYPT

- USAID continues to support family planning, reproductive health and maternal/child health.
- USAID provides assistance to help enhance Egypt's capacity to monitor infectious diseases and to respond to endemic and emerging diseases.
- The focus on infectious diseases includes HIV/AIDS and Avian Flu.
- To maximize the impact of the services provided, USAID will also provide assistance in the area of health communication and promotion.

Total Assistance: $895 million

Trade and Investment

Development Programs in Egypt

USAID IN EGYPT

- To assist Egypt in strengthening its business environment and to promote trade and investment, USAID programs provide training, technical assistance, increased access to finance and IT, cash transfers and expanded Egyptian private sector access to U.S. equipment and inputs.

- The special focus is to ensure that Egypt's industries develop as sustainable long-term sources of jobs and income generation.

- Key Programs include: Stimulating private sector investments by financing imports, creating a real estate finance industry, facilitating trade and investment, developing Egypt's SME sector, broadening the ICT base, improving rural income and employment opportunities

Total Assistance: $14.8 billion

Democracy and Governance

Development Programs in Egypt

USAID IN EGYPT

- USAID assists the Government of Egypt and Egyptian civil society in efforts to:
  - Strengthen the administration of justice
  - Improve access to justice for women and disadvantaged groups
  - Promote fiscal, political and administrative decentralized governance
  - Promote more competitive and transparent electoral processes and representative political parties
  - Strengthen the organizational and advocacy capabilities of civil society organizations
  - Professionalize the media through training and structural reform
  - Identify and combat public sector corruption and violence against women and children
  - Address human rights violations.

Total Assistance: $1 billion

Then and Now

The Impact of Three Decades of Assistance

USAID IN EGYPT

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