

UNCLASSIFIED

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

PROJECT PAPER

EGYPT: 263-0110

GRANT

EGYPT: PEACE FELLOWSHIP PROGRAM

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE
 A = Add
 C = Change
 D = Delete
 Amendment Number _____
 SPECIAL-CLASS CODE 3

2. COUNTRY/ENTITY
 Egypt

3. PROJECT NUMBER
 263-0110

4. BUREAU/OFFICE
 NE

5. PROJECT TITLE (maximum 40 characters)
 03 Peace Fellowship program

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)
 MM DD YY
 1 2 3 0 8 4

7. ESTIMATED DATE OF OBLIGATION
 (Under "B." below, enter 1, 2, 3, or 4)
 A. Initial FY 80 B. Quarter 2 C. Final FY 82

8. COSTS (\$000 OR EQUIVALENT \$1 = L.E. 0.70)

A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(30000)	()	(30000)	(54000)	()	(54000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		481	481		3549	3549
Other Donor(s)						
TOTALS	30000	481	30481	54000	3549	57549

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EH	660	720				54000		54000	
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code _____
 E. Amount _____

13. PROJECT PURPOSE (maximum 400 characters)

Provide graduate level training opportunities in fields related to economic and social development

14. SCHEDULED EVALUATIONS
 Interim MM YY 0 3 8 2 Final MM YY 0 2 8 5

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY
 Signature: *[Signature]*
 Title: Director
 Date Signed: MM DD YY 12 25 80

18. DATE DOCUMENT RECD IN AID/W, OR FOR AID/AMENDMENTS, DATE OF DISBURSEMENT
 MM DD YY 02 28 80

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- J. Guidance for Estimating the Cost of Participant
Training: STATE(79) 285897, STATE(79) 316256
- K. Final Project Agreement
- L. Project Authorization

USAID/EGYPT PROJECT COMMITTEE

- | | |
|-------------------------------|-------------------------------------|
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| 2. Karl Schwartz | Education Advisor |
| 3. Charles F. Weden, Jr. | Program Officer |
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| 5. L. Michael Hager | Legal Advisor |
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| 7. Donald W. Gendron | Accountant Financial Analyst |
| 8. Thomas R. Tifft | Capital Development Officer |

AID/W PROJECT REVIEW COMMITTEE

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| 8. Leila Mogannam | DS/IT |

USAID/EGYPT PROJECT APPROVAL OFFICER

Donald S. Brown

Director

I. RECOMMENDATIONS:

USAID/Cairo recommends that AID/W approve a grant to the Government of Egypt (GOE) in the amount of \$54.0 million. This grant will be used to fund graduate level academic training for Egyptians drawn from government ministries, public and private sector firms, and universities. This training will be provided by U.S. institutions of higher education, and participants will study fields directly related to Egypt's development needs.

USAID also recommends that, subject to the availability of funds, monies to support this project be obligated according to the following schedule:

FY 80	\$30,000,000
FY 81	15,000,000
FY 82	9,000,000

Further, it recommends that a waiver be granted to the Foreign Assistance Act, Section 612 (b) to permit dollar financing of local currency costs. Similarly, it recommends waiving Near East Bureau guidelines regarding host country contributions to project costs. Approximately 78 percent of project costs are directly related to the support of participants in the U.S. The balance is related to operating costs. The GOE will contribute to the support of the Fellows and make a significant contribution to the implementation of the project in the form of office space and personnel. The Mission believes that the level of its contributions to the project sufficiently demonstrates the high value the GOE places upon this project.

II. PROJECT DESCRIPTION

A. Background & Purpose

This project emerged from high level bilateral discussions between the USG and the GOE about the nature of post peace assistance to Egypt. The initiative behind it came from Egyptian representatives who, early in their careers, benefited from similar educational programs. As proof of the contribution graduate level training in U.S. universities could make to Egypt's development, they cited their own careers and the lasting intellectual and professional contacts such training produced.

The discussions from which the proposed project emerged followed upon President Anwar El Sadat's bold foreign policy initiatives which not only charted the course to peace in the Middle East but have increasingly permitted Egypt's leaders to focus their attention and the country's resources upon social and economic development. The USG has offered to assist the GOE realize its efforts to develop rapidly and equitably.

Development is a product of many factors. One of these is the capacity to plan for and manage developmental projects. If coordinated development is to occur, this capacity must exist not only in national government ministries, where macro level decisions about the allocation of resources are made, but in local governments and in public and private sector firms where micro level decisions are made and actions result. Experience has shown that, unless this capacity matches a country's plans for development, the result is inefficient and ineffective utilization of scarce resources characterized by costly and timely delays in the implementation of growth oriented projects.

Increasingly, Egypt's leaders are turning to a different development strategy. For example, the economy has been greatly liberalized by the new open door policy. Decision making is being decentralized. Incentives related to performance are being tested. Changes such as these suggest that Egypt may soon experience an increased demand for skills related to the planning and management of development and expansion in all sectors of society and economy and at all levels of decision making. The goal of this project, therefore, is to assist Egypt to respond to this demand by strengthening and expanding the pool of manpower trained in development related skills. Its purpose is to

provide fellowships for graduate level training at U.S. institutions of higher education in all fields specifically related to Egypt's economic and social development. It will identify and select recipients of these fellowships and provide logistical support and counseling for them during their studies in the U.S. It will also provide technical assistance to the GOE entity responsible for implementing the project; sponsor seminars related to Egypt's development for and by recipients, and encourage the formation of an "alumni" association and other activities designed to strengthen the abilities of the GOE and AID to follow the careers of recipients upon their return to Egypt.

To achieve maximum impact, this project is being implemented in two phases. Phase I began during May 1979. It placed 92 Peace Fellows in 47 American universities or colleges during September 1979 and January 1980. These fellows were selected on behalf of the Ministry of Education and USAID by the Commission for Educational and Cultural Exchange between the U.S.A. and A.R.E. (the Fulbright Commission) according to criteria agreed to by both parties. Placement and support services for the Phase I fellows are being provided by the America Mid-East Educational and Testing Service (AMIDEAST) through A.I.D. contract (AID/NE-C-1642). Phase II will place a minimum of 1,400 Peace Fellows in U.S. institutions of higher education between September, 1980 and September 1984. Plans for implementing Phase II of the project have been developed through close cooperation with the Ministry of Higher Education.

Within the context of the specific guidance provided by the CDSS and the general Policy Paper, it has been determined that the proposed project is an appropriate response to a significant developmental constraint.

B. Inputs and Outputs

AID's input will consist of a grant for \$54.0 million. It will be used to support graduate level studies by Egyptians in the U.S.; to provide the level of U.S. technical assistance and budgetary support for the GOE entity administering the project necessary to ensure timely and effective implementation of the project; and to initiate a variety follow-up activities. The estimated cost of these separate items is fellowships (\$41.5 million); technical assistance (\$3.0 million); budgetary support (\$0.7 million); and follow-up (\$0.2 million); and other including evaluation (\$0.4 million). Inflation and contingencies are estimated at \$8.2 million.

GOE inputs will consist of personnel and office space necessary to select Peace Fellowship recipients and assist the U.S. contractor develop placement materials (\$171,829);

continuing salaries for GOE employees and university faculty and departure allowance for all who receive fellowships (\$3.0 million); and some international travel (\$0.5 million). Inflation is estimated at \$400,000.

Project outputs will include an on-the-job training program for members of the Missions Department of the Ministry of Higher Education. This office is responsible for the day-to-day implementation of the Peace Fellowship Program. This on-the-job training, to be provided by the U.S. contractor, will up-grade the administrative and placement skills of twelve Missions Department employees. Technical assistance provided by the U.S. contractor will also strengthen the records keeping system within the Missions Department. An association of returned Peace Fellows will also result from this project. But the major output will be fellowships. The magnitude of this output will be determined by several factors.

As originally conceived, this project was to provide 1,500 two-year fellowships for which \$45 million was set aside. Approximately 100 fellows were taken under Phase I, leaving 1,400 for Phase II. However, experience with Phase I and other information about training costs indicated that the amount set aside originally would not be adequate. At the same time, however, events in Egypt made it clear that it would be in the best interests of the Ministry of Education (MOE) and A.I.D. to train as many Egyptians as possible under this program. Accordingly, it was agreed to limit the time of the fellowships to 21 months (two academic years and the intervening summer). It was also agreed that 500 fellowships could be divided between two recipients, each of whom would study 10 months. These agreements raise the target number of fellowships to 1,900; 900 of which will be of 21 months duration; 1,000 of 10 months duration.

Against this background, A.I.D. looked closely at the costs involved in training 1,400 as opposed to 1,900 fellows and the resources available for this program. The latter are adequate to train 1,900 if the following schedule is adhered to closely:

	<u>Two-Years</u>	<u>One-Year</u>
September 1980	100	125
January 1981	150	125
September 1981	250	200
January 1982	250	200
September 1982	150	125
January 1983	-0-	125
September 1983	-0-	100

The major factor dictating this schedule is inflation. Estimated at 15 percent per year, inflation can quickly erode the purchasing power of the money set aside for this project

* See ANNEX B.

if significant delays in the departure and the return of fellows are encountered. The target of 1,900 fellowships is possible; but, to achieve it, the project must be implemented in a timely and effective manner.

C. Issues

Three major issues -- participation, relevance and utilization--have been addressed through project design. A fourth, English language preparedness, is to be addressed by the MOE. Each of these issues is briefly discussed below and, at greater detail, elsewhere in the project paper.

1. Participation: The social objective of the Peace Fellowship Program is twofold. On the one hand, it seeks to ensure that all who are qualified have reasonably equal opportunities to apply for the program. On the other hand, it seeks to ensure an equitable distribution of the fellowships among Egypt's young intellectuals and students, and government, public and private sector employees. To achieve these ends, applications will be available to all who request them. Centers will be established where applications can be obtained and submitted. Applications will be reviewed and fellows selected by committees representative of interested parties. Targets for male/female, urban/rural, and university, government, public/private sector distributions have been agreed upon, and progress towards these targets will be constantly considered. The details of these actions are described more fully in the Social Analysis Section.

2. Relevance: The goal of this project is to strengthen the pool of available manpower trained in development related skills. Fellowships, therefore, will support only study and/or research programs directly related to Egypt's development problems as defined by its Five Year Plan. In addition, individual study plans will be prepared for each recipient. These will be used to monitor their progress towards clearly identified goals. Additionally, special seminars focusing upon Egyptian developmental problems will be organized to help fellows relate their particular studies to Egypt's overall needs. These procedures are more fully described in the Social Analysis Section.

3. Utilization: The goal of the project will not be achieved unless fellowship recipients return to positions which make reasonably full use of their newly acquired skills. The project, therefore, will draw the majority of recipients from Egyptian institutions involved with development. These institutions include government ministries and research centers, local government bodies, public and private sector

firms and universities. Additionally, the project will strengthen the GOE's capacity to monitor the careers of returned participants and encourage the growth of an "alumni" association through which the Peace Fellows will be able to support, encourage and reinforce their mutual development efforts. Details on these aspects of the project can be found in the Social Analysis Section.

4. English Language Preparedness: Sixty-six of the Phase I Fellowship recipients achieved TOEFL scores of 500 or better and were able to begin their studies without delay. Twenty-seven scored between 450 and 499, below the level of admission to most U.S. graduate level academic programs. It was necessary, therefore, to assign these individuals to English language training programs in the U.S. and delay their academic studies for varying periods of time. The departure of two recipients, whose scores were below 400, was delayed pending improved TOEFL results.

The overall impact of the Peace Fellowship Program, therefore, is directly related to the availability of recipients whose English language skills are adequate to gain admission to U.S. colleges and universities. Officials of the MOE are fully aware of this fact and, from the beginning, have indicated their belief that English language training ought to be the responsibility of the Egyptian side. Accordingly, they have laid plans to administer, as in Phase I, an English language screening exam. This test will precede the standard TOEFL examination and be used to direct applicants to additional English language instruction if necessary. In addition, the Egyptian side is attempting to coordinate the use of existing English language training facilities in Egypt so that all recipients will be fully qualified in English before their departure.

III. PROJECT ANALYSES

The Peace Fellowship Program is a participant training program. Training will be provided by U.S. institutions of higher education. Students will enroll at the graduate level in standard academic programs related to Egypt's development needs. Project implementation relies upon established GOE entities. These include the Ministry of Higher Education and the Supreme Council of Universities. The role of the Ministry in the identification and selection of fellowship recipients, particularly those from the private sector, will be expanded slightly. However, it is well within the capacity of the Ministry's bodies to carry out these new responsibilities. The technical assistance required -- student placement, counseling and support services -- are readily available from U.S. sources. No new technologies are to be introduced and no significant impact on the physical environment is anticipated. The economic analysis concludes that the project represents a reasonably sound investment in human resources development. The major analytical issues which have emerged during project design, therefore, relate to costs and social soundness which are discussed more fully below. Technically, the project is sound and conforms to the requirements of Section 611(a) and (b) of the Foreign Assistance Act.

A. Costs

The original discussions which led to the Peace Fellowship Program earmarked \$45 million for 1,500 two-year scholarships. Phase I cost \$3.6 million and placed 92 Peace Fellows. Subsequently, the GOE suggested and A.I.D. agreed that the 500 Phase II, scholarships set aside for government employees and private and public sector employees be split into two one-year fellowships (See Cairo (79) 22111 and STATE (79) 296390). * This decision increased the number of Phase II Fellowships to 1,900 while the maximum number of training months remained at 33,600 (1,400 scholarships times 24 months).

Guidance for estimating the cost of participant training provided by STATE (79) 285897 and STATE (79) 316256 pushed the overall cost of the Peace Fellowship Program far beyond the amount of money originally earmarked. * Subsequent discussions with the MOE concluded that, politically, it was important not to reduce the total number of fellowships and, to the extent possible, adhere to the decision to split 500 fellowships into two one-year programs. It was agreed, however, to substitute academic years (10 months) for calendar years (12 months) when calculating the number and duration of the fellowships. A two-year fellowship, therefore, was reduced to 21 months (two academic years and an intervening summer) and a one-year fellowship to 10 months.

* See ANNEX J.

This agreement reduced the number of participant months by 4,200 from 33,600 to 29,400.

The guidance provided for estimating fellowship costs also highlighted the implications of two factors not directly related to the support of scholarship recipients. These two factors are inflation and contractor fees. Figured at 15 percent annually, as per STATE (79) 285897, inflation will add 52 percent to the cost of a month of training over the life of the project. Similarly, contractor fees add 22 percent (\$350) per participant month to the cost of the program, approximately \$11.5 million over the life of the project.

There is nothing the project can do to affect the rate of inflation. It can, however, seek to minimize its impact upon the cost of the program by having as many participants as possible complete their studies as soon as possible. Project plans have been laid accordingly.

Similarly, the Mission looked closely at contractor costs. AID/W guidance on this matter is based upon a flat monthly charge. Fully aware that the workload per participant will be highest during the initial and final periods of study (i.e., when placements must be found, applications submitted, examinations scheduled, and travel arrangements made) and relatively low at all other times, the Mission estimated contractor costs according to levels of effort. After allowing a 10 percent "return to investment" the Mission believes that a generous estimate of these costs would not exceed \$5 million. These considerations are the basis of the financial plan and budget tables set forth below.

B. Financial Plan and Budget Tables

The total cost of the project is estimated at \$57.6 million. AID will provide a grant of \$54.0 million. The GOE will contribute the equivalent of \$3.6 million in the form of logistical support, including personnel and office space, international travel, and salaries and departure allowances. The AID input will be provided as follows: \$30 million in FY 1980; \$15 million in FY 1981; and the remaining, subject to the availability of funds, in accord with the proposed budget shown in Block 11 of the face sheet.

Approximately 78 percent of project costs are directly related to the support of participants. This is the major cost component. Inflation is the second major component followed by contractor costs, contingencies, and aid to the Missions Department. The use of project funds is summarized in Table A. Table B lists AID obligations by fiscal year, and Table C projects estimated expenditures by type and fiscal year. Table D relates project costs to outputs. In preparing these tables and cost estimates, inflation was calculated at 15 percent per annum; overhead at 100 percent of salaries and wages; the contractor's fee at 10 percent of direct costs, and overhead; and contingency at 5 percent of all other costs. The contractor's estimated workload (plus all related costs such as salaries and overhead) and fellowship costs are based upon the schedule of fellowships given on page 5.

The GOE entity with major responsibility for day-to-day operations of the Peace Fellowship Program is the Missions Department of the Ministry of Higher Education. In recent years, it has received a limited but adequate budget to carry out its normal tasks. The Peace Fellowship Program, however, stretches its responsibilities. It requires the Missions Department, for example, to establish, on a temporary basis only, branch offices outside of the Cairo area at which regional applicants can get and submit application forms and sit for English language screening tests and oral interviews. It also involves the Missions Department much more deeply in the process of identifying and selecting candidates and preparing them for their departure for the U.S. Unfortunately, the operating expense budget of the Missions Department cannot be stretched as easily as its responsibilities. To ensure the timely and effective implementation of the project, therefore, it will supplement the Missions Department's budget. Funds are included in the project to purchase necessary office equipment such as typewriters and copying machines. There are also funds to cover overtime for Missions Department personnel assigned to work on the project and operation of the application centers. Experience with Phase I of the Peace Fellowship Program indicates that this provision is critical to project success. The workload is characterized by peaks and valleys. During periods of application and credential review, hours are long, and additional compensation is required if the work is to be finished in a timely manner. This is the lesson of the Phase I experience acquired by both the Fulbright Commission and AMIDEAST.

TABLE A: SUMMARY COST ESTIMATE AND FINANCIAL PLAN (\$000)

TITLE: Peace Fellowship Program

Source Use	AID	COE	COMBINED
Training	41,451.4	2,977.4	44,428.8
Technical Assistance	3,025.4	-	3,025.4
Other	<u>1,250.0</u>	<u>171.8</u>	<u>1,421.8</u>
Sub total	45,726.8	3,149.2	48,876.0
Inflation	5,693.9	400.3	6,094.2
Contingency	<u>2,571.0</u>	<u>-</u>	<u>2,571.0</u>
Total	53,991.7	3,549.5	57,541.2

TABLE B: AID OBLIGATIONS BY FISCAL YEAR AND USE (\$000,000)

Project 263-0110

Title: Peace Fellowship Program

FY Outputs	80	81	82	Total
Training	23.2	11.6	6.7	41.5
Technical Assistance	1.6	0.8	0.6	3.0
Other	<u>0.7</u>	<u>0.4</u>	<u>0.2</u>	<u>1.3</u>
Sub total	25.5	12.8	7.5	45.8
Inflation	3.1	1.5	1.1	5.7
Contingency	<u>1.4</u>	<u>0.7</u>	<u>0.4</u>	<u>2.5</u>
TOTAL	30.0	15.0	9.0	54.0

TABLE OF PROJECTION OF ESTIMATED EXPENDITURES BY FISCAL YEAR (\$)

APPLICABLE	FY 80			FY 81			FY 82			FY 83			FY 84			GRAND TOTAL
	FX	LC	TOTAL	FX	LC	TOTAL	FX	LC	TOTAL	FX	LC	TOTAL	FX	LC	TOTAL	
SPACE FELLOWSHIP PROGRAM																
Training (a)	7,175,571 (b)	-	7,175,575	15,454,042	-	15,454,042	14,518,388	-	14,518,388	4,303,365	-	4,303,365	-	-	-	41,451,170
Technical Assistance	302,068	-	302,068	816,465	-	816,465	818,355	-	818,355	646,323	-	646,323	318,788	-	318,788	3,025,360
Other (c)	230,000	-	230,000	230,000	-	230,000	230,000	-	230,000	210,000	-	210,000	190,000	-	190,000	1,220,000
GRAND-TOTAL	7,707,643	-	7,707,643	16,500,507	-	16,500,507	15,566,743	-	15,566,743	5,159,688	-	5,159,688	508,788	-	508,788	45,726,730
Inflation (d)	-	-	-	2,475,076	-	2,475,076	2,335,011	-	2,335,011	773,953	-	773,953	76,318	-	76,318	5,623,862
Contingency (e)	108,382	-	108,382	948,772	-	948,772	895,087	-	895,087	296,682	-	296,682	29,255	-	29,255	2,571,070
TOTAL AFD	8,156,025	-	8,156,025	19,924,362	-	19,924,362	18,796,841	-	18,796,841	6,230,323	-	6,230,323	614,361	-	614,361	53,921,620
REVENUES																
Training	-	466,350	466,350	-	1,136,150	1,136,150	-	1,038,626	1,038,626	-	336,235	336,235	-	-	-	2,977,361
Personnel	-	7,840	7,840	-	18,816	18,816	-	21,648	21,648	-	25,008	25,008	-	15,415	15,415	88,727
Prog. & Facilities	-	6,500	6,500	-	15,360	15,360	-	17,664	17,664	-	20,314	20,314	-	23,364	23,364	83,102
GRAND-TOTAL	-	480,590	480,590	-	1,170,326	1,170,326	-	1,077,938	1,077,938	-	381,557	381,557	-	38,779	38,779	3,149,190
Inflation (e)	-	-	-	-	175,549	175,549	-	161,691	161,691	-	57,234	57,234	-	5,817	5,817	400,291
TOTAL GCF	-	480,590	480,590	-	1,345,875	1,345,875	-	1,239,629	1,239,629	-	438,791	438,791	-	44,596	44,596	3,346,481
GRAND TOTAL	8,156,025	480,590	8,636,615	19,924,362	1,345,875	21,270,237	18,796,841	1,239,629	20,036,470	6,230,323	438,791	6,669,114	614,361	44,596	658,957	57,541,101

(a) Assumes that all training expenditures occur at the beginning of the academic year.
 (b) Includes \$600,000 to complete funding of Phase 1 Fellowships.
 (c) Includes budgetary support for Missions Department, funding for follow-up activities and evaluation.
 (d) Estimated at 15 percent annually.
 (e) Estimated at 5 percent of other costs.

TABLE D: COSTING OF PROJECT INPUTS/OUTPUTS (\$000)

PEACE FELLOWSHIP PROGRAM

AID INPUTS	FELLOWSHIPS			MISSIONS DEPARTMENT			FOLLOW UP ACTIVITIES			COMBINED		
	FX	LC	TOTAL	FX	LC	TOTAL	FX	LC	TOTAL	FX	LC	TOTAL
Training	41,451.4	-	41,451.4	-	-	-	-	-	-	41,451.4	-	41,451.4
Technical Assistance (a)	2,571.6	-	2,571.6	302.5	-	302.5	151.3	-	151.3	3,025.4	-	3,025.4
Other (b)	-	-	-	700.0	-	700.0	550.0	-	550.0	1,250.0	-	1,250.0
SUB TOTAL	44,023.4	-	44,023.0	1,002.5	-	1,002.5	701.3	-	701.3	45,726.8	-	45,726.8
Inflation (c)	5,478.4	-	5,478.4	120.7	-	120.7	94.8	-	94.8	5,693.9	-	5,693.9
Contingency	2,457.1	-	2,475.1	56.2	-	56.2	39.7	-	39.7	2,571.0	-	2,571.0
TOTAL	51,976.5	-	51,976.5	1,179.4	-	1,179.4	835.8	-	835.8	53,991.6	-	53,991.6 (d)
GOE INPUTS												
Training	-	2,977.4	2,977.4	-	-	-	-	-	-	-	2,977.4	2,977.4
Personnel	-	75.4	75.4	-	8.9	8.9	-	4.4	4.4	-	88.7	88.7
Bldg. & Facilities	-	70.6	70.6	-	8.3	8.3	-	4.2	4.2	-	83.1	83.1
SUB TOTAL	-	3,123.4	3,123.4	-	17.2	17.2	-	8.6	8.6	-	3,149.2	3,149.2
Inflation (c)	-	396.4	396.4	-	2.6	2.6	-	1.3	1.3	-	400.3	400.3
TOTAL	-	3,519.8	3,519.8	-	19.8	19.8	-	9.9	9.9	-	3,549.5	3,549.5

(a) Simply assumes 10 percent of contractor's time will be devoted to an in service training program and 5 percent to follow up activities

(b) Includes budgetary support and evaluation

(c) 15 percent annually

(d) Discrepancy with A.I.D. total, Table C due to rounding

The Mission has made a concerted effort to develop a financial plan that is both reasonable and realistic. This plan, however, rests upon several critical assumptions: that inflation will not exceed 15 percent per annum, that the scheduling of fellowships will occur as planned, and that a contractor will accept a fee of 10 percent (or less). The Mission and the MOE are aware that each assumption is tenuous. However, they have a reasonable level of control over two only, the scheduling of fellowships and contractor costs. Fully aware that excessive costs will reduce the number of fellowships which can be derived from this program, the MOE and AID have agreed to extend full efforts to achieve the planned schedule of fellowships and negotiate a fair but reasonably priced contract for technical services.

C. Economic Considerations:

Generally, investments in human capital are assessed in terms of their anticipated impact on the levels of future incomes and productivity. For several reasons, however, in the Egyptian context, standard cost-benefit analysis will under-value the returns to investment in graduate level training acquired in the U.S. First, the cost of higher education in the U.S. relative to the level of salaries in Egypt is exorbitantly high. Second, salary levels of government and public sector employees, the main beneficiaries of this project, are not determined by market forces and, therefore, do not reflect the full value of their marginal productivity. If, however, this analysis is adjusted to the Egyptian context, the expected returns, from both a societal and an individual perspective, are reasonable.

The "cost" of the Peace Fellowship Program to Egypt is the income foregone if an equal amount of money were placed in physical investments. To calculate this sum, it was assumed that the program will cost \$55 million and train 1,900 Egyptians. All things being equal, the annual increase from an investment of this amount in physical capital should be about \$18.3 million. (In Egypt, the Incremental Capital Output Ratio is about 3.0. The estimated increase due to a \$55 million investment is $\$55 \text{ m}/3 = \18.3 million .) Assuming that such an investment will last 15 years, the present value of the income foregone, using a 15 percent discount rate, would be \$107 million. Converting this to a figure which has more meaning in the context of the Peace Fellowship Program, to match the return to be

derived from an investment in physical capital, the annual value which must accrue to Egypt from each participant (assuming they will work for 30 years) is \$8,577, or \$715 monthly.

As noted above, public sector and government wages do not reflect the full value of an employee's marginal productivity. Private sector salaries do, however, and the value this sector places on employees with skills like those to be acquired by the Peace Fellows ranges from \$700 to \$2,800 per month. Assuming that all things are equal, then the return to Egypt of this investment in human resources is about the same magnitude as that to be derived from an equivalent investment in physical capital. However, the value to Egypt of improved public sector and government employee capabilities is quite large. Public sector investments, for example, account for more than 85 percent of total investment. If the capabilities of public sector employees to manage these investments are strengthened through this program, the potential benefits to Egypt are enormous. With these considerations in mind, the Mission believes that the Peace Fellowship Program represents a reasonably sound investment for Egypt.

The level of economic returns to be derived by individual recipients, however, is less clear. Returns to individual recipients, except those in the private sector, are severely constrained by administratively determined salary levels. This can be demonstrated by using the example of university faculty members. The official income of a Graduate Instructor with a B.A. Degree is set at \$672 yearly; a Teaching Assistant with an M.A., \$1,068, and an Assistant Professor with a Ph.D, \$2,196. Assume that a participant with an M.A. is able to complete work on a Ph.D. through a Peace Fellowship and become an Assistant Professor. Immediately, his annual income would more than double, although in terms of additional cash, he would gain only \$1,128.

The average cost of a 21-month Peace Fellowship is approximately \$40,850. Clearly, if the entire cost had to be borne by the individual alone, the return would be small, distant, and would probably not match the added value to be derived from almost any other investment. The individual, however, will not bear the full cost of participation in the program, but it is expected that participation will create new and more lucrative opportunities for

fellowship recipients. In this context, the Peace Fellowship Program represents a "windfall profit" for those selected to study in the U.S. The value of this windfall, however, cannot be accurately determined at this time.

D. Social Analysis:

The social objective of the Peace Fellowship Program is twofold. On the one hand, it seeks to ensure that all who are qualified for the program have reasonably equal opportunities to apply. On the other hand, it seeks to ensure an equitable distribution of the fellowships among Egypt's young intellectuals and students, and government, public and private sector employees. In addition, the developmental objective of the project, to enhance the pool of manpower trained in development-related skills, has social implications. On the assumption that this manpower will be put to good use, the rate of Egypt's social and economic development will increase. Accordingly, the social soundness of the project becomes a function of how fellowship recipients are selected, who receives fellowships, what they study, and what is done with them upon their return to Egypt.

1. Selection Procedures: Naturally, it is hoped that recipients of the Peace Fellowships will be the best qualified candidates. At the same time, the Program's Phase I record indicates that there will be many more applicants than there are fellowships. If the social objective of the Peace Fellowship Program is to be achieved, applicants must perceive the selection procedures as both fair and just.

Special procedures have been created for the Peace Fellowship Program. These procedures rest upon public announcements of the Program and selection criteria, individually submitted applications, and open competition within fields of study and specified constituencies. They incorporate elements of the existing system for selecting recipients of GOE-sponsored scholarships, modify others, and experiment with alternate techniques. They are most easily described by breaking the selection process into three stages: (a) identification, (b) review, and (c) selection.

a. Identification: Two general procedures will be used to identify qualified candidates, both based upon a public announcement of the program. One will apply to the ministries, public sector firms and universities, the other to private sector firms and individuals who do not fall immediately into one of these other categories.

Ministries, public sector firms, and universities will publicly announce the program through internal channels prior to each round of selection. Applications will be available from the scholarship units of each of these institutions. They will be readily available to all who request them. At the same time, the Ministry of Higher Education will publicly announce the availability of the fellowships to private sector employees and other individuals not affiliated with the universities, ministries or public sector firms. These individuals will obtain applications from the Missions Department of the Ministry of Higher Education. To facilitate their access to applications, the Missions Department will maintain, on a temporary basis at timely intervals, information centers outside of the Cairo area from which individuals can obtain application forms and sit for initial interviews and screening tests. It is expected that these centers will operate in cooperation with the regional universities and the project contains funds to cover their operating expenses. The Missions Department will present a plan for the operation before Fellows begin to return. In all cases of doubt or questions about an individual's affiliation, the Missions Department shall provide applications when requested to do so by individuals.

b. Review: Ministries, public sector firms and universities will be required to present a minimum of two candidates whose qualifications are reasonably balanced for each fellowship. This requirement will be met through a process of "in-house" review and ranking of applicants. Within the universities, this review will occur as part of their regular process of establishing ranked lists of qualified scholarship candidates. Each university has such a list. It is prepared by the deans and heads of the universities' various departments. It is public and an individual's place on the list can be appealed. Within the ministries and public sector firms, this review will be conducted by Committees on Study Leaves which already exist. The Missions Department will receive and review the forms of all private sector and non-affiliated applicants. These reviews will ensure that applicants meet all general selection criteria as well as specific criteria set for each constituency.

c. Selection: Applications from the ministries, universities and public sector firms, after review, will be sent to the Missions Department. It will verify their general acceptability and establish a file for each candidate. This will already have been accomplished for private sector and non-affiliated applicants. These files will be "blind" files, i.e., the file will be identified by number rather than the individual's name which is not to appear in the file. This list of names and numbers will be protected by the Missions Department.

The applicants' files will then be put before a Selection Committee. This committee shall be appointed by the Minister of Education and consist of two types of members. There will be three permanent members; the Undersecretary of State for Missions (fellowships); the Secretary General of the Supreme Council of Universities; and the Advisor for Cultural Affairs to the Minister of Education. There will be a variable number of special members. Their appointments will depend upon the sectors and disciplines being considered by the Selection Committee,

The Selection Committee's final decisions will be based upon several considerations. These include:

- (1) the candidate's age (a maximum of 35 years of age with preference given to those under 30);
- (2) the candidate's professional competence as measured by academic or work records;
- (3) the applicant's English language skills or ability to develop adequate English language skills within the time frame set by the project; and
- (4) progress toward achieving agreed upon targets with regard to the distribution of the fellowships.

The process of identifying candidates, reviewing their credentials and selecting recipients will be continuous throughout the first 36 months of the project. It will not be a one shot affair. Instead, it will be timed to coincide roughly with the schedules of U.S. universities. This timing will, in turn, allow candidates to be identified and, tentatively, selected early enough to upgrade their English language skills or adjust their work or studies in Egypt to their anticipated studies in the United States.

2. Recipients: This is the point at which the project's social and developmental objectives must be merged. To be sure, it is highly desirable to maximize the participation of diverse social groups. At the same time, it is equally desirable to maximize the project's developmental impact. Although these concerns are not necessarily in opposition to each other, emphasizing one over the other will affect who receives a fellowship. After lengthy discussions with the MOE, it has been decided that the best way to balance these pressures is to set distributional targets based upon subjective social and developmental judgments.

In setting these targets, the fundamental decision was to

draw recipients from institutions or entities involved in some way with development. Currently, this includes select government ministries (such as Planning, Agriculture, Health, and Education), public and private sector firms, and increasingly universities. However, careful attention was also given to supporting the GOE's efforts to equitably distribute the benefits of peace and progress; to enhance the role of the private sector in the Egyptian economy, to increase the productivity of public sector firms; to encourage the process of decentralization and building up of local governments; and to demonstrate the U.S. commitment to Egypt's future, particularly, the future of its universities.

With these considerations in mind, the MOE and USAID have agreed to reserve 900 fellowships for the university community. It is expected that most of these fellowships will be of 21 months duration. It has been agreed that a minimum of 450 will be awarded to candidates from the regional universities of Assuit, Mansoura, Tanta, Zagazig, Minia, Menoufia and the Suez Canal.

The remaining fellowships have been reserved for the non-university community. If all of these fellowships are split and if the project is implemented in a timely manner, the number of recipients could reach the target level of 1,000. It has been agreed to distribute these split fellowships as follows: government ministries and affiliated centers of research, 48% (480); public sector firms, 27% (270); and private sector firms, 15% (150). One hundred fellowships (10%) will be "unassigned." These will be used by the Selection Committee to adjust the distribution of fellowships within the non-university community where necessary to meet social targets and to acknowledge outstanding merit and talent independently of set targets.

It is expected that most recipients from the non-university community will study in the U.S. for 10 months. It has been agreed that, of the fellowships assigned to the government ministries and research centers, 300 will be awarded to candidates working at the governorate level or lower and outside of the major urban areas of Cairo and Alexandria. It has also been agreed, in principle, to maximize the number of private sector recipients working in areas other than Cairo and Alexandria. If, for administrative reasons, project implementation lags behind the schedule of fellowships laid out on page 5, and the number of fellowships reserved for the non-university community is lower than the target, the remaining fellowships will be distributed according to the percentages stated above. If one of the special interests within the

non-university community lags behind in presenting acceptable candidates, it shall bear the loss alone.

It is expected that no less than 35 percent of the total number of fellowships will be awarded to women.

3. Fields of Study: The Peace Fellowship Program will support only studies in fields related to Egypt's development needs. Phase I identified eleven such fields. They were: economics, public administration, public health, agriculture, applied science, engineering, education, commerce, business and banking. Nevertheless some fields were overlooked. The absence of studies related to housing and urban planning are obvious examples of this oversight. A more subtle example is the field of statistics and research methodology as it relates to policy determination.

It is, of course, possible to revise the list of relevant studies identified by Phase I and add other fields until a comprehensive list is established. This approach, however, would weld the program to standard academic offerings and limit its ability to adapt individual study programs to Egypt's needs. Phase II of the Peace Fellowship Program, therefore, will adopt a different approach to defining relevant fields of study.

The Egyptian Five Year Plan (1980-1984) identifies a number of development problems by sector. Under the heading of agriculture and food security, for example, the problems listed include: expanded productivity in main field crops, cereals and fish; efficient use of reclaimed land; and improvement of all agricultural land. Similarly, under industrialization, a key element in Egypt's development plans, the Five Year Plan lists the following problems: expand existing productive capabilities, introduce advanced industrial technology, improve the quality of industrial products, and reduce costs.

Interestingly, many of the problems identified in Egypt's Five Year Plan coincide with those mentioned in AID's "New Directions" Mandate. AID's experience with these problems suggests that the design of solutions requires a variety of disciplines. The efficient use of new land, for example, would involve engineers, agriculturists, economists, managers, lawyers, sociologists and, perhaps, others.

To highlight this point, Phase II will not identify a single list of relevant studies and adhere to it for the life of the project. Instead, the project will develop a mechanism

for continually reviewing Egypt's changing development needs and defining appropriate academic fields. The mechanism shall consist of three elements: the Project Steering Committee, fellowship applicants, and the Selection Committee.

Prior to each round of candidate selection, the Project Steering Committee shall determine a list of priority fields of study. This list shall be based upon the Committee's consideration of the Five Year Plan plus modifications or adjustments made to the Plan. The Committee will also review the general Missions Program of the GOE as well as the particular training programs available to the GOE through other AID projects. This is necessary to ensure a proper balance of studies and to avoid duplication of effort. These lists will be publicized so that potential fellowship candidates receive full information about the fields of study which this project will support.

Fellowship applicants will be required to provide a short statement describing the relationship they perceive between their chosen field of study and Egypt's development needs. This statement will be approximately 200 words long and included in the application form.

The link between fellowship applicants and the decisions of the Steering Committee regarding priority fields of study will be made by the Selection Committee. During its deliberations, it shall be guided by the priority lists established by the Steering Committee. It shall also consider the statement of applicants as to the relationship between their chosen fields and Egypt's needs as a means of assessing the individual's commitment and desire to contribute to Egypt's development.

There are two advantages to this approach to defining appropriate fields of study. First, it provides flexibility and allows for frequent adjustments to needs as they develop. Second, from the beginning, it forces applicants to think in concrete terms about their role in Egypt's development.

4. Follow-Up: The GOE and AID have a mutual interest in the effective utilization of the Peace Fellows upon their return to Egypt. At the minimum, this interest entails a system for tracking their career development. This project will assist the Missions Department establish such a system. In addition, by the time the first Peace Fellows return, the USAID, as part of a Mission-wide participant training and follow-up project, will have established a computerized

system to report on all returned participants. Data on the Peace Fellows will be incorporated into this system which will be managed by the USAID.

With regard to future job assignments, the project will draw the large majority of Peace Fellows from individuals currently employed by institutions, GOE entities or public and private firms involved with development problems. This approach to the program in general should minimize the number of un-attached or un-employed Peace Fellows after their return to Egypt. At the same time, the information about the Peace Fellows gathered by the Missions Department should increase the ability of government agencies and other employers to find individuals with the skills they require and thereby, the likelihood that returned Peace Fellows will be fully and effectively utilized.

With regard to providing professional support, the project will initiate the formation of an "alumni" association and, through this association, sponsor seminars dealing with topics of interest to the Peace Fellows and related to Egypt's development.

Associations of returned AID participants have been successfully established in other countries. The TATCA (Thai-American Technical Cooperation Association) represents a particularly good example of what such associations have been able to accomplish. The U.S. contractor will advise the Project Management Committee on the formation of a similar group in Egypt. The USAID Training Office will share in these consultations.

Initially, this association will form around seminars sponsored by the project. These seminars will address problems related to as well as the role of Peace Fellows in Egypt's development. In addition to the Peace Fellows themselves, seminar participants should be drawn from the development community of Egypt as well as from the circle of contacts established by the Peace Fellows while in the U.S. It is assumed that the most appropriate place to hold these seminars is Egypt and that, after the program is initially established, they will be integrated with the departure of new and the return of old fellows. Again, it shall be the responsibility of the U.S. contractor to advise the Project Management Committee on the organization of these seminars.

Attendance at association meetings and seminars will encourage contacts between returned fellows, but to formalize this contact, the project will also sponsor a newsletter and,

through it, maintain a current list of the returnees' addresses. Initially, this newsletter will be the responsibility of the Missions Department. The U.S. contractor will, accordingly, provide guidance to the Project Management Committee and Missions Department on its preparation. The USAID Training Office will also provide advice and guidance in this connection as requested.

At an appropriate time, that is, as the project is phased out, the follow-up activities directed towards the Peace Fellows will be absorbed by the Mission's broader participant follow-up and evaluation project. This project too will have sponsored an "alumni" association, seminars and various other development oriented activities for returnees. The experience acquired during the implementation of both of these projects will allow the Mission to develop an appropriate blend of future actions directed towards the effective utilization of all USAID participants.

IV. IMPLEMENTATION ARRANGEMENTS

A. Administrative Responsibility: GOE

Primary responsibility for the timely and effective implementation of this project rests with the Ministry of Education. General policy guidance and evaluation will be provided by the Project Steering Committee. Executive duties will be discharged through a Project Management Committee while day-to-day administrative and management tasks will be carried out by the Missions Department of the Ministry of Higher Education. Necessary liaison work in the U.S. will be performed by the Cultural Bureau of the Egyptian Embassy in Washington, D.C.

The Project Management Committee shall consist of the Undersecretary of State for Missions; the Secretary General of the Supreme Council of Universities; the Advisor to the Minister of Education for Cultural Affairs; and other members as deemed appropriate by the Minister of Education. In addition to its general executive responsibilities, the Project Management Committee shall be responsible for: (a) selecting and contracting with a U.S. firm or organization for necessary technical assistance; (b) coordinating English language training efforts related to the Peace Fellowship Program; (c) compile information about and report on the project's implementation status at regular intervals; and (d) with the advice of the U.S. contractor and AID Training Office, devise and implement plan to maintain contact with the Peace Fellows upon their return to Egypt. Of these specific responsibilities, the first, negotiating a host country contract, is the one with which members of the Project Management Committee are least familiar and with which they will need most assistance. The AID Project Manager and Legal Office will provide this assistance.

A detailed list of the day-to-day management and administrative responsibilities of the Missions Department is provided in Annex B. To carry out these responsibilities, a special unit will be established within the Missions Department. Housed in special offices, this unit will be staffed by approximately 12 experienced Missions Department professionals and an appropriate level of support staff. This unit will be under the direct supervision of the Director General. It will work directly with the U.S. contractor's team in Egypt, the chief of which will report to the Director General.

For many years now, the Missions Department has performed administrative tasks similar to those it is called upon to carry out under this project. There is no reason to doubt its ability to continue to do so. Similarly, it is the Mission's judgment that the management level officers of the Missions Department are well qualified to oversee the daily operations of the project.

The major responsibility of the U.S. contractor will be to identify and, with the advice of the Project Management Committee or its designee, enroll the Peace Fellows in appropriate academic programs offered by U.S. institutions of higher education and provide logistic support in accordance with AID guidelines. In this context, an appropriate academic program is defined as one which addresses a development need of Egypt and fits the academic background of the Peace Fellow. It must be at the graduate level. It must be offered by an accredited U.S. college or university. It must be an established program or, if it is a new one, the institution must show how it will be staffed and conducted. To the extent practicable, the contractor shall ensure broad participation among qualified educational institutions offering appropriate programs.

In collaboration with the Cultural Bureau of the Egyptian Embassy, Washington, D.C., the contractor will oversee the progress of Fellows toward objectives identified in their training plans and provide counseling and guidance as necessary. The contractor will also be expected to: (a) advise the Missions Department on the organization of the special administrative unit and an appropriate records keeping and data retrieval system; (b) familiarize the professionals of the Special Unit with admissions procedures and requirements of U.S. universities and colleges through an in-service staff development program; (c) develop pre-departure and return briefings as well as special conferences/seminars on Egypt's development problems for the Peace Fellows; and (d) consult with the Project Management Committee on the design of a plan for effectively following the careers of returned Peace Fellows. A detailed description of the contractor's scope of work is presented in Annex C.

Project evaluation responsibilities shall be assigned to a Project Steering Committee. This committee shall be appointed and chaired by the Minister of Education. Its membership shall be representative of the various interests

the project is designed to serve, i.e., public and private sector firms, government ministries and the universities, and not dominated by any single interest. AID shall be represented on the Project Steering Committee by the Director of AID's Office of Education and Manpower Development. The Project Steering Committee is authorized to advise the Project Management Committee on all aspects of the project, particularly with respect to preferred fields of study and selection criteria. Accordingly, it will guide the Project Management Committee's reporting responsibilities. In this connection, it is important that the Steering Committee have an independent assessment of the Peace Fellows' reactions to the Program in general and to the specific academic programs and U.S. universities in which they are enrolled. It is, therefore, the responsibility of the Management Committee to devise and administer through the Egyptian Cultural Bureau a questionnaire to collect such information on a regular and timely basis.

B. Administrative Responsibility: AID

The AID Assistant Director for Human, Social and Technological Development, or his designee, will have USAID project management responsibility. This responsibility can be divided into four categories consisting of (1) the standard project manager's role; (2) representation on the Project Steering Committee; (3) advice as regards appropriate follow-up activities; and (4) provision of IAP-66 Visas.

The role of the project manager is to ensure that all aspects of the project implementation, including the negotiation of a host country contract and the flow of AID project funds, will be in accordance with established AID procedures. These procedures will be detailed in the Project Agreement and in Project Implementation Letters. Where necessary and appropriate, the AID Project Officer will provide guidance and assistance required to accomplish specific implementation tasks.

The AID Project Officer will be drawn from the staff of the Office of Education and Manpower Development. It is estimated that, during the first seven months of project activity, 70 percent of the Project Officer's time will be absorbed by matters related to management of this project, particularly to the negotiations of a host country contract. During months 8 to 20, it is estimated that 40 to 50 percent of the Project Officer's time will be devoted to this project.

The second major AID responsibility relates to follow-up activities. In this connection, the project will develop a system to collect information about returnees compatible with the interests of both the MOE and USAID. The technical skills and knowledge to develop such a system exists within the Mission's Training Office. It is estimated that doing so will require 10 to 15 percent of an AID Training Officer's time for a period of three months.

AID's two other responsibilities will require a minimum of staff time. The contractor will be responsible for completing the IAP-66 Visa Form. The Training Office will only be required to review and sign these forms. The Project Steering Committee will meet on a regular basis after every round of selection and, irregularly, as required. The participation of the Education and Manpower Office's Director should not require great amounts of time.

C. Implementation Plan:

Given the rather severe impact of inflation on project costs, the key implementation milestones measure the selection and departure of Fellowship recipients. Target dates for the completion of these actions as well as for those related to project documentation and contracting are listed in Table E. A detailed Performance Tracking Network Chart is presented in Annex D. This implementation schedule has been developed through consultations with and agreed to by Ministry of Higher Education officials. There are no outstanding issues related to the implementation plan.

Monitoring the achievement of project implementation targets will be the responsibility of the Director General of the Missions Department under the supervision of the Project Management Committee and in cooperation with the AID Project Officer. Logistic support in Egypt will be provided by the Missions Department. This support will consist of adequate office space, equipment and supplies, and sufficient personnel to implement the project in a timely and effective manner. It will include office space and equipment and supplies for the U.S. contractor's staff in Egypt.

In the United States, logistic support will be provided by the contractor as part of an "overhead" charge.

TABLE E: IMPLEMENTATION HIGHLIGHTS

ACTION	RESPONSIBILITY	PROJECT MONTH	COMPLETION DATE
<u>PRIOR ACTIONS</u>			
Pre-qualified shortlist established	GOE		2/80
PP approved AID/W	USAID		3/80
RFTP Mailed	GOE		3/80
Pro Ag signed,	GOE/USAID		4/80
Contract negotiations initiated; pre contract expenses authorized CPs met	GOE/USAID		5/80
<u>IMPLEMENTATION</u>			
Final Selection Committee Appointed, Selection begins	GOE	1	4/80
Contractor's Country team arrives	Contractor	3	6/80
September, 1980 Fellows depart	MD*Contractor	10	9/80
January, 1981 Fellows depart	MD/Contractor	10	1/81
Follow up Plan prepared	PSC*/Contractor	12	3/81
First Alumni Association Meeting	MD/Contractor	17	8/81
September, 1981 Fellows depart	MD/Contractor	18	9/81
January, 1982 Fellows depart	MD/Contractor	22	1/82
September, 1982 Fellows depart	MD/Contractor	30	9/82
January, 1983 Fellows depart	MD/Contractor	34	1/83
September, 1983 Fellows depart	MD/Contractor	42	9/83
Country Team departs	Contractor	44	11/83
EOP		57	12/84

* Missions Department, (MD): Project Steering Committee (PSC)

ACTION	RESPONSIBILITY	PROJECT MONTH	COMPLETION DATE
<u>EVALUATION</u>			
PSC evaluation	PSC	7	10/80
PSC evaluation	PSC	15	6/81
External evaluation	USAID	24	3/82
PSC evaluation	PSC	26	5/82
PSC evaluation	PSC	33	12/82
PSC evaluation	PSC	46	1/84
External evaluation	USAID	59	2/85

A host country contract will be used to obtain the necessary technical assistance from a qualified U.S. firm or joint venture. This contract will be negotiated by the Project Management Committee on behalf of the Ministry of Education.

D. Evaluation:

As noted above, project evaluation will be the responsibility of the Project Steering Committee. This Committee will conduct routine evaluations after each year's contingent of Peace Fellows has been selected. It has the authority to conduct special evaluations at any time.

Routine evaluations will focus upon three key issues: selection procedures, fields of study, and the utilization of returned Fellows. Under selection, the primary concern will be with whether the selection process remained open, fair and competitive. This concern assumes a number of questions. For example, are selection criteria geared to the needs of the project or are they being used to limit eligibility for the program unnecessarily; have applications been widely and easily available; can applicants submit necessary forms and sit for necessary examinations and interviews without excessive cost to themselves; and have the committees considering applications remained representative of all who might apply for the program?

With respect to fields of study, the program will be evaluated in terms of its effectiveness at supporting studies related to Egypt's development needs. This problem has two aspects. One deals with the capacity of the project to define developmental needs and, from this definition, assign priorities to fields of study. The other addresses the capacity of U.S. institutions of higher education to offer programs relevant to the developmental needs of Egypt. Both aspects will be considered during evaluation and a means will be devised to poll recipients on their attitudes towards the relevance of their study programs.

The impact of the Peace Fellowship Program will be dissipated unless recipients return to positions from which they can apply their new skills and knowledge to solving Egypt's development problems. The project will monitor the use made of the Peace Fellows upon their return

to Egypt and evaluate the effectiveness of existing mechanisms for placing them in positions which utilize their capabilities.

In addition to evaluating the above topics, the project shall also evaluate, on a continuous basis, its own implementation arrangements. The general concern here is with whether the system for identifying, selecting, placing and supporting Peace Fellows works efficiently and humanely. For example, do applicants receive timely information about the status of their applications; do the application centers effectively serve those in outlying regions and rural areas; does the English language training system provide an adequate supply of recipients; are required admission tests administered in a timely fashion; do recipients receive allowance checks at the proper times; or does the orientation program adequately prepare fellows for their stay in the U.S.?

Staff work for the routine and special evaluations will be provided by the Special Unit of the Missions Department. Data required for these evaluations will be routinely collected as part of the process of compiling applicants' files.

It is Mission policy to obtain an independent assessment of the implementation and impact of AID-sponsored projects. Accordingly, two external evaluations are scheduled in addition to the routine evaluation conducted by the Project Steering Committee. The first is to occur during the second quarter of FY 82. At this point, all of Phase I and approximately 200 Phase II Fellows will have returned. The majority of Phase II Fellows will be in the States but the selection process will still be functioning. The second outside evaluation is scheduled for the second quarter of FY 85. At this point, all Peace Fellows will have returned. Some will have been back for three to four years allowing sufficient time for the evaluation to observe the Post Peace Fellowship development of their careers. The project budgets \$80,000 for these evaluations which will be conducted by AID in cooperation with the highest levels of the Ministry of Higher Education.

E. Conditions And Covenants:

The Grantee agrees to cooperate fully with AID to accomplish the purpose of this Grant. To this end, it accepts the following conditions and covenants.

1. Conditions Precedent to Disbursement

- a. First Disbursement: Prior to the first disbursement under the Grant or to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:
- (1) A statement of the name of the person holding or acting in the office of the Grantee and of any additional representatives, together with a specimen signature of each person specified in such statement;
 - (2) An executed Contract for placement and other technical services acceptable to AID with an organization acceptable to AID.
 - (3) Such other information as AID may reasonably request.
- b. Additional Disbursement: Prior to disbursement under the Grant, or to issuance by AID of documentation pursuant to which disbursement will be made, for any purpose other than to finance the placement and other technical services, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:
- (1) Evidence that the Grantee has taken the following steps to ensure timely and effective implementation of the project:
 - (a) Establishment of a Special Administrative Unit within the Ministry of Higher Education, with adequate authorities to administer the Project;

- (b) Establishment of a Project Management Committee, with adequate authorities to provide executive guidance to the Special Administrative Unit.

(2) Such other information as AID may request.

2. Special Covenants

- a. Project Steering Committee: The Grantee, through the Ministry of Higher Education, will establish a Project Steering Committee which fairly represents the various special and institutional interests to be served by the Project, with adequate authorities to provide general policy guidance to the Project Management Committee.
- b. Selection Process: In the selection of Peace Fellows, the Grantee and the Ministry of Higher Education shall maintain an open and competitive process which, among other things, ensures that fellowship applications are easily available to all interested persons, provides fair and timely consideration of each application and ensures that membership of the Final Selection Committee fairly represents the varied social and institutional interests to be served by the Project;
- c. Office Space and Personnel: In order to permit the Missions Department, with the assistance of the U.S. Contractor, to manage the identification, selection, placement and pre-departure preparation of Peace Fellows on a country-wide basis, the Grantee and the Ministry of Higher Education will provide adequate personnel, office space and equipment.
- d. Evaluation: To ensure that the purpose of the Grant will be accomplished, the Project Steering Committee shall meet regularly with an AID representative to evaluate the progress of the Project.
- e. Excluded Training: The Grantee and the Ministry of Higher Education will take appropriate action to ensure that the training provided under the Project does not include police, public safety, military training and related fields or training in nuclear technology.

ANNEXES

ANNEX A

TABLE I : PARTICIPANT COSTS BY ITEM AND ACADEMIC YEAR
(U.S. Dollars)

	<u>AY 80/81 (FY80)</u>			<u>AY 81/82 (FY 81)</u>			<u>AY 82/83 (FY 82)</u>			<u>AY 83/84 (FY 83)</u>			<u>GRAND TOTAL</u>
	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	
Participant Months		4,900			11,850			10,050			2,600		29,400
Pre-departure (a)	17,500	-	17,500	31,500	-	31,500	16,100	-	16,100	4,628	-	4,628	69,728
Intern'l Travel (b)	667,250	117,750	785,000	1,177,500	231,500	1,411,000	610,527	135,450	745,977	155,775	51,925	207,700	3,151,677
Maintenance (c)	5,832,225	348,600	6,180,825	14,104,642	900,650	15,005,292	13,756,314	903,176	14,659,490	4,092,652	284,310	4,376,962	40,222,569
Campus Visits (d)	9,600	-	9,600	22,080	-	22,080	19,872	-	19,872	16,510	-	16,510	68,062
Communications (e)	49,000	-	49,000	118,500	-	118,500	115,575	-	115,575	33,800	-	33,800	316,875
SUB-TOTAL	<u>6,575,575</u>	<u>466,350</u>	<u>7,041,925</u>	<u>15,454,222</u>	<u>1,136,150</u>	<u>16,590,372</u>	<u>14,516,388</u>	<u>1,038,626</u>	<u>15,557,014</u>	<u>4,303,365</u>	<u>335,235</u>	<u>4,639,600</u>	<u>43,826,911</u>
Inflation	-	-	-	2,318,106	170,423	2,488,529	2,177,758	155,794	2,333,552	645,505	50,435	695,940	5,518,021
TOTAL	<u>6,575,575</u>	<u>466,350</u>	<u>7,041,925</u>	<u>17,772,328</u>	<u>1,306,573</u>	<u>19,078,901</u>	<u>16,696,146</u>	<u>1,194,420</u>	<u>17,890,566</u>	<u>4,948,870</u>	<u>386,670</u>	<u>5,335,540</u>	<u>49,346,932</u>

(a) Pre-departure: Includes physical examination and briefings. Estimated FY 80 amount, \$35 per participant. In all cases, FX represents air costs, LC GOE costs. Annual inflation rate of 15 percent included.

(b) International Travel: Based on Cairo/Chicago/Cairo roundtrip including 22 pounds excess baggage; FY 80 fare \$1,370. Assumes that GOE will absorb extra travel costs of split fellowships except for recipients from the private sector.

(c) Maintenance: FX costs based upon estimates provided STATE(79) 316256; includes tuition, monthly maintenance, books and miscellaneous, and insurance. FY 80 base figure \$1,035. However, costs for academic year 80/81 (AY 80/81) based upon FY 81 costs on the assumption that cost increases will lump at beginning of school year. Similarly, AY 81/82 uses FY 82 base; AY 82/83, FY 83; AY 83/84, FY 84. Local currency support costs calculated on basis that all 2 year fellowships will be awarded to university faculty with Masters' Degrees (salary \$89 per month) and that one-year fellowships will be awarded to those whose monthly salaries average \$50. Private sector recipients excluded from these calculations. Plus L.E. 50 departure allowance.

(d) Campus Visits: It was assumed that 50 fellows can be visited per two week trip. AY 80/81 cost per trip, \$960 including travel(\$400) and per diem (\$560). Estimated number of trips: AY 80/81, 10; AY 81/82, 23; AY 82/83, 18; AY 83/84, 13.

(e) Communications: Estimated at \$10 per participant as of AY 80/81.

TABLE 2 : TECHNICAL ASSISTANCE COSTS BY FISCAL YEAR (\$)

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>TOTAL</u>
Person Months (a)	68	181	164	117	50	6	856
Salaries (b)	127,289	354,948	366,814	296,330	151,804	20,648	1,317,833
Cairo Support (c)	109,296	67,690	45,758	22,886	-	-	245,630
<u>SUB-TOTAL</u>	<u>236,585</u>	<u>422,638</u>	<u>412,572</u>	<u>319,216</u>	<u>151,804</u>	<u>20,648</u>	<u>1,563,463</u>
Overhead (d)	127,289	354,948	366,814	296,330	151,804	20,648	1,317,833
<u>SUB-TOTAL</u>	<u>363,874</u>	<u>777,586</u>	<u>779,386</u>	<u>615,546</u>	<u>303,603</u>	<u>41,296</u>	<u>2,881,296</u>
Fee (e)	19,194	38,879	38,969	30,777	15,180	2,065	144,064
<u>SUB-TOTAL</u>	<u>382,068</u>	<u>816,465</u>	<u>818,355</u>	<u>646,323</u>	<u>318,788</u>	<u>43,361</u>	<u>3,025,360</u>
Inflation (f)	-	122,470	122,753	96,949	47,818	6,504	396,494
<u>TOTAL</u>	<u>382,068</u>	<u>938,935</u>	<u>941,108</u>	<u>743,272</u>	<u>366,606</u>	<u>49,865</u>	<u>3,421,854</u>

(a) For detail, see Annex C, "Statement of Work for U.S. Contractor," Item IV, "Level of Effort."

(b) Based on following estimated salaries: Placement Specialists, \$25,000; Secretary, \$15,000; Project Coordinator, \$30,000; Academic Counselors, \$25,000; Financial Manager, \$25,000. Plus 10 percent post differential for those assigned to Cairo.

(c) Assumes English language secretaries will be hired in Cairo; therefore, housing, shipping, etc., unnecessary. For detail see Table 3.

(d) Estimated at 100 percent of salaries.

(e) Estimated at 5 percent of direct and indirect costs.

(f) Estimated at 15 percent annually beginning with FY 81.

TABLE 3 ; CONTRACTOR SUPPORT COSTS, CAIRO (a) (\$)

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>TOTAL</u>
Housing	48,640	31,200	19,665	8,241	107,746
Education Allowance	28,800	21,700	12,252	-	62,752
Travel (b)	15,356	7,552	6,195	7,051	36,154
PVO	3,750	1,438	1,654	1,902	8,744
HHE (c)	12,750	5,800	5,992	5,692	30,234
<u>SUB-TOTAL</u>	<u>109,296</u>	<u>67,690</u>	<u>45,758</u>	<u>22,886</u>	<u>245,630</u>
Inflation (d)		10,154	6,864	3,433	20,451
<u>TOTAL</u>	<u>109,296</u>	<u>77,844</u>	<u>52,622</u>	<u>26,319</u>	<u>266,081</u>

(a) Estimates based on Mission guidelines,

(b) Includes R&R

(c) Includes shipping and storage

(d) Estimated at 15 percent annually

ANNEX B: RESPONSIBILITIES OF THE MISSIONS DEPARTMENT

The Missions Department of the Ministry of Higher Education will be the GOE entity primarily responsible for the administration of the Peace Fellowship Program. Following the executive guidance provided by the Project Management Committee, the Missions Department will manage the project on a daily basis. Generally speaking, it will implement the project in the manner described in the project paper and in accordance with decisions of the Project Management Committee. It shall provide all necessary support for the selection process. It will work directly with the U.S. contractor in the preparation of admissions materials and briefings for the recipients of the Peace Fellowships. It shall establish a system for monitoring the academic progress of recipients while they are in the U.S. and their work assignments upon their return to Egypt. It will collect and compile evaluation information required by the Project Steering Committee.

More specifically, the tasks to be performed by the Missions Department shall include but not necessarily be limited to the following:

1. advertise the Peace Fellowship Program widely through appropriate channels;
2. respond to all inquiries about the Program;
3. prepare, print and distribute application forms to all interested parties;
4. operate centers from which interested individuals can receive information and applications to which they can return all materials and sit for interviews, if necessary;
5. receive applications, review them to ensure their conformity to the criteria of the Program; and establish a file for each candidate;
6. establish a system to keep applicants fully informed as to the status of their applications;
7. ensure that applicants' files are complete and submit them to the Selection Committee for consideration;
8. arrange for timely administration of English language screening tests and coordinate the assignment of recipients and alternates to GOE-sponsored English language training programs;

9. assist the U.S. contractor prepare individual study plans for each recipient listing the courses and types of research they will pursue and approve these plans;
10. assist recipients (a) obtain necessary GOE approvals, passports, U.S. visa; (b) meet other administrative, medical and legal requirements and (c) advise recipients of their obligations under this project and GOE regulations governing study abroad;
11. issue GOE financial allowances as appropriate; and
12. provide necessary staff support to the Project Management and Steering Committees.

ANNEX C: STATEMENT OF WORK FOR U.S. CONTRACTOR

I. Statement of Work

In cooperation with the Agency for International Development, the Government of Egypt through the Missions Department of the Ministry of Higher Education shall implement a large-scale graduate level participant training program in the United States. The contractor will provide technical assistance with respect to the management of such a program and the admission of Egyptian students to U.S. institutions of higher education. This assistance will include (a) technical advice as to the organization, operating procedures, and record keeping system of the Special Unit created within the Missions Department to administer the project; and (b) services related to the placement and support of fellowship recipients in appropriate programs at U.S. institutions of higher education.

II. Duties of the Contractor:

The contractor shall serve as the major point of contact between the Missions Department, the Cultural Bureau of the Egyptian Embassy in Washington, D.C. (ECB), and U.S. institutions of higher education for the purposes of this project. The contractor shall provide in a professional and timely manner personnel qualified to: (a) assist the Missions Department develop and implement effective management techniques for the Peace Fellowship Program; (b) identify and, with the advice of the Project Management Committee or its designee, enroll Peace Fellows in appropriate academic training programs at U.S. colleges and universities; (c) provide logistic support for the Peace Fellows following AID regulations; (d) assist the ECB monitor the academic progress of Fellows and provide necessary counseling and guidance; and (e) perform other relevant services as may be necessary to attain the objectives of the Peace Fellowship Program. In the context of the Peace Fellowship Program, an appropriate academic program is defined as one which addresses a development need of Egypt and fits the academic and/or work background of the Peace Fellow. It must be a graduate level program. It must be offered by an accredited U.S. college or university. It must be an established program or, if new, the institution must show how it will be staffed and conducted.

III. Scope of Work

1. The scope of management and advisory services shall include but not necessarily be limited to the following tasks:

ANNEX C - 2

a. In cooperation with the Director General of the Missions Department, review the workload entailed in the Peace Fellowship Program, develop "job descriptions" and determine GOE personnel requirements.

b. Define the contents of an applicant's admission folder and advise the Director General on appropriate methods for collecting, storing and retrieving admissions data.

c. Devise an in-service program to orient the professional staff of the Special Administrative Unit to the programs and admissions requirements of U.S. institutions of higher education.

d. Provide to the professional staff of the Special Unit on-the-job training in guidance and counseling techniques through their involvement in the preparation of "individual study plans."

e. If requested, advise the Project Management Committee on the design and implementation of a program to maintain contact with and monitor the careers of Peace Fellows after their return to Egypt.

2. The scope of placement and support services shall include but not necessarily be limited to the following tasks:

a. Identification of accredited U.S. universities and colleges which offer graduate level academic programs in fields of study related to Egypt's developmental problems.

b. Ascertain admission requirements of and obtain necessary admission forms and application materials from U.S. institutions in which Peace Fellows might be placed.

c. Through the Missions Department, distribute appropriate admission forms to Peace Fellows, compile required admissions information for each participant, and submit completed admission forms to appropriate U.S. educational institutions.

d. In consultation with recipients, prepare individual study and/or research plans outlining the academic program to be pursued by the Peace Fellow while in the U.S.

e. Arrange for the timely administration of required scholastic exams, e.g., Graduate Record Examination (GRE) or the Graduate Management Aptitude Test (GMAT), and TOEFL.

f. Prior to their departure, verify that applicants have met all admissions requirements of the U.S. institution in which they have been enrolled; all GOE legal requirements; all U.S. visa requirements; and that they are qualified for and covered by a health insurance program acceptable to AID.

g. Make all necessary travel arrangements to and from the United States (including temporary lodging at U.S. institutions) and provide tickets on an appropriate airline.

h. Pay all required admission and enrollment fees; develop a means to pay advance per diem, monthly maintenance, book allowances and other standard fees in accordance with established procedures contained in AID Handbook 10; and devise a system for evaluating the special needs or costs of Peace Fellows.

i. Arrange for, or conduct four discrete stages of orientation for Peace Fellows; pre-departure, arrival in the U.S., arrival on campus, and pre-return.

j. As requested, arrange for special seminars or conferences focused upon Egypt's developmental problems to be attended by the Peace Fellows at opportune times and places.

k. Establish and conduct, in cooperation with the ECB, a program of regular counseling and monitoring to ensure timely resolution of any problem which might interfere with the Fellows' studies.

l. Maintain up-to-date financial and academic records for each Fellow and provide them to the ECB and the Missions Department at their request.

IV. Level of Effort

The level of effort required to provide the necessary services is estimated to be as follows:

ANNEX C - 4

A. Cairo Office	Person Month
1. Placement Specialists	
a. 6/80-1/82, 3x20=60	88
b. 2/82-9/82, 2x8 =16	
c. 10/82-9/83, 1x12=12	
2. Secretary (English Language)	60
a. 6/80-1/82, 2x20=40	
b. 2/82-9/83, 1x20=20	
B. U.S. Office	
1. Project Coordinator	55
6/80-12/84, 1x55=55	
2. Placement Specialists	88
a. 6/80-1/82, 3x20=60	
b. 2/82-9/82, 2x8=16	
c. 10/82-9/83, 1x12=12	
3. Academic Counselors	125
a. 8/80-12/80, 1x5=5	
b. 1/81-7/81, 2x7=14	
c. 8/81-12/81, 3x5=15	
d. 1/82-12/82, 4x12=48	
e. 1/83-9/83, 3x9=27	
f. 10/83-1/84, 2x4=8	
g. 2/84-9/84, 1x8=8	
4. Financial Manager	55
6/80-12/84, 1x55=55	
5. Secretarial	115
a. 6/80-1/82, 3x20=60	
b. 2/82-9/83, 2x20=40	
c. 10/83-12/84, 1x15=15	
C. Total	586
1. Cairo Office (148)	
2. U.S. Office (438)	

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 80 to FY 85
Total U. S. Funding 54,000,000
Date Prepared: 3/1/80

Project Title & Number: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1) Expand and strengthen pool of manpower trained in development-related skills</p>	<p>Measures of Goal Achievement: (A-2) Fellowship recipients return to Egypt</p>	<p>(A-3) Missions Department and; USAID Training Office records</p>	<p>Assumptions for achieving goal targets: (A-4) (a) Minimum loss due to "brain drain"</p>
<p>Project Purpose: (B-1) Provide graduate level training opportunities in fields related to economic and social development</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2) Fellowship recipients complete their study programs</p>	<p>(B-3) Missions Department, contractor and USAID Training Office records</p>	<p>Assumptions for achieving purpose: (B-4) Recipients will not encounter insurmountable academic or personal obstacles</p>
<p>Project Outputs: (C-1) (a) Fellowships; (b) in-service training program in placement and guidance skills; (c) alumni association and other follow-up activities</p>	<p>Magnitude of Outputs: (C-2) (a) minimum of 1400 fellowships; (b) minimum of 12 Missions Department professionals familiarized with admissions requirements; and placement procedures of U.S. universities; (c) 4 Association meetings held, 3 newsletters issued</p>	<p>(C-3) (a) Mission Department records (b) Contractor records (c) Mission Department records</p>	<p>Assumptions for achieving outputs: (C-4) (a) Sufficient number of academically qualified candidates with adequate English language skills. (c) Interest in and commitment to Association can be generated through seminars and newsletter.</p>
<p>Project Inputs: (D-1)</p>	<p>Implementation Target (Type and Quantity) (D-2)</p>	<p>(D-3)</p>	<p>Assumptions for providing inputs: (D-4)</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 80 to FY 85
Total U.S. Funding 54,000,000
Date Prepared: 2/7/80

Project Title & Number: **263-0110 Peace Fellowship**

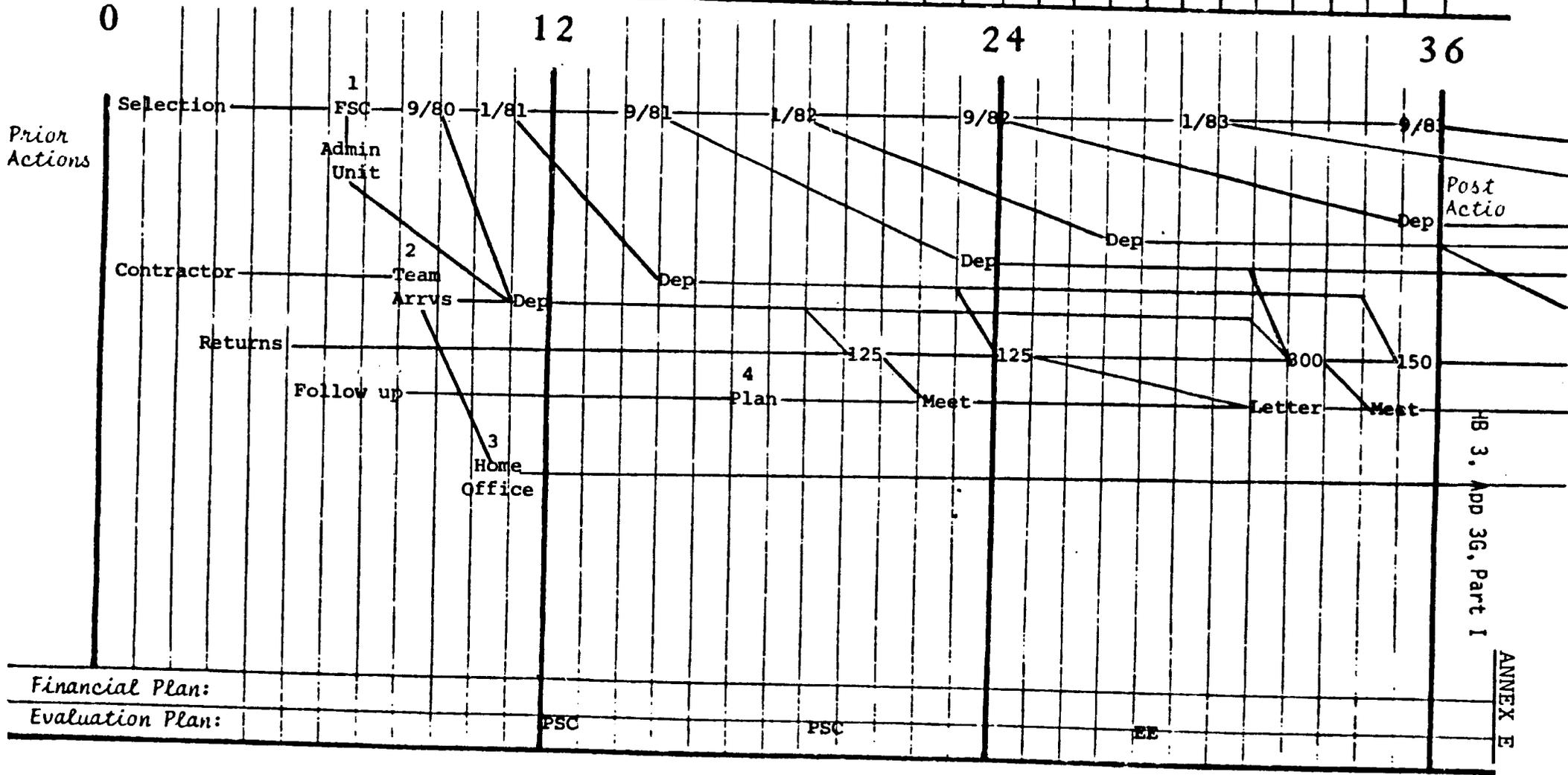
NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Sector/Goal: The broader objective to which this project contributes: (A-1)</p>	<p>Measures of Goal Achievement: (A-2)</p>	<p>(A-3)</p>	<p>Assumptions for achieving goal targets: (A-4)</p>
<p>Project Purpose: (B-1)</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p>	<p>(B-3)</p>	<p>Assumptions for achieving purpose: (B-4)</p>
<p>Project Inputs: AID</p> <p>a) Academic Training</p> <p>b) Technical Assistance</p> <p>c) Budgetary Support and follow up activities</p> <p>GOE</p> <p>a) Academic Training</p>	<p>Magnitude of Outputs: (C-2)</p> <p>a) 29,400 participant months; \$41.5 million</p> <p>b) 586 person years, \$3 million</p> <p>c) 1.3 million</p> <p>a) \$3 million equivalent in</p>	<p>(C-3)</p> <p>a) AID and Missions Department Records</p> <p>b) AID and Contractor Records</p> <p>c) AID, Contractor and Missions Department Records</p> <p>a) GOE Records</p>	<p>Assumptions for achieving outputs: (C-4)</p>
<p>Project Inputs: (L-1)</p> <p>b) Personnel and Office</p>	<p>Implementation Target (Type and Quantity) (C-2)</p> <p>continuing salaries and departure allowances</p> <p>b) \$172 thousand equivalent in salaries and GOE office space</p>	<p>(L-3)</p> <p>b) Missions Department Records</p>	<p>Assumptions for providing inputs: (D-4)</p>

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PI FORM
(May be Expanded as Appropriate)

Country: Egypt	Project No: 263-0110	Project Title: Peace Fellowship	Date: 2/12/80	/ x / Original / Revision #	PPT appd
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or FY: CY	79	80	81	82
Month:	10 11 12	1 2 3 4 5 6 7 8 9 10 11 12	1 2 3 4 5 6 7 8 9 10 11 12	1 2 3 4 5 6 7 8 9



PPT FORM

Country: Egypt	Project No: 263-0110	Project Title: Peace Fellowship	Date: 2/21	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision #	Apprvd:
<u>CPI DESCRIPTION</u>					
A. Prior Actions					
1. Pre-qualified shortlist established		2/80		a. First Association Meeting	8/81
2. PP approved AID/W		3/80		b. First Newsletter	4/82
3. RFTP Mailed to shortlisted firms		3/80		c. Association Meeting	8/82
4. Pro Ag signed;		4/80		d. Newsletter	4/83
5. RFTPs returned, evaluated, first choice identified		5/80		e. Association Meeting	8/83
6. Contract negotiations began, pre-contract expenses authorized; CPs met		5/80		f. Newsletter	4/84
				g. Association Meeting	8/84
B. Implementation					
1. Final Selection Committee (FSC) appointed		4/80		5. Final Member Country Team Departs	12/83
Candidates identified in line with following departure schedule:				6. End of Project (EOP)	12/84
	2 Year	1 Year	Total	C. Evaluation	
9/80	100	125	225	1. Project Steering Committee (PSC) Evaluation	10/80
1/81	150	125	375	2. PSC Evaluation	6/81
9/81	250	200	450	3. A.I.D. External Evaluation	3/82
1/82	250	200	450	4. PSC Evaluation	5/82
9/82	150	125	375	5. PSC Evaluation	12/82
1/83	-0-	125	125	6. PSC Evaluation	1/84
9/83	-0-	125	125	7. A.I.D. External Evaluation	2/85
2. Contractor Country Team Arrives		6/80			
3. Contractor Home Office Prepared, Placement Began		7/80			
4. Follow-up Plan Prepared and Actions Occur according to following schedule		3/81			

HB 3, App 3G, Part I

ANNEX F

ANNEX F: PROJECT DESCRIPTION

This project will provide fellowships for graduate level training in fields related to Egypt's development needs. This training will take place at U.S. institutions of higher education. Fellowship recipients will be citizens of Egypt whose age, at the time of their departure for the U.S., will not exceed 35 years. Preference, however, will be given to those whose age at time of departure is 30 or less. They will be drawn from all sectors of the economy and society, and selected following procedures agreed to by AID and the Ministry of Higher Education. These procedures are based upon individually submitted applications and competition within clearly defined groups. The maximum period of study permitted under this program is 24 months. It is expected, however, that there will be a mix of 21- and 10-month fellowships. The minimum number of fellowships available under this program is 1,400. Timely and effective implementation of the project, however, may permit its resources to cover up to 1,900 fellowships, 900 of which will be for 21 months and 1,000 for 10 months. All efforts will be made to distribute the fellowships equitably among those qualified. This project will also provide technical assistance to and budgetary support for the GOE entity responsible for project implementation.

This project will be carried out by the Missions Department of the Ministry of Higher Education. Executive responsibilities will be discharged through a Project Management Committee appointed by the Minister of Education. General policy guidance and project evaluation will be the responsibility of a Project Steering Committee also appointed by the Minister of Education. The Ministry of Higher Education will ultimately bear full responsibility for the timely and effective implementation of this project.

5C (2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b);
 - (a) Describe how authorizing and appropriations Committees 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)?
 - (a) An "Advice of Program Change" will be transmitted to the appropriate Committees of Congress.
 - (b) The intended obligation is within the level of funds appropriated for Egypt for FY 1980.
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 to implement the project, except ratification of the signed grant agreement.
4. FAA Sec. 611(b); FY 79 App. Act Sec. 101; FY 80 App. Act Sec. (501.) If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

N.A.

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 and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N. A.

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

NO

7. FAA Sec. 601(a). 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.

The Grant will increase the Country's technical competence in a wider variety of development fields, thus encouraging the efforts of the Country in the cited areas at least indirectly.

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).

Most of the Grant funds will be used for U.S. educational costs, both public and private. A private U.S. Contractor will assist in the placement process.

9. FAA Sec. 612(b); 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.

The project agreement will provide for GOE contributions including personnel, office space and support of dependents of Fellows.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

U.S. owned local currency will not be used.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

The U.S. Contractor is being selected competitively. Placement in US Universities will be administered in accordance with criteria acceptable to AID.

12. FY 79 App. Act, Sec. 608; FY 80 App. Act Sec. (521.) If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N. A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

N. A. Egypt is an ESF country

a. FAA Sec. 102(b); 111; 113; 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 and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (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; (c) support the self-help efforts

of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107.

Is assistance being made available: (include only applicable paragraph 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 (a) extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food

reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, (a.) extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(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; and (b.) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves.

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(ii) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) 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.

c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

d. FAA Sec. 110(a). Will the recipient country 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)?

e. 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, or is the recipient country "relatively least developed"?

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 civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). 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?

2. Development Assistance Project Criteria (Loans Only) **N. A.**

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, 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 Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

(a) Yes. Education provided under this grant in a broad variety of development fields will increase Egypt's capacity to plan for development and manage growth projects.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

(b) No. A covenant in the Grant Agreement will preclude military and public safety training.

5C(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 imposing limits on certain uses of funds.

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

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? **Yes.**
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? **Yes.**
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do marine insurance business in the U.S. **N. A.**
4. FAA Sec. 604(e). 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? **N. A.**
5. FAA Sec. 603 Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, 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. **N. A.**
6. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? **N. A.**
7. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services from private enterprise, be furnished on a **The use of facilities of USG agencies is not contemplated**

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contract basis? If the facilities of other Federal agencies will be utilized, 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. **Yes.**
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?

9. FY 79 App. Act, Sec. 105; FY 80 App. Act Sec. [505.] **Yes.**
Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

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? **N. A.**

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? **N. A.**

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? **N. A.**

C. Other Restriction

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? **N. A.**

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? **N. A.**
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? **Yes. The Project Grant Standard Provisions so stipulate.**
4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, sale, longterm lease, exchange or guaranty of motor vehicles manufactured outside the U.S.? **N. A.**
5. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? **Yes.**
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? **Yes.**
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? **Yes.**
- d. FAA Sec. 662. For CIA activities? **Yes.**
- e. FY 79 App. Act, Sec. 104; FY 80 App. Act Sec. [504.] To pay pensions, etc., for military personnel? **Yes.**
- f. FY 79 App. Act, Sec. 106; FY 80 App. Act. Sec. [506.] To pay U.N. assessments? **Yes.**

g. FY 79 App. Act, Sec. 107; FY 80 App. Act. Sec. [507.] To carry out provisions of FAA section 209(d)? (Transfer of FAA funds to multilateral organizations for lending.) **Yes.**

h. FY 79 App. Act, Sec. 112; FY 80 App. Act Sec. [511.] To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? **Yes.**

i. FY 79 App. Act, Sec. 601; FY 80 App. Act Sec. [515.] To be used for publicity or propaganda purposes within U.S. not authorized by Congress? **Yes.**

THRESHOLD DECISION NAMED OF
INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Cairo, Egypt and various universities /colleges in the United States

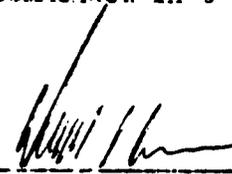
Project Title: Peace Fellowship Program

Funding (Fiscal Year and Amount): \$ million (LOP)

IEE Prepared By: K.Schwartz, EHS/EM Date: February 5, 1980

Environmental Action Recommended: Negative Determination
(Environmental Assessment, Negative Determination, etc.)

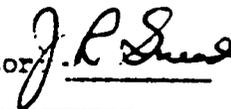
Mission Decision:
(Approval/Disapproval of Environmental Action Recommended in the IEF)

Approved : 

Disapproved : _____

Date : 2/25/80

Clearances:

Environmental Coordinator  Date 2/7/80
Other Mission Offices _____ Date _____

INITIAL ENVIRONMENT EXAMINATION
NARRATIVE DISCUSSION

1. Project Location: Cairo, Egypt and various universities/colleges in the United States
2. Project Title: Peace Fellowship Program
3. Funding (Fiscal Year and Amount): \$45.0 million (LOP)
4. IEE Prepared By: K. Schwartz, EHS Date: 5 February 1980
/EM
5. Action Recommended: Negative Determination
6. Discussion of Major Environmental Relationships of Project Relevant to Attached Impact Identification and Evaluation Form:

This project does not include any construction or renovation of buildings. The purpose of the project is to strengthen and expand the pool of trained manpower available to assist with Egyptian development efforts. The project will place approximately 1900 Egyptian potential leaders in U.S. institutions for up to two years study in disciplines critical to the country's economic growth. The project will have no significant environmental impact.

IMPACT IDENTIFICATION AND EVALUATION FORM

<u>Impact Areas and Sub-areas</u>	<u>Impact Identification and Evaluation/</u>
A. <u>LAND USE</u>	
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. <u>WATER QUALITY</u>	
1. Physical state of water	_____ N _____
2. Chemical and biological states	_____ N _____
3. Ecological balance	_____ N _____
4. Other factors	_____
_____	_____
_____	_____
<p><u>1/N</u>... No environmental impact <u>L</u> - <u>Little</u> environmental impact <u>M</u> - <u>Moderate</u> environmental impact <u>H</u> - <u>High</u> environmental impact <u>U</u> - <u>Unknown</u> environmental impact</p>	

IMPACT IDENTIFICATION AND EVALUATION FORM

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

IMPACT IDENTIFICATION AND EVALUATION FORM

G. HEALTH

- 1. Changing a natural environment N
 - 2. Eliminating an ecosystem element N
 - 3. Other factors
-
-

H. GENERAL

- 1. International impacts N
 - 2. Controversial impacts N
 - 3. Other factors
-
-

I. OTHER POSSIBLE IMPACTS (not listed above)

Prepared By: K. Schwartz Date: February 5, 1980

Project Location: Cairo, Egypt and various universities/colleges in the United States

Project Title : Peace Fellowship Program, 263-0110

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MINISTRY OF STATE
FOR ECONOMIC COOPERATION

HSTO | E M G O W
TWG
Date 3/27

Mr. Donald S. Brown
Director
USAID Mission
Cairo

Cairo 16 March 1980

Dear Mr. Brown,

As you are aware the Ministry of Higher Education has been working with members of your staff in developing a large program of training in the U.S. under the Peace Fellowship Program. We are at a stage where we wish to formally request the U.S. Government's assistance in financing fellowships under this program. It is estimated that the required U.S. contribution will be \$ 54 million. Egypt will provide the equivalent of \$ 3.6 million consisting of office space, personnel, continuing salaries for some fellowship recipients and some portion of the international travel.

We look forward to your favorable response in this matter.

Sincerely yours,

GAMAL EL NAZER
Minister of State for Economic
Cooperation and External Finance

A.W.I.D.E

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10/29/79: EXT 51880
DS/IT:RWLANDRY

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DS/IT:FWSMALL {INFO}
DA/AID:RNOOTER {INFO}
AA/PPC:ASHAKOW {INFO}
AA/NE:JWHEELER {INFO}

A/AID:DBENNET {INFO}
AA/ASIA:JSULLIVAN {INFO}
AA/DSB:SLEVIN {INFO}
AA/AFR:GBUTCHER {INFO} Δ

BM ACTION IT & INFO CHRON & & AAAF AFEA AFSA AFFW AFCA AFCW AAAS ASPT
AALA ASSP ASBI ASPN LACA LACE LASA AANE NEEI NENA NEJL AAPC MP CM Δ
PRIORITY AWIDE

AIDAC GUATEMALA FOR USIAD AND ROCAP KARACHI FOR AAG AND IIS

E.O. 11652: N/A

TAGS:

SUBJECT: FY 1980 PARTICIPANT TRAINING COSTS
NAIROBI FOR USAID AND REDSO/EA

REF: {A} STATE 315667 {79}; {B} AIDTO CIRCULAR A-435 DATED
11/04/77; {C} STATE 270256 {78}; {D} STATE 146035 {76};
{E} AIDTO CIRCULAR A-620 DATED 11/08/76

1. FOR PURPOSES OF ESTIMATING COSTS AND RESERVATION OF FUNDS ON WORKSHEET PIO/PS, USAIDS SHOULD USE THE AMOUNTS OF \$ 1,600 DOLS AND 3,100 DOLS RESPECTIVELY PER MONTH FOR ACADEMIC AND TECHNICAL TRAINING IN FY 1980. FOR FY 1981 PLANNING, THE FIGURES TO BE USED SHOULD BE ACADEMIC 1,850 DOLS AND TECHNICAL 3,500 DOLS. AN INFLATION FACTOR OF 15 PER CENT SHOULD BE ADDED FOR EACH ADDITIONAL MONTH OF FORWARD FUNDING INCLUDED IN PIO/PS BEYOND FY 81. THE INCREASES IN THESE ESTIMATING FIGURES ARE NECESSARY DUE TO PREVAILING INFLATION. SEVERAL PARTICIPANT SERVICES HAVE RECENTLY EXPERIENCED DRASTIC COST INCREASES, SUCH AS:
ITEM A - MAINTENANCE ALLOWANCES FOR ACADEMIC PARTICIPANTS WERE INCREASED AS OF SEPTEMBER 1 FOR THE FIRST TIME IN THREE YEARS; ITEM B - TRAVEL PER DIEM WAS RECENTLY INCREASED AND AN ADDITIONAL INCREASE IS CONTEMPLATED IN THE NEAR FUTURE, ESPECIALLY FOR TRAVEL IN HIGH COST AREAS; ITEM C - THE MAINTENANCE ALLOWANCE FOR TECHNICAL PARTICIPANTS WILL

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R/WL
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INCREASE FROM 700 DOLS TO 775 DOLS EFFECTIVE JANUARY 1, 1980; ITEM D - BOOK ALLOWANCES FOR ACADEMIC PARTICIPANTS WILL INCREASE FROM 20 DOLS TO 35 DOLS PER MONTH EFFECTIVE JANUARY 1, 1980; ITEM E - UNIVERSITY TUITION CHARGES CONTINUE TO INCREASE AT A TWO DIGIT RATE; ITEM F - PARTICIPANT OUT-PLACEMENT COSTS WITH PRIVATE AND PUBLIC SECTOR CONTRACTORS ALSO ARE INCREASING BOTH IN TERMS OF COSTS AND NUMBER OF PARTICIPANTS FARMED OUT TO CONTRACTORS; ITEM G - REDUCTION IN DIRECT HIRE DSB/IT STAFF AND RELATED COSTS WHICH AFFECT INCREASES IN CONTRACT COSTS {ITEM F ABOVE} ARE REFLECTED AS A SAVINGS AGAINST OPERATING EXPENSE FUNDS AND DO NOT SHOW UP AS REDUCTION IN TRAINING COSTS.



2. ALTHOUGH THE ABOVE ESTIMATING COSTS ARE TO BE USED FOR FUNDS RESERVATIONS, AID/W WILL CONTINUE DEVELOPING INDIVIDUAL BUDGETS BASED ON ESTIMATED ACTUAL COSTS. ONE CHANGE IS TO BE NOTED - BECAUSE OF INFLATION, THERE WILL BE AN INCREMENTAL FACTOR OF 1 PER CENT PER TRAINING MONTH ADDED TO THE ESTIMATED ACTUAL COST FOR THE ENTIRE PROGRAM OR 12 MONTHS, WHICHEVER IS THE LESSER, FOR THAT PERIOD OVER 12 MONTHS, AN INFLATION FACTOR OF 15 PER CENT OF THE FIRST YEAR COSTS WILL BE ADDED FOR THE SECOND YEAR AND AN ADDITIONAL 15 PER CENT FOR EACH SUBSEQUENT YEAR OF TRAINING INCLUDED IN THE PIO/P. THESE INFLATION FACTORS WILL MAINTAIN THE NECESSARY PURCHASING POWER IN THE DOCUMENT TO ACCOMPLISH THE DESIRED TRAINING DURING THE ENTIRE LIFE OF THE DOCUMENT. IF USAIDS HAVE FORE-KNOWLEDGE THAT A PARTICULAR TRAINING PROGRAM WILL EXCEED AVERAGES RATES SPECIFIED IN PARAGRAPH 1 ABOVE, THE HIGHER RATE SHOULD BE RESERVED ON WORKSHEET PIO/P. IN NO CASE SHOULD LESSER AMOUNTS BE RESERVED WITHOUT PRIOR CLEARANCE WITH DSB/IT.

3. TO REITERATE INSTRUCTIONS PROVIDED IN STATE 146035, PARAGRAPH 3, USAIDS ARE REMINDED THAT PRELIMINARY COSTS ESTIMATES SHOWN ON WORKPAPER PIO/PS ARE TO BE ADJUSTED TO THE ACTUAL BUDGET SHOWN ON THE FINAL PIO/P {BLUE ISSUE} AUTHORIZED AND ISSUED AT AID/W. THE ADJUSTED FINAL BUDGET AMOUNT IS THE BASIS OF THE QUARTERLY TRANSFER OF FUNDS TO AID/W. IF THE ACTUAL BUDGET DEVELOPED FOR USE ON THE FINAL ISSUED PIO/P EXCEEDS THE WORKSHEET ESTIMATE BY MORE THAN 1,000 DOLS YOU WILL BE CONTACTED FOR ADDITIONAL FUNDS BEFORE THE PIO/P IS ISSUED. IF THE INCREASE IS LESS THAN 1,000 DOLS THE PIO/P WILL BE ISSUED AND YOU CAN ADJUST YOUR RECORDS UPON RECEIPT OF THE BLUE ISSUED PIO/P. PIO/PS PENDING ISSUANCE BY AID/W WILL BE BUDGETED IN ACCORDANCE WITH NEW INFLATION FACTORS WHICH MAY NECESSIATE

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ADDITIONAL FUNDING FROM SOME MISSIONS.

4. THESE BUDGET INCREASES ARE NECESSARY TO PLT PARTICIPANT TRAINING ON A SOUND "PAY-AS-YOU-GO" FOOTING FOR FY 80 AND FY 81. PARTICIPANTS WHO ARE CURRENTLY IN TRAINING HAVE NOT BEEN PROGRAMMED AT RATES ADEQUATE TO COVER ACUTUAL OUTLAYS. THIS MATTER WILL BE COVERED IN A SUBSEQUENT SEPTEL BUT YOU SHOULD BE AWARE THAT SEPARATE ACTION WILL HAVE TO BE TAKEN TO COVER THIS DEFICIENCY. 44

CLEARANCES CONTINUED

- 9. AA/LA:AVALDEX {INFO}
- 10. DS/IT:JLIPPMANN {INFO}
- 11. DS/IT:TBALL {INFO}
- 12. AA/SER:DMACDONALD {INFO}
- 13. SER/FM/PAD:DHICKSON {INFO}
- 14. SER/MP:F ALLEN

GT FCS FM ASPD ASTR AADS CTR ES SER AAID ICA 77P

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NE/TECH/HRST: M E HURLEY:ES
12/7/79 EXT 28164
NE/TECH/HRST: B WILDER

NE/E: B PORTER {PHONE}
FM/PAD: D HIXON {SUBSTANCE}

DS/IT: R LANDRY {SUBSTANCE}

OH ACTION NETC CHRON 6 B INFO NEPD NEEI FM ICA 22P

PRIORITY CAIRO

AIDAC

E.O. 11652: N/A

TAGS:

SUBJECT: POST PEACE SCHOLARSHIP PROGRAM

REFERENCE: {A} CAIRO 24669, {B} STATE 285897

B W ^{BCU}
M E H ^{MEU}
B P ^{MEU}
R L ^{MEU}
D H ^{MEU}

1. IN RESPONSE TO MISSION'S REQUEST FOR INFORMATION ABOUT THE RANGE OF AND AVERAGE COSTS INCURRED BY PARTICIPANTS WHICH RESULTED FROM REFTEL B, THE FOLLOWING SHOULD PROVE USEFUL IN DEVELOPING COST FIGURES FOR PP.

2. THE BASE FIGURE 1,600 DOLLARS PER MONTH FOR ACADEMIC PARTICIPANTS TO BE USED BY MISSION WHEN PREPARING WORKSHEET PIO/PS FOR FY 1980 IS, AS STATED BY DS/IT IN REF {B}, STRICTLY AN ESTIMATE OF COSTS REQUIRED TO COVER ALL PARTICIPANT EXPENSES, AS AUTHORIZED BY AID H.B. 10. ESTIMATES OF THE ELEMENTS OF THE 1,600 DOLLARS FIGURE ARE BASED ON AVERAGE COSTS BUDGETED IN FINAL {BLUE} COPIES OF AID/W ISSUED PIO/PS DURING FINAL QUARTER FY 79, PLUS AN ESTIMATED COST INCREASE FOR INFLATION. THE 1,600 FIGURE BREAKS DOWN AS FOLLOWS:

{A} AVERAGE TUITION COST 300; {B} AVERAGE MAINTENANCE COST 485; {C} AVERAGE COST FOR BOOKS, EQUIPMENT, TYPING OF PAPERS, ETC. 200; {D} AVERAGE PROGRAMMING AGENT COST 350;

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{E} AVERAGE DS/IT ADMINISTRATIVE AND CONTRACTUAL SERVICES COST {INSURANCE, WIC, ETC.} 50; AND {F} INFLATION COST 15 PERCENT OR 215 DOLLARS.

3. FYI: AMIDEAST USED DS/IT FIGURE OF 1,050 DOLLARS {EXCLUDES 50 DOLLARS FOR INSURANCE, ETC.} WHICH WAS IN EFFECT JUNE, 1979, PLUS 200,000 DOLLARS FOR INTERNATIONAL TRAVEL TO ARRIVE AT TOTAL PARTICIPANT COSTS OF 2.720 MILLION BUDGETED IN PHASE I CONTRACT. THEREFORE, FIGURE OF 1,050 FOR STUDENT COSTS OR FIGURE OF 1,472 TOTAL AVERAGE COST IN PHASE I CONTRACT SHOULD NOT BE CONSIDERED AS BEING MORE VALID THAN NEW FIGURE CITED REF {B}. AT THIS TIME AMIDEAST EXPERIENCE INSUFFICIENT TO YIELD MORE VALID FIGURE.

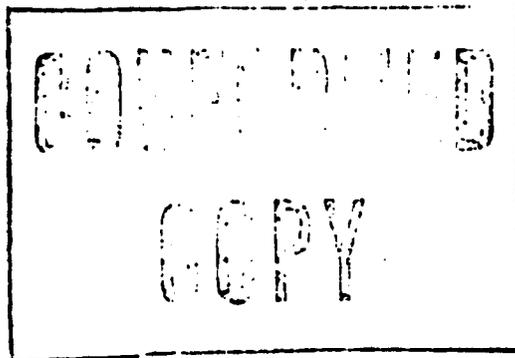
4. IIE PROVIDED FOLLOWING INFORMATION CONCERNING HOW THEY CURRENTLY ESTIMATES COSTS FOR PROGRAMMING STUDENTS IN U.S. UNIVERSITIES. THEY USE FOLLOWING AVERAGES: {A} MONTHLY MAINTENANCE 500 DOLLARS; {B} MONTHLY RATE TUITION/FEES FOR ACADEMIC YEAR 467 DOLLARS; {C} MONTHLY SUMMER TUITION/FEES 517 DOLLARS; {D} YEARLY BOOK ALLOWANCE 300; {E} INTERNATIONAL TRAVEL AND IN-TRANSIT ALLOWANCE 1,100; {F} YEARLY THESIS OR RESEARCH ALLOWANCE 350 DOLLARS; {G} SETTLING-IN-ALLOWANCE 400 DOLLARS; {H} FIELD TRIPS 250 DOLLARS {PER YR.}; AND {I} CONTINGENCIES 250 DOLLARS {YEARLY AMOUNT}. USING THESE FIGURES IT CAN BE ESTIMATED THAT THE MONTHLY COST FOR PHASE II STUDENTS FOR TWO-YEAR PROGRAM WOULD BE APPROXIMATELY 1,123; IF WE ADD ON AN ADMINISTRATIVE COST OF APPROXIMATELY 14 PERCENT, THE MONTHLY COST IS APPROXIMATELY 1,285 DOLLARS {WHICH IS LESS THAN CURRENT COST PER MONTH OF PHASE I CONTRACT}.

5. E REF A PARA 4, TO OUR KNOWLEDGE THERE ARE NO FACTORS OTHER THAN 15 PERCENT INFLATION AND 22 PERCENT PROGRAMMING AGENT FEES CAUSING SUBSTANTIAL INCREASES IN COSTS.

6. VIEW OF FOREGOING WE BELIEVE IT REASONABLE FOR MISSION TO PROJECT PHASE II COSTS AS INDICATED REF {A} PARA 4. 44

A.I.D. Project Number 263-0110

PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR THE
PEACE FELLOWSHIP PROGRAM



DATE: May 13, 1980

TABLE OF CONTENTS
PROJECT GRANT AGREEMENT

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Project Grant Agreement

Date: May 13, 1980

Between

The Arab Republic of Egypt ("Grantee"),

And

The United States of America, acting through the
Agency for International Development ("A.I.D.")

Article 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project.

SECTION 2.1 Definition of the Project. The Project, which is further described in Annex 1, will assist Egypt to meet the goal of strengthening and expanding the pool of manpower trained in development related skills. In pursuance of this goal this Project will provide fellowships for graduate level training at U.S. institutions of higher education in fields specifically related to Egypt's social and economic development.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1,

may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Thirty Million United States ("U.S.") Dollars (\$30,000,000). ("Grant").

The Grant may be used only to finance foreign exchange costs as defined in Section 6.1, and local currency costs as defined in Section 6.2, of goods and services required for the Project, except that, unless the parties otherwise agree in writing, local currency costs financed under the Grant will not exceed the Egyptian Pound equivalent of One Million Five Hundred Thousand U.S. Dollars (\$1,500,000).

SECTION 3.2 Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be no less than the Egyptian Pound equivalent of Three Million Five Hundred Thousand U.S. Dollars (\$3,500,000), including costs borne on an "in-kind" basis.

SECTION 3.3 Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 30, 1985, or such other date as the Parties may agree to in writing, is the date by which the parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 not later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which

requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement.

SECTION 4.1 First Disbursement. 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, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the name of the person holding or acting in the office of the Grantee, specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) An executed Contract for placement and other technical services acceptable to A.I.D. with an organization acceptable to A.I.D.;

(c) Such other information concerning the project as A.I.D. may reasonably request.

SECTION 4.2 Additional Disbursement. Prior to disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for any purpose other than to finance the Contract for placement and other technical services referred to in Section 4.1(b), the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence that the Grantee has taken the following

steps to ensure timely and effective implementation of the project:

(1) Establishment of a Special Administrative Unit within the Ministry of Higher Education, with adequate authorities to administer the Project;

(2) Establishment of a Project Management Committee, with adequate authorities to provide executive guidance to the Special Administrative Unit.

(b) A Project Implementation Plan which shall include detailed selection, monitoring, and evaluation procedures acceptable to A.I.D.;

(c) Such other information concerning the Project as A.I.D. may reasonably request.

SECTION 4.3 Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4 Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 60 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1 Project Steering Committee. The Grantee, through the Ministry of Higher Education, will establish a Project Steering Committee which fairly represents the various special and institutional interests to be served by the Project, with adequate authorities to provide general policy guidance to the Project Management Committee.

SECTION 5.2 Selection Process. In the selection of Peace Fellows, the Grantee, through the Ministry of Higher Education, shall maintain an open and competitive process which, among other things, ensures that fellowship applications are easily available to all interested persons, provides fair and timely consideration of each application and ensures that membership of the Final Selection Committee fairly represents the varied institutional interests to be served by the Project.

SECTION 5.3 Office Space and Personnel. In order to permit the Missions Department to manage the identification, selection, and pre-departure preparation of Peace Fellows on a countrywide basis, the Grantee through the Ministry of Higher Education will provide adequate personnel, office space and equipment for the Administrative Unit.

SECTION 5.4 Evaluation. To ensure that the purpose of the Grant will be accomplished, the Project Steering Committee shall meet from time to time with an A.I.D. representative to evaluate the progress of the Project.

SECTION 5.5 Excluded Training. Except as A.I.D. may otherwise agree in writing, the Grantee through the Ministry of Higher Education will take appropriate action to ensure that the training provided under the Project does not include police, public safety, military training and related fields or training in nuclear technology in accordance with A.I.D. regulations.

SECTION 5.6 Utilization of Fellowship Recipients. The Grantee shall take reasonable steps to assure that fellowship recipients return to positions in which their skills and knowledge can be utilized for development purposes.

SECTION 5.7 Execution of the Project.

(a) The Grantee shall cause the Project to be carried out in conformance with all the plans, specifications and with all the modifications therein approved by A.I.D. pursuant to the Agreement, including the provision, on a timely basis, of necessary local currency and in-kind support as specified in the Agreement and its Annexes.

(b) The Grantee shall submit for A.I.D. approval prior to implementation, issuance or execution, all plans, schedules, contracts, and all modifications to these documents.

Article 6: Procurement Source.

SECTION 6.1 Foreign Exchange Costs. Disbursement pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the AID Geographic

Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as AID may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 6.2 Local Currency Costs. Disbursement pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Egypt ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1 Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such

bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2 Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. Dollars by purchase. The U.S. Dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by A.I.D. to obtain the local currency.

SECTION 7.3 Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided

under the Grant are introduced into Egypt by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that funds may be converted into currency of the Arab Republic of Egypt at the highest rate of exchange prevailing and declared for foreign exchange currency by the competent authorities of the Arab Republic of Egypt.

SECTION 7.4 Other Forms of Disbursement. Disbursements of the Grant may be made through such other means as the Parties may agree to in writing.

Article 8: Miscellaneous.

SECTION 8.1 Communications Any notice, request, document, or other communication submitted by A.I.D. or the Grantee to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Undersecretary of State for Missions
Ministry of Higher Education
4, Ibrahim Naguib Street
Garden City

:

To A.I.D.:

A.I.D.
U.S. Embassy
5, Latin America Street
Cairo

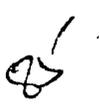
All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

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SECTION 8.2 Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the office of the Minister of Economy, Foreign Trade and Economic Cooperation, the Minister of State for Economic Cooperation and External Finance, and the Minister of Education and Scientific Research and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S.A.I.D., Cairo, Egypt, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.2 Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and



delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY: Hamed A. El Sayeh

NAME: Dr. Hamed El Sayeh

TITLE: Minister of Economy,
Foreign Trade and
Economic Cooperation

UNITED STATES OF AMERICA

BY: H. Freeman Matthews Jr.

NAME: H. Freeman Matthews, Jr.

TITLE: Charge d'Affaires
ad interim

MINISTRY OF EDUCATION AND
SCIENTIFIC RESEARCH

BY: Moustafa Kamal Helmy

NAME: Dr. Moustafa Kamal Helmy

TITLE: Minister of Education
and Scientific Research

PROJECT DESCRIPTIONA. GENERAL

This project will provide fellowships for graduate level training in fields related to Egypt's development needs. This training will take place at U.S. institutions of higher education between September 1980 and September 1984. Fellowship recipients will be citizens of Egypt whose age, at the time of their departure for the U.S., will not exceed 35 years. Preference, however, will be given to those whose age at time of departure is 30 or less. They will be drawn from all sectors of the economy and society, and selected following procedures agreed to by A.I.D. and the Ministry of Higher Education. These procedures are based upon individually submitted applications and competition within clearly defined groups. The maximum period of study permitted under this program is 24 months. It is expected, however, that there will be a mix of 21- and 10-month fellowships.

All efforts will be made to distribute the fellowships equitably among those qualified. This project will also provide technical assistance to and budgetary support for the GOE entity responsible for project implementation.

B. IMPLEMENTATION

This project will be carried out by the Ministry of Higher Education with placement and technical assistance from a U.S. contractor. Executive responsibilities will be discharged through a Project Management Committee appointed by the Minister of Education. The Ministry of Higher Education will ultimately bear full responsibility for the timely and effective implementation of this project.

C. FINANCIAL PLAN

An illustrative financial plan, attached here as Attachment A to this Annex 1, sets forth the anticipated costs and sources of financing of the project. Subject to the availability of funds, subsequent agreements will be mutually agreed upon.

ATTACHMENT A TO ANNEX 1

ILLUSTRATIVE FINANCIAL PLAN

	AID Contribution U.S. Dollars (\$000)	^{1/} GOE Contribution U.S. Dollar Equiv. (\$000)	<u>TOTAL</u>
Training	41,452 ^{2/}	2,977	44,420
Technical Assistance	3,025	-	3,025
Personnel	-	89	89
Facilities	-	83	83
Other	<u>1,250</u> ^{3/}	<u>-</u>	<u>1,250</u>
Sub-Total	45,727	3,149	48,876
Inflation ^{4/}	5,694	400	6,094
Contingency ^{5/}	<u>2,571</u>	<u>-</u>	<u>2,571</u>
Total	53,992	3,549	57,541

^{1/} Includes additional \$24,000,000 grant, subject to availability of funds in United States Fiscal Year 1981.

^{2/} Includes \$600,000 to complete funding of Phase I Peace Fellowship Program.

^{3/} Includes budgetary support for the Missions Department and funding for follow-up activities and project evaluation.

^{4/} Estimated at 15 percent per annum beginning in FY 81.

^{5/} Estimated at 5 percent of other costs.

PROJECT GRANT AGREEMENT
STANDARD PROVISIONS ANNEX

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Project Grant StandardProvisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters.

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1 Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

- (a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial and management practices, and in conformity with these documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and
- (b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3. Utilization of Goods and Services.

- (a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

- (b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION B.4. Taxation. (a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

- (b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit.

The Grantee will:

- (a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;
- (b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and
- (c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information.

The Grantee confirms:

- (a) that the facts and circumstances of which it has informed A.I.D., or caused

A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments.

Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking.

The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C. Procurement Provisions.

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons (and their personal effects) will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date.

No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

--(A)

SECTION C.3. Plans, Specifications and Contracts.

In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the pre-qualification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by AID in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price.

No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers.

To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either:

(1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or

(2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or

(3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried:

(1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or

(2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or

(3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately-owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels,

(1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately-owned United States-flag commercial vessels, and

(2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels.

Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided:

(1) such insurance is placed at the lowest available competitive rate, and

(2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency.

If the Grantee (or government of Grantee), by statute, decree, rule, regulation or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property.

The Grantee agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Termination.

Either Party may terminate this Agreement by giving the other Party 30 days' written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the

termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies.

No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment.

The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523



THE ADMINISTRATOR

PROJECT AUTHORIZATION

Name of Country: Arab Republic Of Egypt Name of Project: Peace Fellowship Program
Project No.: 263-0110

1. Pursuant to Part II, Chapter 4, Section 531 of the Foreign Assistance Act of 1961, as amended (Economic Support Fund), I hereby authorize the Peace Fellowship Program for the Arab Republic of Egypt ("Cooperating Country") involving planned obligations of not to exceed Fifty Four million United States Dollars (\$54,000,000) in grant funds over a three year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing the foreign exchange and local currency costs of goods and services required for the Project.

2. The Project will assist Egypt to meet the goal of strengthening and expanding the pool of manpower trained in development related skills. In pursuance of this goal this project will provide fellowships for graduate level training at U.S. institutions of higher education in fields specifically related to Egypt's social and economic development.

3. The Project Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed on flag vessels of the United States.

b. Conditions Precedent to Disbursement

(1) Initial Disbursement

Prior to any disbursement or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee shall, except as the parties may agree otherwise in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) A statement of the name of the person holding or acting in the office of the Grantee and of any additional representatives, together with a specimen signature of each person specified in such statement;

(2) An executed Contract for placement and other technical services acceptable to A.I.D. with an organization acceptable to A.I.D.

(3) Such other information as A.I.D. may reasonably request.

(2) Conditions Precedent to Additional Disbursement

Prior to any disbursement or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for any purpose other than to finance the placement and other technical services, the Grantee shall, except as the parties may agree otherwise in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) Evidence that the Grantee has taken the following steps to ensure timely and effective implementation of the project:

(a) Establishment of a Special Administrative Unit within the Ministry of Higher Education, with adequate authorities to administer the Project;

(b) Establishment of a Project Management Committee, with adequate authorities to provide executive guidance to the Special Administrative Unit.

(2) A Project Implementation Plan which shall include detailed selection, monitoring and evaluation procedures acceptable to A.I.D.;

(3) Such other information as A.I.D. may request.

c. Special Covenants

(a) Project Steering Committee: The Grantee, through the Ministry of Higher Education, will establish a Project Steering Committee which fairly represents the various special and institutional interests to be served by the Project, with adequate authorities to provide general policy guidance to the Project Management Committee.

(b) Selection Process: In the selection of Peace Fellows, the Grantee and the Ministry of Higher Education shall maintain an open and competitive process which, among other things, ensures that fellowship applications are easily available to all interested persons, provides fair and timely consideration of each application and ensures that membership of the Final Selection Committee fairly represents the varied social and institutional interests to be served by the Project;

(c) Office Space and Personnel: In order to permit the Missions Department, with the assistance of the U.S. Contractor, to manage the identification, selection, placement and pre-departure preparations of Peace Fellows on a country-wide basis, the Grantee and the Ministry of Higher Education will provide adequate personnel, office space and equipment.

(d) Evaluation: To ensure that the purpose of the Grant will be accomplished, the Project Steering Committee shall meet regularly with an A.L.D. representative to evaluate the progress of the Project.

(e) Excluded Training: The Grantee and the Ministry of Higher Education will take appropriate action to ensure that the training provided under the Project does not include police, public safety, military training and related fields or training in nuclear technology.

(f) Utilization of Fellowship Recipients: The Grantee shall take reasonable steps to assure that Fellowship recipients return to positions in which their skills and knowledge can be utilized for development purposes.

5. Based upon the justification set forth in the Project Paper, I hereby determine, in accordance with Section 612(b) of the Act, that the expenditure of United States Dollars for the procurement of goods and services in Egypt is required to fulfill the purposes of this Project because the unreserved local currency balance of U.S. owned local currencies is not sufficient to meet this and other project activities. The administrative official approving local cost vouchers may use this determination as the basis for his certification as required by Section 612(b) of the Act.


Douglas J. Bennet, Jr.

4/23/80
Date

Clearances:

- AA/NE: Alfred D. White (Acting) _____ Date _____
- NE/TECH: Charles B. Weinberg _____ Date _____
- NE/DP: Bradshaw Langmaid _____ Date _____
- NE/EE: Gerald Kamens _____ Date _____
- GC/NE: John E. Mullen _____ Date _____
- GC: Norman L. Holmes _____ Date _____
- PPC/PDPR: Barry Sidman _____ Date _____
- AA/PPC: Alexander Shakow _____ Date 4/14/80
- Drafter: GC/NE: TCarter: paj: 3/21/80

Clearances
initialed
on the
action memorandum

8/9

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