

PD-ABA-858

BN 45987



U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

A.I.D. Project Number 263-0125

FOURTH AMENDMENT

TO

GRANT AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

DEVELOPMENT TRAINING

AMERICAN OVERSEAS
CORPORATION
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Washington
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Dated: AUG 20 1989

**CONFORMED
COPY**

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Fourth Amendment, dated **AUG 20 1989** to the Grant Agreement, dated September 26, 1985 between the Arab Republic of Egypt ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D.") for Development Training.

SECTION 1. The Grant Agreement as amended on August 19, 1986, July 29, 1987, and September 30, 1988, is hereby further amended as follows:

A. Section 3.1 is amended by deleting "Thirty One Million, Five Hundred Thousand United States ("U.S.") Dollars (\$31,500,000)" and by substituting "Forty Two Million United States ("U.S.") Dollars (\$42,000,000)" therefor.

B. Section 3.2 (b) is amended by deleting "Ten Million Ten Thousand Egyptian Pounds (L.E. 10,010,000)" and substituting "Eleven Million Nine Hundred Seventy Nine Thousand Egyptian Pounds (L.E. 11,979,000)" therefor.

C. Annex 1, Amplified Project Description, as attached to the original Project Agreement, and the Project's Illustrative Financial Plan, as modified by the Third Amendment, are deleted in their entirety and the attachments to this Fourth Amendment substituted therefor. Elements of the Amplified Project Description may be changed pursuant to the procedure set forth in Section 2.1 of the original Grant Agreement. The Illustrative Financial Plan may be revised by mutual agreement of the parties recorded in Project Implementation Letters.

SECTION 2. Ratification. The Grantee will take all necessary action to complete all legal procedures necessary to ratification of this Amendment and will notify A.I.D. as promptly as possible of the fact of such ratification.

SECTION 3. Language of Amendment. This Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will control.

SECTION 4. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 5. This Amendment shall enter into force when signed by both parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : *M. w. Makramallah*

NAME : Dr. Maurice Makramallah

TITLE: Minister of State for
International Cooperation

BY : *Ahmed Abdel Salam*

NAME : Ahmed Abdel Salam Zaki

TITLE: Administrator of the
Department for Economic
Cooperation with U.S.A.

UNITED STATES OF AMERICA

BY : *Frank G. Wisner*

NAME : Frank G. Wisner

TITLE: American Ambassador

BY : *Charles F. Weden, Jr.*

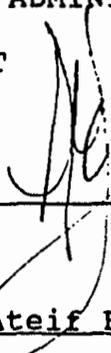
NAME : Charles F. Weden, Jr.

TITLE: Acting Director,
USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the representatives of the implementing organizations have subscribed their names:

MINISTRY OF ADMINISTRATIVE
DEVELOPMENT

BY :  _____

NAME : Dr. Ateif Ebeid

TITLE: Minister

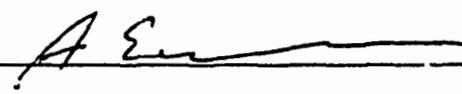
MINISTRY OF EDUCATION

BY :  _____

NAME : Dr. Ahmed Fathi Serour

TITLE: Minister

MINISTRY OF MANPOWER AND TRAINING

BY :  _____

NAME : Assem Abdel Hak Saleh

TITLE: Minister

ANNEX I
DEVELOPMENT TRAINING
(263-0125)

This Amplified Project Description replaces Annex I of the Project Grant Agreement, dated September 26, 1985. Annex II, the Project Grant Standard Provisions, is unchanged. Elements of the Amplified Project Description may be changed by written agreement of the authorized representatives of the parties named in Section 8.2 of the Project Grant Agreement, Amendment 4, without formal amendment of the Agreement, provided that such changes are within the general scope of the project as set forth in the text of the Agreement. The Project Description, Part I, that follows refines component activities under the project goal and purpose. The roles and component responsibilities of the several participating agencies of the Government of Egypt are summarized in Part II, Responsibilities of Project Participants.

I. General Project Description

This project was first developed in response to a request in early 1984 from the Minister for Administration and Cabinet Affairs. Since that time, direct responsibilities for implementation have been assumed by the renamed Ministry for Cabinet Affairs and Administrative Development (MCAAD), by the Ministry of Education (MOE), and by the Ministry for Manpower and Training (MMT). The project responds to the problems of continuing shortages of middle-level and upper-level planning, management, and technical personnel in fields critical to Egypt's development, through provision to the Government of Egypt and private sector of training opportunities in the United States, Egypt, and third countries, and assistance to the GOE's efforts to rationalize investments in training.

Project goal: to increase the operational effectiveness and efficiency of Egyptian institutions contributing to achievement of selected key development goals.

Project purpose: to design and implement a better organized and more efficient Egyptian training program and to train Egyptians, primarily in the United States and Egypt.

This amended Project Description outlines an altered component organization of project activities, requiring modified implementation responsibilities of counterparts, and a revised budget plan, in order to:

- a. provide a common professional oversight and coordination role, and define roles and enhance technical cooperation, for three English Language Training components of the project;
- b. combine components for Institution Building and Upgrading In-Country Training capacity into one component to coordinate methodologically integrated activities so as to meet project goals;
- c. separate the Egyptian Labor Development activity, previously funded under the Non-Project Training component, into a separate component.

The project thus addresses critical training needs through activities in four principal areas: a) offshore, primarily U.S., training (Peace Fellows and Non-Project Training components); b) English language training (four components outlined below); c) institutional upgrading to plan and implement in-country management development and training (Institutional Upgrading component); and d) workers' education and training of trade union leaders (Egyptian Labor Development/AALC component). The project has the following components, with summary descriptions and, wherein applicable, modified outputs indicated below:

1. Peace Fellowship Program: This component provides scholarships to Egyptians for graduate-level study for up to two years in several disciplines identified as critical to the country's economic growth and social development. The grant continues the current Peace Fellowship Project (263-0110), while sharpening objectives to provide improved overall planning of training, and identification of organizational goals for individual training programs.

Outputs: 1,275 Egyptians trained.

2. Non-Project Training: This component will provide training to update the skills of Egyptian professionals, technicians, and managers so as to solve technical/managerial problems in both public and private sectors, primarily through non-academic short-term training in the United States and in Egypt, and some long-term training in the U.S. Technical assistance will be provided to the implementing agency to improve sectoral and organizational training needs assessment and planning functions to meet these needs. The component also provides funding for U.S. experts to assist the GOE in improving economic analysis and carrying out policy dialogue-related studies.

Outputs: 1500 months of long-term and 3000 months of short-term training; project administrative and technical staff trained; needs assessment and training planning techniques integrated.

3. Decentralized English Language Training: Under this component assistance is provided to the Ministry of Education to design a master plan and to implement a program for in-service training of English language instructors, and to establish a comprehensive information management system to allow the GOE and USAID to make rational decisions on allocation and tracking of staff and resources in English language instruction.

Outputs: comprehensive in-service training program designed and initiated; information and tracking system introduced; 250 ELT managers and language trainers instructed in specialized areas; 3000 English teachers provided skills enhancement training; improved materials and curricula adopted (see component 4).

4. English Teacher Training Program: The component seeks to upgrade pre-service and in-service training of English language teachers in Egypt in the Ministry of Education and faculties of education in the regional universities. Under a grant to the Commission for Educational and Cultural Exchange and/or USAID direct contract, technical assistance will be provided to develop curricula in collaboration with the Center for Developing English Language Teaching (CDELT) at Ain Shams University, and teacher training and exchange activities, both funded directly under the ETTP. In order to enhance cooperation and to improve the use of technical skills in English Language Training (ELT) across component activities, it is planned that activities under components 3, 4 and 6 will be coordinated by the Commission for Educational and Cultural Exchange and/or technical assistance contractor (s). The Commission and/or contractor will provide professional oversight over these activities.

Outputs: improved design and operation of overall English language programs in the Ministries of Education and Higher Education (see also component 3); 150 instructors at regional universities trained; 150 professors and lecturers provided enrichment training. (Outputs refer to a survey of ELT needs and resources completed in July 1987.)

5. English Language Testing and Training: Under the component, uniform testing will be administered, and English training provided, for AID-funded participants. Levels of individual participants and requirements for additional training will be determined. This program will be administered through an AID direct contract.

Outputs: 1850 Egyptians tested annually; 750 trained annually.

6. Residential English Language Training: Assistance will be provided to the Government of Egypt in the development of intensive English language training. Primary client groups will include Peace Fellows, university faculty and researchers, and MOE language teachers and specialists. Requirements to renovate facilities at the Sirs El-Layyan Residential Training Center, and for American and Egyptian staff to manage and conduct training programs, will be determined prior to commitment of project funds for activities at the Sirs El-Layyan center.

Outputs: renovated instructional facilities at Sirs El-Layyan; a trained Egyptian staff of 20 administrators, instructors, and technical advisors; 180 trained Peace Fellows; 360 other trained university staff, Ministry of Education and GOE personnel.

- 7/8. Institutional Upgrading for management development: Management development is needed to meet the project goal of increased operational effectiveness and efficiency in Egyptian institutions contributing to economic development. Specific goals and activities under the earlier Institution-Building and Upgrading Local Training Capacity components of the project will be integrated to 1) better identify and plan for training needs and to improve coordination

among public and private sector organizations utilizing management training and development services, and 2) assist existing Egyptian institutions to upgrade program quality and relevance so as to provide cost-effective in-country management/administrative training and consulting services in sectors where these may have development impacts. The component will support management development and training needs assessment and planning at the sectoral level, rather than cross-sectoral manpower planning at the national level.

Support to be provided includes 1) technical and operational support to the Center for Administrative and Managerial Development (CAMD) of the Ministry for Cabinet Affairs and Administrative Development, and 2) technical assistance and training for program and staff development, materials and equipment, and physical facilities upgrading, to develop selected institutions providing training to middle and upper-managerial levels in targeted sectors.

The Management Development Center for Industry (MDCI) in Agouza, which was earlier provided planning-related travel, facilities renovation, and operational support under the previous Upgrading component, will receive technical assistance under the new combined component. Other sectoral training organizations will be assisted under the component. Technical assistance to upgrade staff capacity and program, and for materials/software development, will normally be provided through a technical assistance services unit under the direction of the CAMD.

Outputs: improved staff ability to assess management training needs and capacities, and to provide relevant training, consultancy, materials development, and other services to enterprises and organizations in targeted sectors; up to ten existing in-country training institutions, staff and programs, upgraded.

9. Egyptian Labor Development/AALC: Under a grant to the African-American Labor Center, this component will provide continued support for the workers' education activity conducted by the Worker Education Association and the Workers' University, providing observational study tours and technical assistance for updated programs to train union leaders in areas such as curriculum development, planning and evaluation, management, and economic research, in addition to trade union practices, collective negotiations, and shop steward duties. Training activities in the area of occupational safety and health, vocational skills, literacy, and union-based rural health care delivery, will be introduced. An evaluation and monitoring system will provide data for analysis of impacts under the component.

Outputs: increased capacity of the Egyptian Trade Union Federation to provide training in specialized areas; 23 instructors and 3600 workers trained in standardized courses; 180 ETUF women leaders trained; health and safety committees established in key sectors; installation and utilization of an evaluation/monitoring system at the Worker's University.

II. Responsibilities of Project Participants

1. The Ministry of International Cooperation (MIC) will approve this agreement and any subsequent annual obligations after periodic discussions and evaluation of the progress of the project between USAID and designated implementing agencies.
2. The Ministry for Cabinet Affairs and Administrative Development will have overall responsibility and provide oversight for Non-Project Training (2) and Institutional Upgrading (7/8) components of the project. Annual training plans under Non-Project Training and sectoral plans for management training and development under the Institutional Upgrading component will be approved by the MCAAD.
3. The Ministry of Education/Higher Education will have overall responsibility and provide oversight for the Peace Fellowship Program (1), Decentralized English Language Training (3), English Teacher Training Program (4), and Residential English Language Training (6) components of the project. The MOHE will elaborate and approve annual training plans for the Peace Fellowship Program.
4. The Ministry for Manpower and Training will have responsibility and provide oversight for the Egyptian Labor Development/AALC component (9). The MMT, with the Egyptian Trade Union Federation, will coordinate activities supported under the grant to the African-American Labor Center.
5. USAID will be responsible for providing funding for the activities mutually agreed upon, within the limits of this agreement, and for working with authorized representatives of the four designated implementing Ministries. USAID will approve annual training plans approved and submitted by responsible ministries for Peace Fellows and Non-Project Training components, and will approve proposed sub-projects under the Institutional Upgrading component. USAID will also be responsible to assist the Ministry of Cabinet Affairs and Administrative Development to implement pre-training planning and processing under the Non-Project Training component until a trained staff directly undertakes these tasks.

A Project Implementation Letter, or Letters, will specify any required adjustment of project oversight and management mechanisms to insure proper monitoring and coordination of activities within and among cooperating ministries and organizations.

III. Illustrative Financial Plan

Table I provides an illustrative financial plan for the years 1985-89, including the FY 1989 obligation. It is expected that up to a total of \$109,000,000 will be granted to the project for use over a period of approximately six years from the date of initial obligation. Additional obligations are subject to the availability of funds and to mutual agreement of the parties to proceed with the project. The attached financial plan is illustrative and is subject to change. Changes may be made by representatives of the parties named in Section 8.2 of the Agreement, provided that such changes are within the terms of such Agreement.

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IV. Financing Methods

Subject to the availability of funds, and to mutual agreement of the parties regarding subsequent obligations, A.I.D. plans to grant \$109,000,000 from the Economic Support Fund to the GOE for the foreign exchange and for some local currency costs of the project. Components will be financed under grants, contracts, or other appropriate instruments, as mutually agreed by the parties. Except where approved by USAID Mission waiver to allow use of project dollar funds, payment for all international airfare costs for participants receiving offshore training under any and all components of the project will be paid by the GOE, as a GOE contribution to the project. Based on agreement with the Ministry of International Cooperation, funds from the FT-800 account will be used for this purpose.

V. Evaluation

Parties to the Agreement will participate in evaluation of performance and impacts of component activities. Participant training components (Peace Fellows and Non-Project Training) will normally be evaluated on an annual basis during preparation of annual training plans. The nature and timing of component evaluations will be established, by a PIL or PILs, according to implementation progress of individual project components.

VI. Audits

The Grantee will conduct audits as required by the Standard Grant Provisions Annex (Annex II of the Grant Agreement), using project funds as allocated in accordance with Annex I.

Development Training Project 263-0125: Project Grant Agreement, Amendment No. 4

Table I: Illustrative Financial Plan

| <u>Project Elements</u> | <u>FY 88 Obligation By FY 88 Obligation</u> | | | <u>FY 89 Obligation Budget as modified as per ProAg Amendment By FY 89 Obligation</u> | | <u>GOE (LE)</u> | | |
|--|---|--------------|------|---|--------------|-----------------|--------------------|-------|
| | <u>\$</u> | <u>L.E.</u> | | <u>\$</u> | <u>L.E.</u> | <u>Cash</u> | <u>In-kind</u> | |
| Peace Fellows Training (0125.1) | 4,800 | 200 | 1. | Peace Fellows Training (0125.1) | 9,500 | 300 | 1,186 | 120 |
| Non-Project Training (0125.2) | 8,000 | 500 | 2. | Non-Project Training (0125.2) | 8,000 | 500 | 728 | - |
| Decentralized English Language Training (0125.3) | 500 | 600 | 3. | Decentralized English Language Training (0125.3) | 1,000 | 1,100 | 320 | - |
| English Teacher Training Program (0125.4) | 2,000 | 1,100 | 4. | English Teacher Training Program (0125.4) | 2,900 | 1,600 | 120 | - |
| English Language Testing and Training (0125.5) | 2,200 | - | 5. | English Language Testing and Training (0125.5) | 3,200 | - | - | - |
| Residential English Training (0125.6) | 500 | 1,600 | 6. | Residential English Training (0125.6) | 1,400 | 1,600 | 125 | 3,000 |
| Institution-Building (0125.7) | 300 | 200 | 7/8. | Institutional Upgrading (0125.7/8) ¹ | 5,600 | 3,900 | 380 | 6,000 |
| In-country Training Capacity Upgrading (0125.8) | <u>5,300</u> | <u>3,700</u> | 9. | Egyptian Labor Development/AALC (0125.9) ² | <u>1,000</u> | <u>400</u> | - | - |
| Total all elements | 23,600 | 7,900 | | Total all elements | 32,600 | 9,400 | 2,859 ³ | 9,120 |

See notes, attached.

Notes to Table I: Illustrative Financial Plan

- 1) The previous project elements for Institution Building (7) and In-Country Capacity Upgrading (8) have been combined in this amendment in a single component for Institutional Upgrading (7/8).
- 2) The funds needed to implement the Egyptian Labor Development/AALC component (9) are no longer budgeted as a sub-activity under the Non-Project Training component (2), but have been added as part of the new FY 1989 obligation.
- 3) Out of a total FY 1989 increase of L.E. 1,969,000 in the GOE cash contribution, the amount L.E. 1,224,000 will be provided by the GOE from the FT800 Account for the payment of participant air travel costs under components (1) and (2).

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