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**Support to the Development**

**of a**

**National Energy Efficiency Strategy**

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**Third Quarterly Report:**

**March 1, 2000 to May 31, 2000**

**Prepared for:**

**United States Agency for International Development**

**Mission to Egypt**

**Cairo, Egypt**

**Prepared by:**

**Bechtel National, Inc.  
San Francisco, CA, USA**

**June 2000**

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**23865-805-0013**

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## Section 1: Status Report

This report outlines activities under United States Agency for International Development, (USAID), Mission to Egypt and Bechtel National, Inc., contract number LAG-I-00-98-00006-00, Task Order number 805, undertaken during the period March 1, 2000 to May 31, 2000.

### 1.1 Background

Bechtel National, Inc. (Bechtel) is providing assistance to the Government of Egypt (GOE) in formulating a National Energy Efficiency Strategy, aimed at creating a sustainable energy efficiency market through strategic partnerships between the public and the private sectors. This activity falls under the framework of USAID's Egyptian Environmental Policy Program (EEPP), a sector policy reform program designed to help the GOE to meet its priorities for the environment and provide a platform for sustainable economic development.

Bechtel responsibilities, under the task order, include:

1. Assisting the GOE in formulating a National Energy Efficiency Strategy that creates a sustainable energy efficiency market through strategic partnerships between public and private sector entities.
2. Supporting the creation of a task force within the Organization of Energy Planning (OEP), to manage, monitor, evaluate, coordinate and direct the development and implementation of a national strategy targeting Global Climate Change through reducing/avoiding emissions of greenhouse gases (GHGs).
3. Supporting other NEES partner working groups that are established to further specific EEPP-related energy policy initiatives.
4. Engaging the public and private sectors in meaningful dialogue to formulate a policy reform agenda that rationalizes energy use, particularly fossil fuels, based on optimum environmental and economic considerations, and encourages a leading role for the private sector.
5. Assisting a transformation from a public sector led market, to a sustaining, robust and competitive market for energy efficiency goods and services, dominated by private sector investments and business.
6. Stimulating trade and sustainable technology transfer to promote sustainable economic growth, enhance Egypt's competitiveness and ability to enter the global market.

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## **1.2 Expected Results**

The scope of work is subdivided into three tasks, as follows:

Task 1 - Development of NEES

Task 2 - Market Transformation and Development Initiatives

Task 3 - Management/Administration

## **1.3 Current Activities**

### **1.3.1 Task 1 National Energy Efficiency Strategy Development**

Activities in the quarter focused on working with the Technical Secretariat to help refine a series of work plans for the critical issues identified by the Energy Efficiency Council (EEC), developing an understanding of the actions and progress made to date with the EEC, and working to identify the appropriate role/vehicles in providing support to the EEC. Specific activities are highlighted below.

#### **1.3.1.1 Strengthen Capacity of NEES Stakeholders**

##### OEP

- Consultant developed draft report and executive summary for the OEP Organizational Development Assessment.
- Completed OEP leadership development assessment.
- Completed employee assessment study.
- Developed specifications for training in strategic planning through DT2.

##### Others

- Conducted training needs assessment for energy efficiency as part of S.O. #19. Obtained approval of assessment by USAID and EEPP Executive Committee.
- Developed training specifications for:
  - Certification of Energy Managers
  - Capacity building for EESBA and financial community
  - Team building for Technical Secretariat

#### **1.3.1.2 Policy Analysis**

The following activities were undertaken to support the Energy Efficiency Council as follows:

- Analyzed options for policy reform
- Provided inputs to EEC meeting in April 2000
- Held preliminary discussion of policy reform measures for possible inclusion in Tranche 2

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### 1.3.1.3 *Assist Development of Individual Action Plans of NEES Stakeholders*

During the period, a fifth working group was formed to recommend quantitative targets for energy efficiency to the EEC. Technical assistance in the form of an outlined workplan was provided, with a series of supporting discussion papers. Informal meetings were held with the working group.

The issue of participation of the working groups and Technical Secretariat was found to be instrumental to the rate of progress in the issue analyses. The technical assistance team developed and obtained approval for a mechanism to stimulate more active participation in the working groups to ensure adherence to the NEES timetable.

### 1.3.1.4 *Develop An Integrated NEES Action Plan*

Meetings were held with the members of the technical secretariat, and members of the OEP task force on several occasions to outline strategy options. The meetings led to development of a draft strategy option paper, including potential indicators for monitoring and measuring successful implementation of policy reforms.

Made initial preparations for extraordinary meeting of the EEC, to be held in June 2000.

## 1.3.2 *Task 2: Market Transformation and Development Initiatives*

Technical assistance is being provided toward the creation of meaningful public-private sector partnerships to help transform the energy efficiency market. Specifically work has focused on assessment and definition of the current market place prior to implementing a series of market transformation initiatives.

### 1.3.2.1 *Support to Private Sector Service Sector Development*

Met with EESBA representatives and members of the financial community to strengthen linkages among stakeholders in the EE marketplace. The meeting led to requests for subsequent meetings to discuss potential projects and investment opportunities.

Conducted meetings with the National Gas Company to discuss and initiate plan for developing a business strategy to link delivery of natural gas with the provision of performance-based EE services. Held meetings with Nat Gas to review applicability of three potential business models.

### 1.3.2.2 *Facilitating Energy Efficiency Investments*

Developed conceptual framework for development of a special purpose equity invest fund for EE projects. Conducted meetings in Washington, D.C. and New York with multilateral lending institutions, commercial banks, and equity fund managers to investigate fund capitalization, fund structure, market potential, and exit strategy issues.

Drafted a set of voluntary EE guidelines that can be incorporated into loan evaluation criteria of local financial institutions.

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### 1.3.2.3 *Promotion and Outreach*

#### 1.3.2.3.1 GreenCOM Activities

- Revisited GreenCOM promotion plan and made appropriate changes to refocus on targets
- Trained market research staff for surveys to be conducted under GreenCOM's auspices
- Explored options for public-private partnerships to implement outreach activities

#### 1.3.2.3.2 EESBA

Continued development of website design and layout. Coordinated initial down-payment for service provider. Gathered contact and company information of EESBA members to post on website. Gathered additional content to post on website.

### 1.3.3 ***Task 3: Management/Administration***

#### 1.3.3.1 *Management*

##### 1.3.3.1.1 Technical Assistance Workplan

In March 2000, both USAID and the Government of Egypt's counterpart, the Organization of Energy Planning, approved the text-based technical assistance work plan. In addition, the work plan was formulated using project management software and, for ease of presentation, displayed in Gantt chart form. The approved technical assistance workplan indicates an expected completion of an integrated NEEES in December 2000. USAID has formally signaled its intent to extend the current task order completion date to permit continued support to the EEC under the EEPP. A contract modification is expected in the next quarter.

##### 1.3.3.1.2 Performance Monitoring Plan

With approval of the Technical Assistance workplan, work began on development of a performance-monitoring plan (PMP). There are issues surrounding the PMP that need further clarification including:

- The relationship of Bechtel's task order to the EEPP policy objective for the NEES
- The relationship/relevance of a PMP to: the EEPP policy objective number 5, Bechtel's task order and USAID's strategic objectives and the appropriate indicators for the PMP

It is anticipated that the MV&E unit of the EEPP will help provide clarification and guidance to ensure an appropriate PMP is developed early in the next quarter.

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### 1.3.3.1.3 Management Information Systems

The Management Information Systems developed in the first quarter were used to track and monitor activities on a day-to-day basis. Minor modifications to the MIS were made to improve the overall management and administration of the task order contract. Further refinements will be introduced as and when appropriate to ensure unnecessary administration is eliminated.

### 1.3.3.1.4 Periodic Evaluation

Regular meetings between the contractor and the USAID CTO continued during the quarter. The regular meeting schedule is supplemented as and when necessary by additional formal meetings. The purpose of the meetings is to keep everyone cognizant of where activities are headed.

### 1.3.3.1.5 PSU Interaction

Regular meetings – both formal and informal – continued during the quarter. The EEPP chief-of-party meetings were also held regularly during the quarter.

### 1.3.3.1.6 Joint EEPP Initiatives

As part of the EEPP activities, the NEES support team participated in the following major activities:

- Training Needs Assessment for USAID SO # 19
- Provided input into USAID's Strategic Objectives Performance Monitoring Plan
- Participated in the March 30, 2000 EEPP Executive Committee Meeting
- Developed the Agency Task Force Interim Report

### 1.3.3.2 Administration

During the third quarter of the Task activity, the following major events occurred:

- Secured approval, from both OEP and USAID, of technical assistance workplan
- Continued supporting and participating in joint EEPP activities

## 1.4 Planned Activities

The following list indicates the activities planned during the next quarter of the contract:

#### Task 1:

- Develop working group activity plans
- Conduct key technical analyses to support working group workplans
- Train Technical Secretariat staff in Team Building
- Complete Organizational Development Assessment for OEP
- Initiate OEP reengineering process, including training OEP management staff in Strategic Planning
- Continue EEC promotion campaign

#### Task 2:

- Complete Nat Gas business strategy development study

- Complete technical assessment of Cairo Center
- Develop functional EESBA website
- Develop EESBA workplan
- Analyze potential EE investment market and develop prospectus
- Complete procurement of training assistance through DT2 for:
  - Certification of Energy Managers
  - ESCOs
  - Financial community

Task 3:

- Complete formal contract modification, extending task order completion date to February 2001, as well as obligating full contract funds
- Modify subcontracts as appropriate in accordance with anticipated contract modification

## Section 2: Administrative Information

Contract administrative data is presented in the following tables. Financial information is summarized in the table entitled "*Financial Data*", while level of effort information is shown in the table "*Level of Effort Activity Summary Data*".

### Financial Data (Third Quarter)

LINE ITEMS	CONTRACTUAL BUDGET	OBLIGATED FUNDS	SPENT AS OF 5/26/00 <sup>1</sup>	OBLIGATED FUNDS REMAINING
Technical Specialist Labor	3,108,991	1,170,000	1,064,059 <sup>1</sup>	105,941
Other Direct Costs	887,670	330,000	252,007 <sup>1</sup>	77,993
<b>TOTAL</b>	<b>3,996,661</b>	<b>1,500,000</b>	<b>1,316,066<sup>1</sup></b>	<b>183,934</b>

**Level of Effort Activity Summary Data (Third Quarter)**

<b>TECHNICAL SPECIALISTS</b>	<b>Budgeted Level of Effort (Days)</b>	<b>Quarter Activity (Days)<sup>1</sup></b>	<b>Cumulative Activity (Days)</b>
Task Manager	312	66	208
Private Sector Development Specialist	312	72	213
HO Manager	240	61	171
Logistical Support	160	26	87
Technical Writer/Editor	150	1	4
EE Specialists	300	0	26
Energy Policy Specialists	500	7	36
Energy Economists	320	42	95
HRD Specialists	168	33	33
Climate Change Specialists	140	0	0
Communication Specialist	20	0	0
ESCO Specialists	240	0	33
Energy Financial Specialists	172	54	138
Energy Law Specialist	40	0	0
CCN Technical Specialists	1,326	71	71

<sup>1</sup> Data is collated from a number of sources, including invoiced data and corporate cost accounting and project tracking systems. Due to differing time periods for summing monthly and quarterly data, there may be minor differences between reported and invoiced numbers.

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***Support to the Development***

***of a***

***National Energy Efficiency Strategy***

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***Second Quarterly Report:***

***December 1, 1999 to February 29, 2000***

***Prepared for:***

**United States Agency for International Development**

**Mission to Egypt**

**Cairo, Egypt**

***Prepared by:***

**Bechtel National, Inc.  
San Francisco, CA, USA**

**March 2000**

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## Section 1: Status Report

This quarterly report outlines activities under United States Agency for International Development, (USAID), Mission to Egypt and Bechtel National, Inc., contract number LAG-I-00-98-00006-00, Task Order number 805, undertaken during the period December 1, 1999 to February 29, 2000.

### 1.1 Background

Bechtel National, Inc. (Bechtel) is providing assistance to the Government of Egypt (GOE) in formulating a National Energy Efficiency Strategy, aimed at creating a sustainable energy efficiency market through strategic partnerships between the public and the private sectors. This activity falls under the framework of USAID's Egyptian Environmental Policy Program (EEPP), a sector policy reform program designed to help the GOE to meet its priorities for the environment and provide a platform for sustainable economic development.

Bechtel responsibilities under the task order include:

1. Assisting the GOE in formulating a National Energy Efficiency Strategy that creates a sustainable energy efficiency market through strategic partnerships between public and private sector entities.
2. Supporting the creation of a task force within the Organization of Energy Planning (OEP), to manage, monitor, evaluate, coordinate and direct the development and implementation of a national strategy targeting Global Climate Change through reducing/avoiding emissions of greenhouse gases (GHGs).
3. Supporting other NEES partner working groups that are established to further specific EEPP-related energy policy initiatives.
4. Engaging the public and private sectors in meaningful dialogue to formulate a policy reform agenda that rationalizes energy use, particularly fossil fuels, based on optimum environmental and economic considerations, and encourages a leading role for the private sector.
5. Assisting a transformation from a public sector led market, to a sustaining, robust and competitive market for energy efficiency goods and services, dominated by private sector investments and business.
6. Stimulating trade and sustainable technology transfer to promote sustainable economic growth, enhance Egypt's competitiveness and ability to enter the global market.

## **1.2 Expected Results**

The scope of work is subdivided into three tasks, as follows:

Task 1 - Development of a National Energy Efficiency Strategy

Task 2 - Market Transformation and Development Initiatives

Task 3 - Management/Administration

## **1.3 Current Activities**

### **1.3.1 Task 1 National Energy Efficiency Strategy Development**

Activities in the quarter focused on working with the Technical Secretariat to help develop and work on a series of work plans for the critical issues identified by the Energy Efficiency Council (EEC), developing an understanding of the actions and progress made to date with the EEC, and working to identify the appropriate role/vehicles in providing support to the EEC. Specific activities are highlighted below.

#### **1.3.1.1 Strengthen Capacity of NEES Stakeholders**

##### OEP

The Organizational Development Assessment (ODA) for OEP was initiated during the quarter. The ODA includes a complete review of the organization including personnel, facilities, technical equipment, information technology systems, and operating procedures. In addition, it includes a leadership assessment and a staff evaluation. A team of consultants is carrying out the work. The team is being supplemented by specialists from GreenCOM who are focusing on outreach and public awareness capabilities

##### Others

During the period an evaluation of capacity building requirements for energy efficiency activities was made as part of a training needs assessment undertaken for the USAID Strategic objective SO #19. Training needs were identified for OEP personnel, staff of the Energy Efficiency Council and the Technical Secretariat as well as for energy end users and service providers to the energy efficiency business sector.

#### **1.3.1.2 Assist Development of Individual Action Plans of NEES Stakeholders**

The approved core team of short-term consultants for supporting the NEES development traveled to Cairo to work with the technical secretariat in December and January 2000. They provided input in the areas of policy, energy economics and codes and standards to the working groups as they developed their work plan outlines for presentation to the Energy Efficiency Council at the EEC meeting in January 2000. The workplan outlines were presented at the EEC meeting and the Council approved three of the four.

### 1.3.1.3 *Develop An Integrated NEES Action Plan*

Meetings were held with the members of the technical secretariat, and members of the OEP task force on several occasions to outline approaches to develop and set priorities for the development of a National Energy Efficiency Strategy.

A meeting of the technical secretariat was held in December 1999 in which the various members of the secretariat made nominations for the participation of the members in the four working groups for issue analyses. Approval of the nominations was received at a technical secretariat meeting held early in January 2000.

### 1.3.2 *Task 2: Market Transformation and Development Initiatives*

Technical assistance is being provided toward the creation of meaningful public-private sector partnerships to help transform the energy efficiency market. Specifically work has focused on assessment and definition of the current market place prior to implementing a series of market transformation initiatives.

#### 1.3.2.1 *Support to Private Sector Service Sector Development*

Activities continued to focus on building the credibility of the private service sector as well as securing resources for capacity building and financing for future implementation of energy efficiency in the country. In particular, technical assistance initiatives started in the first quarter with the financial community through the Inter Banking Working Group, IBWG and the EESBA continued throughout the quarter. The activities are highlighted briefly below.

#### 1.3.2.2 *Facilitating Energy Efficiency Investments*

Meetings with the IBWG and other Members of the Financial Community: These meetings were designed to raise awareness within the local financial community of the benefits of EE investments and to provide continued support to local financial institutions that are assessing EE as a business opportunity. Meetings with financial institutions covered the following topics:

- review of current lending practices (loan terms and capital structure on projects)
- development of profiles for EE pilot projects (preferred EE measures, industry, etc.)
- identification of future technical assistance (training and hiring of local specialists)

Meetings with Private Sector Energy Service Providers: These meetings were held in parallel with financial institution meetings. A key objective was to identify EE pilot projects that could be reviewed with local financial institutions (i.e., identify a pipeline of projects that can help accelerate local EE market development). The experience of local companies in attempting to develop projects was also reviewed (e.g., discussion of barriers to EE project development).

#### *Key Outcomes*

The following items were accomplished during this quarter:

- IBWG meeting conducted on January 26th - commitment from working group members to evaluate EE pilot projects
- Discussion of potential pilot EE projects that can be evaluated by financial

- 
- institutions (generated through meetings with private energy service providers)
  - Establishment of linkages between the financial community and local EE financing programs (Egypt Environmental Fund representative attended the IBWG meeting).

### 1.3.2.3 *Promotion and Outreach*

#### 1.3.2.3.1 GreenCOM Activities

After the Chairman of the OEP had expressed concern over the participation and support of the Energy Efficiency Council, the technical assistance contractors worked with representatives of the GreenCOM to fashion a promotion and outreach campaign targeted toward raising the awareness and visibility of the Energy Efficiency Council. The campaign focused around a series of messages as to why energy efficiency is beneficial to different sectors of the economy includes use of various delivery channels, including press articles, publications and brochures and media events.

Work was also done with GreenCOM in developing a series of market research initiatives designed to glean more information about attitudes and opinions concerning codes, standards and appliance labeling, the Energy Efficiency Council and the need for policies and regulations for energy efficiency.

#### 1.3.2.3.2 EESBA

Work with EESBA was built around the following key areas:

- Compliance with the new NGO law
- Increasing membership
- Promoting the EESBA through:
  - Participation in appropriate workshops and conferences
  - Development of the EESBA web-site
  - Identifying capacity building needs

#### 1.3.2.3.3 Others

- Held meetings in December 1999 with DANIDA representatives to discuss possible DANIDA support to energy efficiency
- Participated in the UNISE workshop on Energy for Sustainable Development in January 2000
- Supported USAID Cairo in interfacing with TCAPP and US EPA

### 1.3.3 ***Task 3: Management/Administration***

#### 1.3.3.1 *Management*

##### 1.3.3.1.1 Technical Assistance Workplan

After the Energy Efficiency Council meeting in January 2000 approved the outline work plans for the technical secretariat working groups a review of the draft technical assistance work plan was developed. The work plan developed showed that the National Energy Efficiency Strategy would not be completed until beyond the end of the task order. A request for guidance was made to USAID to determine what was the

appropriate course of action for interacting with the Government of Egypt to manage expectations as to what technical assistance would be provided in support of the development of the National Energy Efficiency Strategy.

#### 1.3.3.1.2 Performance Monitoring Plan

With the uncertainty surrounding the development of the National Energy Efficiency Strategy, it was deemed inappropriate to develop a performance-monitoring plan (PMP). In addition, the issues surrounding the PMP still need further clarification. They include:

- The relationship of Bechtel's task order to the EEPP policy objective for the NEES
- The relationship/relevance of a PMP to: the EEPP energy efficiency policy objective, Bechtel's task order and USAID's strategic objectives and the appropriate indicators for the PMP

#### 1.3.3.1.3 Management Information Systems

The Management Information Systems developed in the first quarter were used to track and monitor activities on a day-to-day basis. Minor modifications to the MIS were made to improve the overall management and administration of the task order contract. One example has resulted in reducing country clearance times significantly. Further refinements will be introduced as and when appropriate to ensure unnecessary administration is eliminated.

#### 1.3.3.1.4 Periodic Evaluation

The weekly meetings between the contractor and the USAID CTO continued during the quarter. The regular meeting schedule is supplemented as and when necessary by additional formal meetings. The purpose of the meetings is to keep everyone cognizant of where activities are headed.

#### 1.3.3.1.5 PSU Interaction

Regular meetings – both formal and informal – continued during the quarter. The EEPP chief-of-party meetings were also held regularly during the quarter.

#### 1.3.3.1.6 Joint EEPP Initiatives

As part of the EEPP activities, the NEES support team participated in the following major activities:

- Training Needs Assessment for USAID SO # 19
- Provided input into USAID's Strategic Objectives Performance Monitoring Plan

#### 1.3.3.2 Administration

During the second quarter of the Task activity, the following major events occurred:

- Formal approval of the CCN bio-data sheets was granted in January 2000.
- Nexant LLC (formerly Bechtel Consulting) assumed the role of implementing the task order on behalf of Bechtel National, Inc. (This change has no material impact on the task order contract, all contract details remaining the same)

## 1.4 Planned Activities

The following indicate the activities planned during the next quarter of the contract:

### Task 1:

- Continuing to provide technical assistance in support of the NEES development to the EEC and the technical secretariat, as appropriate
- Completing the Organizational Development Assessment of the OEP
- After approval of the Training Needs Plan under SO#19, beginning process of training and capacity building through the DT2 project for OEP, EEC and the technical secretariat
- Initiating the GreenCOM supported promotion campaign
- Supporting the GreenCOM-led market research activities

### Task 2:

- Continuing market transformation initiatives with the private service sector including EESBA and the financial community
- Assisting EESBA in its compliance with the new NGO law
- Continuing working to develop the EESBA web-site
- Continuing to support the IBWG on exploring new funding vehicles
- Supporting the development of the ESCO industry by evaluating potential interventions

### Task 3:

- Completing and receiving approval of the technical assistance work plan pending guidance from USAID
- Finalizing of the Performance Monitoring Plan
- Increasing obligated funding level, as appropriate
- If applicable, initiating close out procedures
- Supporting and participating in joint EEPP activities

## Section 2: Administrative Information

Contract administrative data is presented in the following tables. Financial information is summarized in the table entitled "*Financial Data*", while level of effort information is shown in the table "*Level of Effort Activity Summary Data*".

**Financial Data (Second Quarter)**

LINE ITEMS	CONTRACTUAL BUDGET	OBLIGATED FUNDS	SPENT AS OF 2/26/00 (\$)¹	OBLIGATED FUNDS REMAINING
Technical Specialist Labor	3,108,991	1,170,000	680,885¹	489,115
Other Direct Costs	887,670	330,000	156,630¹	173,370
<b>TOTAL</b>	<b>3,996,661</b>	<b>1,500,000</b>	<b>837,515¹</b>	<b>662,485</b>

**Level of Effort Activity Summary Data (Second Quarter)**

TECHNICAL SPECIALISTS	Budgeted Level of Effort (Days)	Quarter Activity (Days)¹	Cumulative Activity (Days)
Task Manager	312	70	142
Private Sector Development Specialist	312	70	141
HO Manager	240	52	110
Logistical Support	160	24	61
Technical Writer/Editor	150	2	3
EE Specialists	300	26	26
Energy Policy Specialists	500	29	29
Energy Economists	320	33	53
HRD Specialists	168	0	0
Climate Change Specialists	140	0	0
Communication Specialist	20	0	0
ESCO Specialists	240	18	33
Energy Financial Specialists	172	37	84
Energy Law Specialist	40	0	0
CCN Technical Specialists	1,326	0	0

¹ Data is collated from a number of sources, including invoiced data and corporate cost accounting and project tracking systems. Due to differing time periods for summing monthly and quarterly data, there may be minor differences between reported and invoiced numbers.

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***National Energy Efficiency Strategy***

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***First Quarterly Report:***

***September 1, 1999 to November 30, 1999***

***Prepared for:***

**United States Agency for International Development**

**Mission to Egypt**

**Cairo, Egypt**

***Prepared by:***

**Bechtel National, Inc.  
San Francisco, CA, USA**

**December 2000**

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### 1.1 Background

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Bechtel responsibilities under the task order include:

1. Assisting the GOE in formulating a National Energy Efficiency Strategy that creates a sustainable energy efficiency market through strategic partnerships between public and private sector entities.
2. Supporting the creation of a task force within the Organization of Energy Planning (OEP), to manage, monitor, evaluate, coordinate and direct the development and implementation of a national strategy targeting Global Climate Change through reducing/avoiding emissions of greenhouse gases (GHGs).
3. Supporting other NEES partner working groups that are established to further specific EEPP-related energy policy initiatives.
4. Engaging the public and private sectors in meaningful dialogue to formulate a policy reform agenda that rationalizes energy use, particularly fossil fuels, based on optimum environmental and economic considerations, and encourages a leading role for the private sector.
5. Assisting a transformation from a public sector led market, to a sustaining, robust and competitive market for energy efficiency goods and services, dominated by private sector investments and business.
6. Stimulating trade and sustainable technology transfer to promote sustainable economic growth, enhance Egypt's competitiveness and ability to enter the global market.

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## 1.2 Expected Results

The scope of work is subdivided into three tasks, as follows:

Task 1 - Development of NEES

Task 2 - Market Transformation and Development Initiatives

Task 3 - Management/Administration

## 1.3 Current Activities

### 1.3.1 Task 1 National Energy Efficiency Strategy Development

Activities in the first quarter focused on working to develop an understanding of the progress made to date since formation of the Energy Efficiency Council (EEC) and working to identify the appropriate role/vehicles in providing support to the EEC. Specific activities are highlighted below.

#### 1.3.1.1 Strengthen Capacity of NEES Stakeholders

##### OEP

The details of an Organizational Development Assessment for OEP were developed and defined with the OEP Chairman. A short-term consultant was identified and approved to undertake the activity. Unfortunately, the consultant was not available at the time of approval and a search for an appropriate replacement has been initiated.

##### Others

Discussions were held with staff from EEC-affiliated organizations regarding possible support to the organizations to facilitate their anticipated activities in contributing to development of the energy efficiency strategy.

These discussions included meetings with USAID DT2 program to explore the use of DT2 as a source of funding for associated training needs of the NEES stakeholders.

#### 1.3.1.2 Policy Analysis

Key issues identified by the Energy Efficiency Council include: *information integration, codes and standards, public-private partnerships, and training and outreach*. Technical assistance has been provided in support of formation of a number of working groups to examine each issue in detail. Such activities have included working with individual members of the Technical Secretariat to discuss possible ways to evaluate and examine each of the different issues as a precursor to the development of issue analysis workplans.

#### 1.3.1.3 Assist Development of Individual Action Plans of NEES Stakeholders

Approval for a core group of short-term consultants was obtained in the areas of policy, energy economics and codes and standards. The consultants are expected to support the

development of the NEES and the Technical Secretariat in their issue analyses activities as and when the Energy Efficiency Council approves work groups and work plan outlines.

The core team participated in activities with the Technical Secretariat in November 1999 to develop a common understanding with the technical secretariat and to discuss possible options related to the various issues raised by the EEC: *information integration, codes and standards, training and outreach, and public-private partnerships.*

#### **1.3.1.4      *Develop An Integrated NEES Action Plan***

Meetings were held with the members of the technical secretariat, and members of the OEP task force on several occasions to outline approaches to develop and set priorities for the development of a National Energy Efficiency Strategy. The most notable was the participation of the OEP agency task force in the EEPP retreat in Ain Sukna in November 16 – 17, 1999. Five persons from the OEP task force, together with the Chairman of OEP, Dr. Hani Alnakeeb, and Richard P. Smith and Emad Hassan actively participated in shaping the work to be done in the NEES development.

### **1.3.2      *Task 2: Market Transformation and Development Initiatives***

Technical assistance under this activity is targeted at transforming the local energy efficiency market by creation of meaningful public-private partnerships. Specific activities are detailed below.

#### **1.3.2.1      *Support to Private Sector Service Sector Development***

During the first quarter, activities focused on working with known key players in the private sector and assessing and evaluating the status of private sector service activities. This included working with EESBA and other donor-sponsored energy-efficiency activities in the country.

#### **1.3.2.2      *Facilitating Energy Efficiency Investments***

Activities focused on outreach to the local financial community, including meetings with commercial banks, leasing companies, and equity investment funds. The activities led to a forum, sponsored by the United Bank of Egypt, on financing energy efficiency projects. The forum, in turn, led to the formation of an Inter-Banking Working Group to investigate financing issues for EE and environmental projects.

#### **1.3.2.3      *Promotion and Outreach***

##### **1.3.2.3.1      *GreenCOM Activities***

Technical assistance was provided to help GreenCOM develop appropriate outreach activities. To this end, several options were considered. It is anticipated that a detailed campaign will be available early in early 2000.

##### **1.3.2.3.2      *EESBA***

Project activities focused on membership initiatives and developing EESBA's internet website.

### 1.3.2.3.3 Workshops/Seminars/Trade Shows and Conferences

To support promotion of energy efficiency and the National Energy Efficiency Strategy, technical assistance was provided in support of several workshops and conferences, including those of Environment 99 and the UNDP/GEF project.

## 1.3.3 **Task 3: Management/Administration**

### 1.3.3.1 *Management*

#### 1.3.3.1.1 Technical Assistance Workplan

A draft technical assistance work plan was developed focusing on anticipated activities in October and revised in November 1999. The work plan was formatted using project management software and for ease of presentation was displayed in Gantt chart form.

The plan is expected to be finalized in text-based form early in January 2000, once the Energy Efficiency Council concurs with the proposed work plans for the issue analyses to be conducted by the Technical Secretariat.

#### 1.3.3.1.2 Performance Monitoring Plan

A performance-monitoring plan (PMP) was not developed for the work plan. There are issues surrounding the PMP that need further clarification including:

- The relationship of Bechtel's task order to the EEPP policy objective for the NEES
- The relationship/relevance of a PMP to: the EEPP policy objective number 5, Bechtel's task order and USAID's strategic objectives and the appropriate indicators for the PMP

It is anticipated that the MV&E unit of the EEPP can help and provide clarification and guidance to ensure an appropriate PMP is developed early in the next quarter.

Input was also provided into the USAID Performance Monitoring Plan, which is based upon USAID's Strategic Objectives.

#### 1.3.3.1.3 Management Information Systems

A file system, compatible with both the Home Office system in San Francisco, and the IQC Main Office system in McLean, has been implemented. The system will allow easy filing and retrieval of Task's correspondence and documents. The proper flow of correspondence and documentation among the Field Office in Cairo, the Home Office in San Francisco, and the IQC Main Office in McLean has been defined. A correspondence numbering system has been put in place, and a logbook established.

#### 1.3.3.1.4 Periodic Evaluation

A weekly meeting schedule has been set up and held with the USAID CTO. The purpose of the meetings is to keep everyone cognizant of where activities are headed. In addition, to the periodic meetings, other meetings are scheduled and held as required

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with the USAID CTO and other USAID staff as needed.

#### 1.3.3.1.5 PSU Interaction

Regular meetings – both formal and informal – were held with the PSU to discuss various EEPP-related issues. No formal mechanism for PSU and EEPP contractor interaction was established, although a memorandum of understanding is called for in the Bechtel task order. This issue was discussed with both USAID and the other EEPP contractors. It should be noted that this type of mechanism is not required as part of other contractor contracts. After discussion, it was agreed that no formal memorandum of cooperation would be developed.

As part of the interaction process an EEPP chief of party meeting has been instigated. Such meetings were held in October and November 1999.

#### 1.3.3.1.6 Joint EEPP Initiatives

As part of the EEPP activities, the NEES support team participated in the following major activities:

- First meeting of the Executive Committee of EEPP in October 1999
- EEPP retreat in Ain Sukna, November 16-17, 1999

In addition, numerous meetings were held with key persons from EEPP on an as required basis including the EPA, TCAPP and others.

#### 1.3.3.2 Administration

During the first quarter of the Task activity, the integration of management and administration systems for Bechtel NEES Home Office and Field Office was completed as well as establishing the process for approvals for short term US-based consultants with USAID and the GOE counterparts and invoicing and reporting.

In addition, the contracting for CCN support to the anticipated activities was initiated. The positions were advertised, interviews held and personnel selected and contracted in accordance with procurement procedures. Formal approval of the CCN bio-data sheets from USAID is expected early in the next quarter.

#### 1.3.3.2.1 Establish In-country Office

The rental of office space was discussed and finalized. A market survey was conducted to justify a sole source procurement of renting office space within the World Trade Center from Bechtel Egypt. The office space was supplied in operational condition, complete with furniture, computers, LAN/WAN, fax, copier, phones with international lines, etc.

A contract agreement with a local car rental company was discussed and finalized. The rental company was selected as the best bidder in response to a request for proposals sent by Bechtel procurement to several car rental companies in Cairo. Issues raised by the selected rental company concerning the proposed method of payment (via electronic transfer from the US) were discussed and resolved to mutual satisfaction.

Applications from local potential staff, in response to an advertisement issued on a local

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newspaper (Al Ahram) were reviewed, and a local Company (Allied Business Consultants) was identified as the best technically qualified to supply the required services. The sole source justification to request a proposal only from such company was prepared.

A Petty Cash system was put into place to cover and record the local expenditures incurred for the execution of the NEES task.

#### 1.3.3.2.2 Project Closeout

All administrative procedures were established to ensure that project closeout can be completed in a timely and expeditious manner to permit and allow for the maximum amount of resources be devoted to providing support to the programmatic activities.

### 1.4 Planned Activities

The following list indicates the activities planned during the next quarter of the contract:

#### Task 1:

- Carry out an Organizational Development Assessment for OEP.
- Assist the Technical Secretariat in developing workplans for issue analyses associated with the four established working groups.
- Conducting a Training Needs Assessment associated with USAID's Strategic Objective #19.
- Work with GreenCOM to develop a promotion campaign to raise the visibility of the EEC and the importance of the National Energy Efficiency Strategy to key policy makers.

#### Task 2:

- Assist EESBA to comply with the new NGO law
- Assist EESBA in development of its promotional tools, including the EESBA website and brochures
- Assist the Inter-Banking Working Group in examining different funding mechanisms for energy efficiency
- Investigate different programmatic approaches for market development initiatives

#### Task 3:

- Receive Approval for the Technical Assistance workplan
- Complete a Performance Monitoring Plan (PMP) once surrounding issues are resolved
- Continue supporting and participating in joint EEPP activities

## Section 2: Administrative Information

Contract administrative data is presented in the following tables. Financial information is summarized in the table entitled "*Financial Data*", while level of effort information is shown in the table "*Level of Effort Activity Summary Data*".

### Financial Data (First Quarter)

LINE ITEMS	CONTRACTUAL BUDGET (\$)	OBLIGATED FUNDS (\$)	SPENT AS OF 11/30/99 (\$)¹	OBLIGATED FUNDS REMAINING (\$)
Technical Specialist Labor	3,108,991	1,170,000	201,381¹	968,619
Other Direct Costs	887,670	330,000	33,234¹	296,766
<b>TOTAL</b>	<b>3,996,661</b>	<b>1,500,000</b>	<b>234,615¹</b>	<b>1,265,385</b>

### Level of Effort Activity Summary Data (First Quarter)

TECHNICAL SPECIALISTS	Budgeted Level of Effort (Days)	Quarter Activity (Days)²	Cumulative Activity (Days)
Task Manager	312	72	72
Private Sector Development Specialist	312	71	71
HO Manager	240	58	58
Logistical Support	160	37	37
Technical Writer/Editor	150	1	1
EE Specialists	300	0	0
Energy Policy Specialists	500	0	0
Energy Economists	320	20	20
HRD Specialists	168	0	0
Climate Change Specialists	140	0	0
Communication Specialist	20	0	0
ESCO Specialists	240	15	15
Energy Financial Specialists	172	47	47
Energy Law Specialist	40	0	0
CCN Technical Specialists	1,326	0	0

¹ Data is collated from a number of sources, including invoiced data and corporate cost accounting and project tracking systems. Due to differing time periods for summing monthly and quarterly data, there may be minor differences between reported and invoiced numbers.