

Egypt

The Development Challenge: Egypt, a strong moderating force in the Middle East, has long been an important ally of the United States. Egypt and the United States share strategic interests that include the achievement of stability and peace in the region. The historic and continuing bilateral relationship that the U.S. has with Egypt serves the national security interests of both countries. The United States promotes economic prosperity in Egypt through assisting the country's ongoing, but as yet incomplete, transition from a state-controlled economy to a free market-oriented one. A key U.S. goal is for Egypt to become a fully integrated and competitive participant in the global economy. The Administration's recently announced Middle East Partnership Initiative (MEPI) supports this goal through a stronger focus on activities in economic growth and private sector development, education, civil society, and women's empowerment.

The greatest threat to domestic stability in Egypt results from popular frustration with the country's economic performance and lack of economic opportunity. Approximately one-third of Egypt's 68 million people live below the poverty line, despite a per capita GDP of almost \$1250. Officially, unemployment rates rose from 7.9 percent in 1999/2000 to 9 percent in 2001/2002; independent estimates, however, place the real extent of unemployment at somewhere between twelve and twenty-five percent of the labor force.

The government recognizes that it needs increased investment, both foreign and domestic, to provide jobs for the estimated 600,000 to 700,000 new job entrants each year. The government took a series of steps during the 1990's to improve the investment climate and increase the private sector's share in the economy. Reform efforts have lagged in recent years as the economy has slowed and suffered external shocks. Notable existing problems include cumbersome customs and business registration processes, a growing fiscal deficit, a foreign exchange regime not conducive to commercial activity, excessive bureaucracy, lagging privatization (particularly in the financial sector), lack of transparency, and an education system that does not produce an adequately prepared workforce with skills for the 21st century.

Nevertheless, the government took several key reform steps during 2002, passing an intellectual property rights law, Egypt's first money laundering law, and export promotion legislation. The 2002/03 parliamentary session is expected to discuss a number of additional reform measures including new labor, antitrust, tax, and banking legislation, and possibly customs reform. The government also has committed to addressing the exchange rate and fiscal deficit, but there have been few real signs of progress on these issues. At its September 2002 congress, the ruling National Democratic party adopted a platform that called for educational, fiscal, monetary, and public participation reforms.

Egypt's economy continued to experience low growth through the first half of 2002. There have been some signs of recovery in the second half, driven particularly by tourism, but the economic mood remains cautious because of the uncertain policy environment and regional tensions.

U.S. national interests in Egypt hinge upon a strong bilateral relationship with Egypt to form an effective partnership to combat terrorism, resolve regional conflicts and promote regional peace, ensure domestic and regional stability and security, and promote economic growth and development.

The USAID Program: USAID/Egypt is on a downward glide path by which its budget will shrink by \$40 million per year through FY 2008 when it plateaus at \$415 million. The program data sheets below cover the current seven strategic objectives for USAID's Egypt program. The current program focuses first on accelerating economic growth, which is essential to strengthening Egypt as a stable and prosperous U.S. ally. Three strategic objectives emphasize the creation of private sector jobs: (1) strengthen the trade and investment environment; (2) develop competitiveness skills; and (3) increase access to sustainable utility services. Four strategic objectives target the enhancement of the human and natural resource base: (1) upgrade natural resource management; (2) provide health services; (3) strengthen governance and participation; and (4) improve basic education. A comprehensive review of the program initiated in mid-2002 aims at ensuring that the program is fully consistent with the priorities established under the

Administrator's Middle East Partnership Initiative. Both on-going and new activities under each of these objectives, will receive FY 2003 and FY 2004 funds. The program data sheets provide details on these programs. In response to Egypt's development needs and MEPI objectives, special programs in three areas will begin in FY2003 and continue in FY 2004 and beyond, if authorized by Congress. First, the program will establish an enterprise fund to provide both debt and equity financing to medium-sized Egyptian firms to support private sector development. Second, to broaden educational opportunities, the basic education program will expand significantly to spread the benefits of community-based education reform to selected areas in both southern Egypt and poorer areas of Cairo. Adult literacy programs will be designed, and scholarships will be increased for rural girls who would otherwise not be able to attend school. In addition, the mission plans to design a new scholarship program to develop Egypt's future leaders in all areas. Third, to strengthen civil society and the rule of law, the governance and participation program will significantly expand to provide for the training of journalists and judges, increased support to non-governmental organizations, and programs to increase transparency and participation in government. In addition, there will be increased attention to incorporating components which focus on women into ongoing and planned programs in all sectors.

The Department of State and USAID are conducting a joint review of the overall strategic direction of the USAID/Egypt portfolio and its specific programs in order to bring them in line with the goals and objectives of the Middle East Partnership Initiative. Those regional priorities include: economic reform and private sector development, increasing educational opportunity, strengthening civil society and the rule of law, and increasing the participation of women in economic and political life. This review will ultimately entail some changes in the programs, projects, and activities described in this Budget Justification. After completion of the joint review, USAID will notify the Congress through established procedures prior to obligating funds for any revised efforts.

Other Program Elements: Supplementary USAID-funded programs contribute to the achievement of the overall development goals pursued in USAID's Egypt strategy. ACDI/VOCA, using funding from the central Economic Growth, Agricultural, and Trade Development (EGAT) office, implements a three-year, \$1.39 million project under the Dairy Directive Program. This project increases the availability of safe, hygienic processed dairy products in six governorates as a means to decrease the rate of malnutrition and infant/child mortality in Egypt. Also using EGAT resources, the Walla Walla Community College and the Al-Azhar University are developing agricultural technician training programs to increase sustainable agricultural production.

Other Donors: Two key, common areas of interest among bilateral and multilateral donors are: the need for a comprehensive action program to fight poverty, with special emphasis on women and children; and the need to further reform the macroeconomic and enabling environment. These two areas were consistently mentioned by donors in their statements at the February 2002 Consultative Group (CG) meeting. The U.S. and European Union are the largest providers of foreign assistance to Egypt. Other major donors, in descending order of resource levels include Japan, Germany, the Arab Fund, Islamic Development Bank, and the African Development Bank. USAID collaborates with other donors on all technical areas under its strategic program through regular donor subgroup meetings or other venues.

Egypt PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Economic Support Fund	693,471	655,000	615,000	575,000
PL 480 Title II	323	3,839	0	0
Total Program Funds	693,794	658,839	615,000	575,000

STRATEGIC OBJECTIVE SUMMARY				
263-016 Creating Jobs through Trade and Investment				
ESF	440,796	498,800	491,000	440,400
263-017 Workforce Development				
ESF	65,000	19,010	22,000	22,000
263-018 Infrastructure				
ESF	53,803	0	0	13,000
263-019 Environment and Natural Resources Management				
ESF	40,780	48,480	13,050	12,940
263-020 Healthier, Planned Families				
ESF	58,100	46,490	38,900	33,000
263-021 Democracy and Governance				
ESF	11,092	9,420	16,040	20,160
263-022 Improved Basic Education				
ESF	23,900	32,800	34,010	33,500

Data Sheet

263-010: No Summary and/or Pillar information entered for this SO.

Data Sheet

263-012: No Summary and/or Pillar information entered for this SO.

Data Sheet

USAID Mission:	Egypt
Program Title:	Creating Jobs through Trade and Investment
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	263-016
Status:	Continuing
Proposed FY 2003 Obligation:	\$491,000,000 ESF
Prior Year Unobligated:	\$21,500,000 ESF
Proposed FY 2004 Obligation:	\$440,400,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: Egypt's trade and investment policy environment needs to improve and accelerate private sector job growth and help prevent increasing levels of unemployment and potential unemployment-related instability. USAID/Egypt works to strengthen the environment for development-enabling and job-creating trade and investment through programs that provide: training, technical assistance, commodities; cash transfer resources disbursed in return for Government of Egypt reforms in economic policies; increased access to finance and information technology; and expanded Egyptian private sector access to U.S. equipment and inputs. USAID/Egypt also manages smaller activities in monitoring and evaluation, training, and science and technology to enhance these investments. In support of MEPI objectives, USAID expects that this program will include new components for an enterprise fund, financial sector reform, related financial services for borrowers, and an expanded small and medium enterprise project.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve economic policies (\$12,500,000 ESF; \$21,000,000 ESF Prior Year Unobligated) in training and technical assistance and in cash transfer (\$200,000,000 ESF). USAID will continue to support policies to expand markets, business opportunities, and jobs by helping the GOE and private sector reformers develop and implement better policies that promote economic growth. The policy agenda will be focused on trade policy, monetary and fiscal reform, and competition and transparency. Specific areas for assistance are to include trade, customs administration, intellectual property rights, fiscal and tax reform, transparency of economic information, monetary and exchange rate policy, and insurance and banking sector reform and supervision. Contractors and grantees include Nathan Associates, Bearing Point, Egyptian Center for Economic Studies, Chemonics, IBM, Booz Allen, KPMG, and the U.S. Departments of Commerce and Treasury.

Expand competitiveness and agricultural trade (\$20,000,000 ESF). USAID efforts to improve the competitiveness of firms expanding their exports to Europe and the region will increase the firms' revenue and employment and make those firms and the business associations that support them more sustainable. New efforts to increase agricultural exports and rural incomes will expand the benefits of biotechnology, agricultural exports and farmer organizations, especially in the areas of fruit, vegetable, livestock, and dairy production, to the poorer rural areas. Contractors and grantees include Abt Associates, CARE, ACDI/VOCA, the Egyptian Exporters' Association, and Michigan State University.

Increase Access to Finance and Information Technology (\$43,000,000 ESF). USAID/Egypt has almost doubled its targets for poverty lending and for small and medium enterprise (SME) branch openings for the next three years. An enterprise fund for medium-sized enterprises will be created. A new financial services project will address banking reforms, capital market organization and policy, corporate governance, and reforms required for both the expanded SME efforts and the enterprise fund to bear fruit. Contractors and grantees include ten Egyptian business associations, the National Cooperative Business Association, General Dynamics, and Chemonics

Expand Egyptian business access to American equipment and inputs (\$200,000,000 ESF). The commodity import program (CIP) will continue to be a major source of financing. The CIP allows Egyptian companies to purchase US exports on concessional terms and ameliorates foreign exchange challenges faced by importers. Partners include eight US banks, 31 Egyptian banks, 298 U.S. firms and 323 Egyptian firms.

Evaluation, training, science and technology and project support (\$15,500,000 ESF). USAID/Egypt will provide new monitoring, evaluation, and training services to support broader USAID development objectives in FY2003. USAID/Egypt will continue to fund the U.S.-Egypt Science and Technology Agreement, promotes cooperative scientific research with private sector applications. Priority areas are biotechnology, measurement standards, environmental technologies, manufacturing technologies, and information technology. Contractors and grantees include Development Associates and the U.S. Department of State.

FY 2004 Program:

Improve economic policies (\$28,400,000 ESF) and cash transfer (\$200,000,000 ESF). USAID expects to continue to help expand the GOE economic reform agenda, implement prior economic reforms, and consolidate gains through complementary use of both cash transfer and technical assistance resources.

Expand competitiveness and agricultural trade (\$10,000,000 ESF). USAID plans to continue support to business associations, farmers and farmer groups, and GOE biotechnology efforts to make Egypt a more competitive environment for trade in agricultural products, expand exports, and benefit rural areas.

Increase access to finance and information technology (\$31,000,000 ESF). In addition to ongoing information technology, SME, enterprise fund, banking sector reform and financial services activities, USAID plans to start a follow-on program to support small and emerging businesses and expand SME lending and support.

Expand Egyptian business access to American equipment and inputs (\$160,000,000 ESF). The Commodity Import Program (CIP) will continue to be a major source of financing for Egyptian companies seeking to do business with U.S. firms; however, its funding level is to be reduced by \$40 million in 2004. The \$40 million is to be used to fund MEPI programs and activities, and is to be directed towards reaching a broader number of Egyptian beneficiaries.

Evaluation, training, science and technology and project support (\$11,000,000 ESF). USAID expects to provide monitoring, evaluation and training services to support broader development objectives in FY2003, as well as continue to fund the U.S.-Egypt Science and Technology Agreement.

Performance and Results: USAID's efforts to open up the economic reform agenda have helped to achieve: the passage of legislation on money laundering and intellectual property rights, and the GOE offers to accede to the Basic Telecommunications Agreement, and Information Technology Agreement. In addition, USAID projects have had economy-wide impacts in making economic data widely available, expanding non-traditional fruit and vegetable exports by 22 percent, and creating more sustainable regulatory or member-based institutions for sound capital markets, insurance, and other sectors.

US Financing in Thousands of Dollars

Egypt

263-016 Creating Jobs through Trade and Investment	ESF
Through September 30, 2001	
Obligations	2,969,026
Expenditures	2,113,425
Unliquidated	855,601
Fiscal Year 2002	
Obligations	624,519
Expenditures	694,198
Through September 30, 2002	
Obligations	3,593,545
Expenditures	2,807,623
Unliquidated	785,922
Prior Year Unobligated Funds	
Obligations	21,500
Planned Fiscal Year 2003 NOA	
Obligations	491,000
Total Planned Fiscal Year 2003	
Obligations	512,500
Proposed Fiscal Year 2004 NOA	
Obligations	440,400
Future Obligations	2,192,457
Est. Total Cost	6,738,902

Data Sheet

USAID Mission:	Egypt
Program Title:	Workforce Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	263-017
Status:	Continuing
Proposed FY 2003 Obligation:	\$22,000,000 ESF
Prior Year Unobligated:	\$2,000,000 ESF
Proposed FY 2004 Obligation:	\$22,000,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: USAID workforce development program provides the following assistance to the GOE and Egyptian partners: (1) in-country and off-shore business training programs to improve management; (2) information technology (IT) training for post secondary and university graduates; (3) increased Egyptian institutional capacity for providing market-responsive education and training through the establishment of a business school and an Egyptian Technology University (ETU) focusing on information technology; (4) a Smart School program that introduces IT in K-12 education in non-governmental schools and establishes school-based adult learning centers; (5) IT and tourism sector training to improve the match between training supply and demand; (6) a School to Work (STW) program that improves the relevance of secondary school educational offerings to workforce needs; and (7) a scholarship program to provide graduate education and leadership training in the U.S. for Egyptians with leadership potential.

Inputs, Outputs, Activities:

FY 2003 Program:

Market Responsive Workforce Skills Provided in Critical Sectors (\$8,746,000 ESF). In FY 2003, USAID will provide training in management and IT. In management, funds will support graduate management training for 75 trainees (U.S.-based MBAs, a Women Joint MBA Program; and E-Learning Based MBAs); executive and mini-MBA training, and management workshops and courses on constraints to Egyptian competitiveness, benefiting approximately 400 private sector participants. IT training will help IT professionals improve their skills and their techniques for finding positions as IT specialists. Five hundred and fifty professionals will be trained in 2003. The main partners in this effort are the Ministry of Communications and Information Technology (MCIT), the private sector represented by the Egyptian Foundation for Technology Education Development (EFTED), and the Future Generation Foundation (FGF). The principal contractors are PaL-Tech, IBM Global Services, and Institute for International Education (IIE).

Increased Institutional Capacity for Providing Market-Responsive, Private-Sector Driven Education and Training (\$12,254,000 ESF). FY 2003 funds will support Egyptian efforts to establish a market-responsive private university focusing on IT, and a grant to FGF to fund a Basic Business Skills Acquisition (BBSA) course equipping 1200 recent university graduates with employment skills. The curriculum of the Egyptian Technology University (ETU) will be based on market research. USAID will support the design and establishment of the ETU and the procurement of IT and networking equipment. Smart School funding will provide technical assistance for 100 private schools and computers and connectivity for 15-20 schools to introduce IT in grades K-12 and establish school-based Community Access Centers for adult learning and continuing education programs. The program will also finance development activities in the tourism and IT areas, a school-to-work program in Cairo and Alexandria, a grant to a U.S. university to help the Alexandria Institute of Technology (AIT) establish a continuing education program in marketing and e-commerce; and a grant to a U.S. university to act as the main counterpart to the ETU during its development and provide U.S. teaching support. Partners include the MCIT, the Ministry of Education, EFTED, the Alexandria Business Association, and the AIT, and the

LEAD foundation under formation. The principal contractors are PaL-Tech, IBM and the Institute for International Education (IIE).

Leadership Scholarship Program (\$2,000,000 ESF Prior Year Unobligated). FY 2003 funds will finance Leadership Scholarships for young Egyptians with high potential for assuming leadership positions. Over a four year period this program will provide additional Leadership Grants. The principal contractor is the Institute for International Education (IIE). A new contractor will manage participant training starting in 2003.

Human Resource Development Commission and Grants Program (\$1,000,000 ESF). USAID plans to support the formation of a Human Resources Development Commission (HRDC), which will act as a clearinghouse, a priority setter, and a coordinator for market-relevant skill-building activities by the government, donors, and private sector entities. It will also manage a grants program for training programs proposed by the private sector entities. A U.S. grantee will build the capacity within the HRDC to manage this program. The partners will be a group of private sector leaders forming the HRDC. The grantee will be a U.S. university or foundation that will develop the HRDC and manage the grants program until the HRDC is capable of assuming management responsibility.

FY 2004 Program:

Market Responsive Workforce Skills Provided in Critical Sectors (\$500,000 ESF). In addition to pipeline funding, FY 2004 resources will be used to continue activities begun in FY 2003 by training an additional 200 management trainees, 75 MBAs, and another 550 IT trainees.

Increased Institutional Capacity for Providing Market-Responsive, Private-Sector Driven Education and Training (\$16,527,000 ESF). USAID expects to use FY 2004 funds to continue to support the establishment of the Egyptian Technology University, the introduction of IT curricula and connectivity in K-12 education, continuation of a school-to-work program, and an additional 2100 BBSA trainees.

Leadership Scholarship Program (\$4,000,000 ESF). FY 2004 is to provide funding for a second group of Leadership Scholarships.

Human Resource Development Commission and Grants Program (\$973,000 ESF). FY 2004 resources will continue to build the capacity within the HRDC and fund the second round of training grants.

Performance and Results: Beneficiaries participating in this program have better opportunities for employment; those already employed will use their new skills to contribute to the productivity and competitiveness of their firms. Firms participating in the program will adopt modern management and human resource development practices, and as a result increase their global competitiveness. Egyptian institutions benefiting from the program will increase their capacity to provide market responsive education and training in critical areas such as business education, IT, and tourism.

Of 1,498 trainees who attended the Certified IT Training, 1,492 successfully completed their programs. Training included database development and administration, web development, e-commerce, and Microsoft Certified Engineer Training. The employment rate for people completing this course increased from 46 percent to 84 percent within one year. Training that targeted employed IT professionals resulted in application of the skills acquired in training, improved performance, promotions, and transfer to more IT intensive jobs in 58 percent of the cases. Seventy-two candidates from the private sector have begun MBA and Master's IT programs in the U.S. Of the 20 who completed their programs and returned to Egypt, 18 are employed. The Prime Minister authorized the establishment of the ETU as a private, autonomous, non-profit university, and approved the allocation of the requested 300 acres for the ETU campus. This process will culminate in the issuance of a presidential decree formally establishing this university. The earlier tourism cluster work resulted in highly successful training for 500 hotel workers, and will reach 3,000 by the end of 2003.

US Financing in Thousands of Dollars

Egypt

263-017 Workforce Development	ESF
Through September 30, 2001	
Obligations	28,000
Expenditures	16,053
Unliquidated	11,947
Fiscal Year 2002	
Obligations	27,735
Expenditures	4,117
Through September 30, 2002	
Obligations	55,735
Expenditures	20,170
Unliquidated	35,565
Prior Year Unobligated Funds	
Obligations	2,000
Planned Fiscal Year 2003 NOA	
Obligations	22,000
Total Planned Fiscal Year 2003	
Obligations	24,000
Proposed Fiscal Year 2004 NOA	
Obligations	22,000
Future Obligations	137,488
Est. Total Cost	239,223

Data Sheet

USAID Mission:	Egypt
Program Title:	Infrastructure
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	263-018
Status:	Continuing
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$19,038,000 ESF
Proposed FY 2004 Obligation:	\$13,000,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2005

Summary: Improved power, telecommunications and water/waste water services are essential to Egypt's overall economic growth. USAID's programs in these sectors fall into three categories: 1) construction to expand utility services and coverage; 2) technical and managerial assistance to help utilities operate efficiently, improve services, and recover costs; and, 3) institutional and regulatory capacity building to promote private sector participation and improve the overall sustainability of Egypt's infrastructure services.

Support for infrastructure is currently scheduled to end September 30, 2005. As part of the joint USAID/State Department review of the Egypt program, we anticipate that the infrastructure program will not be closed out and that efforts will be made to develop smaller programs aimed at reaching more Egyptians through water projects in areas such as Upper Egypt.

In all the activities described below, USAID/Egypt works closely with the Ministry of Housing, Utilities, and Urban Communities, the Ministry of Communications and Information Technology, the Ministry of Electricity and Energy, and a number of local utilities.

Inputs, Outputs, Activities:

FY 2003 Program:

Telecom Egypt Leadership Development Program-LDP (\$3,000,000 ESF Prior Year Unobligated). Funds will be used to establish the leadership training center at Telecom Egypt and to train 25 managers and leaders per year, replicating the highly-successful leadership training program in the power sector.

Secondary Cities (\$6,450,000 ESF Prior Year Unobligated). This activity will involve the installation of water and wastewater mains, pump stations, and pipe networks providing a major increase of capacity in Mansoura Governorate. Similar projects in Nuweiba and Aswan are nearly complete, while a major wastewater facility in Luxor is nearing 50 percent completion. USAID/Egypt is also promoting cost recovery in the service area by helping to install and operate an electronic metering system. Principal contractors include Chemonics, ABBA Susa, MKII, Contrack, Washington International, and Morganti.

Egypt Utilities Management (\$9,588,000 ESF Prior Year Unobligated). This activity enhances water and wastewater services for the Middle Egypt governorates of Menia, Beni Suef, and Fayoum. In Menia, for example, USAID recently began an expansion of the Menia City Water Treatment Plant. The implementation of key reforms has resulted in a 21 percent increase in billed revenues and a 44 percent increase in collections, without raising tariffs. As a result of USAID-sponsored institutional reforms, overall cost recovery has improved from 47 percent at the beginning of the project to 77 percent today, greatly enhancing the sustainability of USAID investments. USAID/Egypt will begin installing up to ten slow sand filter water treatment plants. These plants are designed for rapid installation and easy operation, and will provide clean water to about half a million rural users in Middle Egypt. Principal contractors and grantees include ABBA Susa, Harza, UNICEF, and Planning and Development Collaborative (PADCO).

The Alexandria water activity, the last, large-scale infrastructure construction contract, will be awarded in FY 2003 and will include the rehabilitation of water network and treatment facilities in Alexandria, Egypt's second largest city and base for about 40 percent of Egypt's industry, as well as the upgrade of water services for the urban poor. As with all construction activity in the past, the Alexandria water authority has committed to implementing a range of institutional reforms prior to disbursement of construction funds. All new activities will be of smaller scale. Principal contractors include Montgomery Watson Harza and PA Services.

Middle Egypt Village Environment Assistance will support community mobilization, basic sewage construction, household installation of piped and metered water connections, and hygiene education. The Grantee on this project is UNICEF.

FY 2004 Program:

Egypt Utilities Management (\$13,000,000 ESF). USAID intends to fund the completion of water and wastewater activities in FY 2004. USAID plans to launch a new project that will enable GOE authorities to finalize a proposed concessions law and the establishment of a water sector regulatory agency; present tariff rate studies to the Ministry of Finance; promulgate private sector approval procedures and sponsor training on private sector project development; assist in debt restructuring for utilities; and establish a custodial account for research and studies to support possible private sector initiatives. This new activity will also use the Development Credit Authority (DCA) in 2003, to enhance private sector provision of services to utilities. No FY 2004 funding is planned for power or telecommunication activities.

Performance and Results: Approximately 15 million people benefited from past USAID investments in water and sanitation. The target is to add roughly 7.8 million more beneficiaries by 2005. USAID-assisted water utilities made considerable gains in cost recovery and revenue generation required for sustainability and operation and maintenance (O&M). In the three Middle Egypt Governorates, for example, the average O&M cost recovery reached 80 percent. The average unaccounted for water reported by the three utilities was reduced to 40 percent from 61 percent reported at project start. Automated financial systems were installed in the financial departments of Menia and Beni Suef. O&M systems were installed in all 28 water treatment plants, three wastewater treatment plants, and 40 wastewater pumping stations in Middle Egypt. Automated mapping of wastewater collection and water distribution systems is underway in three utilities.

USAID/Egypt's engagement of the GOE in a continuing policy dialogue has led to the development of enabling legislation for the creation of a water regulatory agency and repeal of restrictions on private investment. When enacted, the law will sanction the transition to a regulatory framework.

US Financing in Thousands of Dollars

Egypt

263-018 Infrastructure	ESF
Through September 30, 2001	
Obligations	3,289,575
Expenditures	2,619,029
Unliquidated	670,546
Fiscal Year 2002	
Obligations	53,220
Expenditures	190,223
Through September 30, 2002	
Obligations	3,342,795
Expenditures	2,809,252
Unliquidated	533,543
Prior Year Unobligated Funds	
Obligations	19,038
Planned Fiscal Year 2003 NOA	
Obligations	0
Total Planned Fiscal Year 2003	
Obligations	19,038
Proposed Fiscal Year 2004 NOA	
Obligations	13,000
Future Obligations	0
Est. Total Cost	3,374,833

Data Sheet

USAID Mission:	Egypt
Program Title:	Environment and Natural Resources Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	263-019
Status:	Continuing
Proposed FY 2003 Obligation:	\$13,050,000 ESF
Prior Year Unobligated:	\$1,900,000 ESF
Proposed FY 2004 Obligation:	\$12,940,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: USAID provides technical assistance, training and cash transfer incentives to stimulate policy reform in: solid waste management, air quality management, Red Sea coastal resources management and bio-diversity conservation, water resources management, energy efficiency, environmental management systems, and environmental awareness and education.

Inputs, Outputs, Activities:

FY 2003 Program:

Egyptian Environmental Policy Program-EEPP (\$1,500,000 ESF, \$1,500,000 Prior Year Unobligated). This program has several components as discussed below:

-- The Air Quality Management component will help the GOE develop an air quality strategy for Egypt, review air quality standards, assess health and economic impacts of air pollution, promote clean natural gas as a transportation fuel, and remediate former urban lead smelter sites. Principal Contractor: Chemonics.

-- Under the Red Sea Coastal Resources Management and Bio-diversity Conservation component USAID will continue to provide technical training and equipment to the Environmental Affairs Agency Red Sea Rangers to enable them to protect Red Sea resources and monitor the environmental impact of economic development. USAID will complete a conservation management plan for the southern Red Sea area, identify potential sources of funding for Red Sea conservation, and develop scientific monitoring and evaluation programs for sensitive marine habitats and species. Principal Contractor: International Resources Group

-- Through the Solid Waste Management (SWM) component, USAID will provide technical assistance to the governorates of Alexandria, Cairo (South Zone), and Qalubia to privatize their SWM services for approximately 20 million Egyptians. Principal Contractor: Abt Associates.

-- USAID will promote increased use of cleaner energy under the Energy Efficiency component. USAID provides TA to support GOE efforts to develop a strategic plan for promotion of natural gas in the industrial and commercial sectors and a Master Plan for the promotion of compressed natural gas in the transport sector. Principal Contractor: Nexant.

-- USAID will provide training to improve the capacity the Ministry of Water Resources and Irrigation as the Water Resources Management component implements privatization and decentralization of water resources management. The development of a transparent system for allocating water to different sectors of Egypt's economy will begin. Principal contractor: To be determined.

-- The Environmental Education and Awareness component will sponsor a series of public awareness campaigns for each component of USAID/Egypt's environmental program. It provides training to USAID

partners, such as the Red Sea Rangers, to enable them to develop their own communication, education and outreach materials. Principal Contractor: Academy for Educational Development.

Partnership for Environmental Progress-PEP (\$8,000,000 ESF). PEP is a six-year policy reform program to support water resources management, improve urban environment conditions, and expand economic growth. Funds will initiate the procurement process to begin implementation in late FY 2004. Principal Contractor: To be determined.

Development Credit Authority (\$400,000 ESF Prior Year Unobligated). USAID/Egypt will sign a loan portfolio agreement with National Société Générale Bank to finance energy efficiency, natural gas, and ecotourism. During FY 2003, up to twenty clean energy projects and an eco-lodge are anticipated.

Integrated Management Program for Radioactive Sealed Sources (\$3,550,000 ESF). USAID helps the GOE increase institutional capacity for enforcement and monitoring of sealed sources of medical waste to prevent any potential air and water pollution that may lead to environmental and health degradation. This program will develop a policy regulation standard for handling, transporting, storing and disposing of sealed sources. Training programs, offered both in Egypt and the United States, focus on the adoption of best practices and modern technologies.

FY 2004 Program:

Partnership for Environmental Progress-PEP (\$11,000,000 ESF). USAID/Egypt plans to initiate TA and training in late FY2004 in support of the following three policy objectives:

-- Improving Management of Water Resources. PEP is to continue to support the GOE transition to stakeholder-driven integrated water resources management; use of market-based instruments to reduce pollutant discharges into the water system; and participation of stakeholders in decision making through the formation of associations that empower water users.

-- Promoting Sustainable Economic Growth in the Red Sea. USAID is to provide TA support to strengthen the environmental management unit of the Red Sea Governorate and promote environmental best practices at hotels established on governorate land.

-- Improving Urban Environmental Conditions. USAID plans to help the GOE develop market-based policies that promote use of cleaner fuels (natural gas) and renewable energy sources.

Development Credit Authority-DCA (\$500,000 ESF). DCA will leverage a loan portfolio that is to be used to complement efforts under PEP, including management of water resources and improving urban environmental conditions.

Integrated Management Program for Radioactive Sealed Sources (\$1,440,000 ESF). USAID /Egypt will continue to provide assistance to institutionalize better management of in-use and unwanted sealed sources to prevent potential pollution.

Performance and Results: During FY 2002, USAID-funded programs achieved: (1) the inauguration of the first "high tech" research facility in the Middle East for comprehensive emission and performance testing of heavy vehicles; (2) completion of an environmental impact assessment system for hotels and resorts and approval for its implementation; (3) the implementation of Environmental Management Systems; (4) the development of a solid waste privatization procedural manual as guidance for interested governorates; and (5) the establishment of the Red Sea Geographic Information System unit within the protectorate offices and an environmental monitoring unit for use in coast zone planning and management.

US Financing in Thousands of Dollars

Egypt

263-019 Environment and Natural Resources Management	ESF
Through September 30, 2001	
Obligations	217,136
Expenditures	163,353
Unliquidated	53,783
Fiscal Year 2002	
Obligations	81,100
Expenditures	34,828
Through September 30, 2002	
Obligations	298,236
Expenditures	198,181
Unliquidated	100,055
Prior Year Unobligated Funds	
Obligations	1,900
Planned Fiscal Year 2003 NOA	
Obligations	13,050
Total Planned Fiscal Year 2003	
Obligations	14,950
Proposed Fiscal Year 2004 NOA	
Obligations	12,940
Future Obligations	33,279
Est. Total Cost	359,405

Data Sheet

USAID Mission:	Egypt
Program Title:	Healthier, Planned Families
Pillar:	Global Health
Strategic Objective:	263-020
Status:	Continuing
Proposed FY 2003 Obligation:	\$38,900,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$33,000,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: Egypt's population is approximately 68 million and the growth rate is well above the replacement fertility rate, thus complicating Egypt's economic development. The population exceeds the agricultural and water-related carrying capacity and the GOE does not meet health care needs. USAID's health and population program emphasizes increased impact of primary health care and family planning services and information, infectious disease control, polio eradication, and safe birthing practices. It supports government and non-governmental initiatives, as well as health policy change, through TA, training, commodities, and funding for implementing agencies. Expected results include improved coverage of basic and preventive health care, and greater efficiency and impact of public and private health services. USAID's programs place a strong focus on meeting health needs of women. USAID health support directly addresses shared bilateral development objectives as well as USG interests in a stable ally.

Inputs, Outputs, Activities:

FY 2003 Program:

Improved Maternal and Child Health-IMC (\$10,950,000 ESF). USAID will help upgrade services at 140 neo-natal centers and provide polio eradication vaccinations for nine million children. The IMC approach to improving child health services will expand to 30 new districts. A USAID grant to UNICEF will promote anti-Female Genital Cutting, HIV/AIDS prevention/treatment awareness, and health awareness programs among youth. Principal contractors and agencies include: John Snow International, Inc. and UNICEF.

Improved Family Planning and Reproductive Health (\$12,250,000 ESF). USAID will ensure that contraceptives are available at pharmacies, and will foster the sustainability of an Egyptian NGO network providing 40 percent of all NGO-based family planning services in Egypt. Principal contractors and grantees are: CATALYST Consortium (comprised of Academy for Education for Development, Center for Development and Population Activities, Meridian Group International, Inc., Pathfinder International, and PROFAMILIA Colombia) and the Futures Group International. All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Improved Surveillance and Response to Infectious Diseases (\$4,000,000 ESF). USAID will develop the MOPH's capacity to monitor infectious disease, establish new epidemiological surveillance units in nine governorates, and upgrade capacity at 12 governorate reference laboratories. USAID will fund two HIV/AIDS Voluntary Counseling and Testing Centers and a national HIV/AIDS needs assessment. Principal contractors and agencies include: U.S. Navy Medical Research Unit, Centers for Disease Control, and Family Health International, Inc.

Improved Policy and Information in Public Health (\$5,000,000 million ESF). USAID will strengthen the Egyptian health care system, improve clinical quality and efficiency by establishing family health clinics, and help modernize the GOE health insurance system. Principal contractor: Abt Associates.

Communications for Healthy Living (\$4,150,000, ESF). USAID will build Ministry of Health and Population and Ministry of Information capacity to implement health promotion activities in support of all USAID health programs. Principal contractors and agencies: To be determined.

Health Work Force Development-HWD (\$2,550,000 ESF). USAID will improve physician and nursing education in obstetric, neonatal and pediatric care, and family planning and reproductive health. Principal contractors and agencies: To be determined.

FY 2004 Program:

Improved Maternal and Child Health (\$6,000,000 ESF). USAID plans to provide further support to child health programs, improve maternal and neonatal care services, and improve management and community involvement in 17 new districts.

Improved Family Planning and Reproductive Health (\$12,120,000 ESF). USAID expects to continue improving family planning services, award new grants to Egyptian NGOs, and increase GOE and client contributions to the cost of family planning and reproductive health services.

Improved Surveillance and Response to Infectious Diseases (\$3,800,000 ESF). USAID intends to continue support to epidemiology and surveillance units in the last three governorates, to establish governorate-level reference laboratories in 15 new governorates, and to continue quality control programs at the central Public Health Laboratory and the national TB and HIV/AIDS programs.

Improved Health Policy and Information (\$4,400,000 ESF). USAID plans to continue policy advocacy to improve the efficiency and effectiveness of GOE health care spending

Communications for Healthy Living (\$3,880,000 ESF). USAID expects to continue to improve the capacity of the Ministry of Health and Population and the Ministry of Information to develop and implement an effective public health education agenda.

Health Work Force Development (\$2,800,000 ESF). USAID plans to continue to expand the program to additional medical and nursing schools.

Performance and Results: Maternal and child health services continue to improve. The 2002 maternal mortality study showed a 50 percent reduction in the maternal mortality ratio-from 174 (per 100,000 live births) in 1993 to 84 in 2000. Two national polio campaigns reached 99 percent of the targeted nine million children. The Integrated Management of Childhood Illness (IMCI) program brought improved treatment of childhood illnesses to thousands of children. Maternity hospitals in 12 districts were renovated and equipped, 700 physicians and 900 nurses were trained in safe delivery and neo-natal care, and 2,500 health providers were trained in outreach.

Family planning services continue to expand and improve. Two USAID-funded surveys indicate increased family planning use: household surveys found contraceptive prevalence rates in 10 of 27 governorates increased from 58 percent in 2000 to 63 percent in 2002. Commercial sales of safe and effective family planning methods (including the progestin-only pill for breastfeeding mothers) increased by 24 percent in three years. Advocacy efforts succeeded in lowering customs and sales taxes on imported contraceptives, thus lowering consumer prices.

USAID strengthened Egyptian surveillance capacity with 50 new Epidemiology Surveillance Units established in six governorates; staff from eight Governorate Common Laboratories received training on disease diagnosis; Good Laboratory Practices were developed and introduced to Egyptian laboratories; and blood bank staff was trained on safe blood practices.

US Financing in Thousands of Dollars

Egypt

263-020 Healthier, Planned Families	ESF
Through September 30, 2001	
Obligations	455,682
Expenditures	356,867
Unliquidated	98,815
Fiscal Year 2002	
Obligations	43,190
Expenditures	56,882
Through September 30, 2002	
Obligations	498,872
Expenditures	413,749
Unliquidated	85,123
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	38,900
Total Planned Fiscal Year 2003	
Obligations	38,900
Proposed Fiscal Year 2004 NOA	
Obligations	33,000
Future Obligations	77,398
Est. Total Cost	648,170

Data Sheet

USAID Mission:	Egypt
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	263-021
Status:	Continuing
Proposed FY 2003 Obligation:	\$16,040,000 ESF
Prior Year Unobligated:	\$13,000,000 ESF
Proposed FY 2004 Obligation:	\$20,160,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: USAID programs in the governance field support a stronger role for civil society, support improvements in the administration of justice, and introduce the application of participatory models of service delivery. In conjunction with the USAID/State Department joint review of the USAID/Egypt portfolio, we will be increasing our assistance for projects in the fields of democracy and governance. We will notify the Congress as new programs are finalized. USAID will seek out political openings and opportunities for reform in Egypt and explore areas in which we can expand our assistance to Egypt in accordance with the MEPI goals. Possible activities include media training, strengthening civil society, improvements in the administration of justice, and efforts to improve service delivery.

Inputs, Outputs, Activities:

FY 2003 Program:

NGO Service Center (\$1,800,000 ESF; \$7,000,000 ESF Prior Year Unobligated). This project supports civil society development through training and grants. USAID/Egypt works to improve the capacity of civil society organizations to participate in development. The project includes the Service Center for NGOs and an umbrella mechanism that manages sub-grants and assistance to Egyptian NGOs and US PVOs. The project strengthens the technical and institutional capacity of individual NGOs; supports the infrastructure of civil society at large by encouraging networks and information exchange among NGOs; and builds a sustainable NGO support facility. Grants are awarded to NGOs to support a wide range of activities including civic participation and advocacy, children's rights advocacy, women's access to elected offices, and an increased number of NGOs receiving capacity building training. Principal Contractor: Save the Children.

Administration of Justice Support-AOJS II (\$6,000,000 ESF Prior Year Unobligated). This project enhances the capability of the Egyptian justice sector to deliver judicial services in a more timely fashion and to apply the rule of law. A more efficient and responsive judiciary, which will strengthen public confidence in the rule of law and provide a peaceful framework to increase citizen interaction with public decision-makers, is important for private sector development, and strengthens democratic institutions. This is a new five-year project currently in design. Implementation will begin late in the summer of 2003. AOJS II will support the Egyptian Ministry of Justice's (MOJ) capacity to replicate processes employed in strengthening two pilot courts assisted under a previous AOJS project to all the civil and commercial courts. AOJS II will provide assistance to strengthen the institutional capacity of the National Center for Judicial Studies (NCJS) and the Judicial Information Center (JIC), the two main institutions that will be responsible for replication, and improve the MOJ's overall civil and commercial court modernization efforts. The immediate impact expected from these resources includes reduction in case processing time and the application of a fair and transparent rule of law. Principal Contractor: To Be Determined.

Collaboration for Community-Level Services (\$3,240,000 ESF). This project develops innovative models for managing service delivery in four pilot sites and applies these models in the selected communities. These communities are arenas for experimentation with new methods of local participation in policy making for service delivery. Working through the local governing body, USAID-funded technical

assistance helps the community identify priority services for improvement, then works with stakeholders from civil society, business, and government to improve the services identified. The immediate impact includes the establishment of community-local government committees and the development and/or implementation of community projects which focus on improved service delivery. Principal Contractor: Development Associates.

Additional Democracy and Governance Activities (\$11,000,000 ESF). Although the Middle East Partnership Initiative (MEPI) was recently announced, specific program details have yet to be determined within USAID and the Department of State. They are expected to fall under four major categories: political openness, media, civil society, and rule of law/governance. More information will be forthcoming when policy guidance and program directions are determined.

FY 2004 Program:

NGO Service Center (\$4,000,000 ESF). This project is to continue to support civil society development through training and grants. The center will produce and widely disseminate a number of in-depth case studies on NGO advocacy, networking, and governance. A number of community dialogues are planned to broaden citizen and NGO participation in policy formulation by bringing together individuals, influential figures, NGOs, media, and local government officials to exchange views, collaborate effectively, define priorities, and advance advocacy initiatives.

Administration of Justice Support II (\$7,400,000 ESF). This project is expected to improve selected areas of administration of justice. AOJS II will strengthen the capacities of NCJS and JIC to better function as institutions and to improve their ability to provide training and automation services, respectively.

Collaboration for Community Level Services (\$3,260,000 ESF). USAID expects that this project will develop innovative models for the management of service delivery in two new communities, and to continue to develop and apply innovative models of service delivery in four communities. Based on the results of the 2003 evaluation, a decision will be made on whether to proceed with a nation-wide phase II of this project.

Additional Democracy and Governance Activities (\$5,500,000 ESF). Specific program details have yet to be determined within USAID and the Department of State. The activities will track the four categories listed above in FY 2003. More information will be forthcoming as policy guidance and program directions are made.

Performance and Results: USAID's democracy and governance program achieved two important results in 2002: 1) the pilot court in Ismailia has begun utilizing the management reports generated from the automated systems as an effective way of case processing to reduce delays; and, 2) several grants provided to local NGOs were used to support civic participation activities including women's civil rights, women's access to elected office, civil society networking, child's rights and reducing child labor, and environmental protection.

As a result of these and other achievements, USAID remains well positioned to respond to political openings and opportunities for reform. By working through knowledgeable and reform-minded Egyptians in academia, civil society, think tanks, and governmental institutions, USAID has created a network of influential people who can advocate for moderate reform agendas.

US Financing in Thousands of Dollars

Egypt

263-021 Democracy and Governance	ESF
Through September 30, 2001	
Obligations	74,234
Expenditures	59,890
Unliquidated	14,344
Fiscal Year 2002	
Obligations	15,368
Expenditures	6,239
Through September 30, 2002	
Obligations	89,602
Expenditures	66,129
Unliquidated	23,473
Prior Year Unobligated Funds	
Obligations	13,000
Planned Fiscal Year 2003 NOA	
Obligations	16,040
Total Planned Fiscal Year 2003	
Obligations	29,040
Proposed Fiscal Year 2004 NOA	
Obligations	20,160
Future Obligations	69,505
Est. Total Cost	208,307

Data Sheet

USAID Mission:	Egypt
Program Title:	Improved Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	263-022
Status:	Continuing
Proposed FY 2003 Obligation:	\$34,010,000 ESF
Prior Year Unobligated:	\$15,000,000 ESF
Proposed FY 2004 Obligation:	\$33,500,000 ESF
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2009

Summary: USAID's Improved Basic Education program provides technical assistance, training, and school construction support to the basic education sector for Education Reform Pilots promoting decentralization in targeted governorates; teaching and education management reforms (including English language skills); and NGO scholarship, literacy, life-skills; school readiness, and community mobilization programs. USAID supports formal and non-formal basic education efforts that improve the quality of education and expand girls' access in areas with the greatest poverty and gender gaps.

Inputs, Outputs, Activities:

FY 2003 Program:

Education Reform Pilots (\$20,910,000 ESF). USAID will help establish decentralized decision-making and improve teaching and school management in select districts of three governorates. A new Education Reform Program, begun during 2000, will be expanded. Training will target teachers and school managers and mobilize parents and the private sector for local school support. Teaching standards will be introduced and school inspector services to monitor teacher performance will also be strengthened. Proven models from the girls' education program will be incorporated. Planning will begin for construction of 20 schools in Alexandria, a high-level GOE priority. USAID will work with the Ministry of Education and the Ministry of Higher Education. Principal contractors and grantees include CARE (with World Education, Education Development Center) and the International Institute for Education.

Faculty of Education Reform, English Language Skills Development, and Participant Training (\$900,000 ESF; \$15,000,000 Prior Year Unobligated). USAID will promote the use of new teaching practices and standards and build institutional capacity through three new activities. First, USAID will help improve Egyptian teaching and assessment systems and introduce child-centered, interactive teaching methods into the pre-service curriculum of all 26 Faculties of Education. Second, English language teaching skills will be improved through training in all 26 Faculties of Education and the Ministry of Education. Third, participant training will strengthen the skills of community leaders, teachers, supervisors, headmasters, Ministry of Education, and Ministry of Higher Education staff. An estimated 40,000 students and 2,600 teachers, supervisors and administrators are expected to benefit in Alexandria alone. Principal contractors include the International Institute for Education (IIE) and the Academy for Educational Development (AED).

Scholarships and NGO Sustainability (\$12,200,000 ESF). USAID helps local NGOs continue literacy and life-skills training, award girls' scholarships, improve school readiness, and strengthen parenting skills. The program funds the following activities: Egyptian "Sesame Street" series viewed in 90 percent of Egyptian households; literacy and life-skills with the extension of non-formal education to an additional 100,000 adolescent young men and women; scholarships for girls otherwise unable to attend primary/preparatory school; women and community empowerment, promoting women's literacy and participation in community development; and project management for support of monitoring, evaluation, national level technical assistance, audits and personnel. Principal contractors include Save the Children,

Center for Development and Population Activities (CEDPA), and Sesame Workshop (with Karma Productions).

FY 2004 Program:

Education Reform Pilots (\$14,100,000 ESF). These funds will be allocated for education reform programs in Cairo, Minya, Qena, Fayoum, and Beni Sueif, in addition to expanding the Alexandria Education Reform Pilot. The activity will be based on further decentralization of decision by the Minister of Education to the Governors, training for educational leaders and educators in child centered methods, improving school environment, institutionalizing training systems for sustainable professional development, seeking policy support for innovations, involving the community and the private sector in reforming basic education, and introducing School-to-Work concepts in the system. The activity will include some school construction to complement gaps in a chosen school family/families in each governorate. Beneficiaries in one school family are approximately 30,000 students and 2,000 teachers.

Faculty of Education Reform, English Language Development, and Participant Training (\$11,700,000 ESF). The USAID Faculty of Education Reform activity will offer technical assistance to the Supreme Council of Universities and six to ten Faculties in the Reform Governorates. Activities will include reforming academic and practical teacher preparation programs with focus on redistribution of syllabi, curricular reform, testing, modern teaching methods, supporting academic research in USAID reform areas. The USAID English language activity will build on successful interventions by the current Integrated English Language Program-2. This includes continued nationwide interventions to improve the quality of English language educators in methods, materials development, and testing particularly in primary grades one to three that were recently introduced to English language instruction. The participant training will be offered across all activities, and will include focus on short-term training in the U.S. for educators to learn new methods and other teaching strategies, and on observation tours and speaker series for policy makers to witness practical models to help them in policy dialogue issues.

Scholarships and NGO Activities (\$7,700,000 ESF). Community development activities will continue to support the education reform and involving parents and business sector individuals in the education reform. Life skills, literacy, and scholarships will be focused in the target reform governorates offering support and consolidating other interventions. Special emphasis will be placed on women and girls who are out of school or who are of school age but are unable to join the mainstream as a result of financial barriers. Pre-school interventions through the successful "Alam Simsim" will continue to offer its support through television series and a new parental outreach program educating parents on the importance of their children's schooling.

Performance and Results: USAID's basic education activities achieved important results in FY2002. Key developments include national and governorate level policy dialogue that increased delegations of authority to pilot governorates; approval to extend this decentralization model beyond Alexandria to Cairo and Menia; democratic participation in 70 Upper Egypt communities to establish and manage 35 new single grade and 159 multi-grade schools for girls; extensive literacy and life-skills training for 16,288 women in 17 governorates; and 26 Faculties of Education and 9,472 MOE teachers, supervisors and administrators with improved teaching and classroom management skills.

More than 49,280 girls and young women benefited from USAID programs, triple the planned target. Almost universal penetration was achieved with the Egyptian "Sesame Street" series, viewed by more than 90 percent of children under age 8 and by 54 percent of mothers. Democratic parental participation in programs has helped sustain school improvements (with women playing strong leadership roles). English language training promoted new sector policy reforms and increased institutional progress. A national committee on standards was recently constituted, including a USAID partner, a major advance in developing closer collaboration with the Ministry of Education.

US Financing in Thousands of Dollars

Egypt

263-022 Improved Basic Education	ESF
Through September 30, 2001	
Obligations	40,000
Expenditures	21,575
Unliquidated	18,425
Fiscal Year 2002	
Obligations	42,300
Expenditures	10,538
Through September 30, 2002	
Obligations	82,300
Expenditures	32,113
Unliquidated	50,187
Prior Year Unobligated Funds	
Obligations	15,000
Planned Fiscal Year 2003 NOA	
Obligations	34,010
Total Planned Fiscal Year 2003	
Obligations	49,010
Proposed Fiscal Year 2004 NOA	
Obligations	33,500
Future Obligations	59,770
Est. Total Cost	224,580