

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
Planned FY 2006 Obligation:	\$333,739,000 ESF
Prior Year Unobligated:	\$780,132,000 ESF
Proposed FY 2007 Obligation:	\$318,228,000 ESF
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2009

Summary: USAID programs aimed at strengthening the environment for trade and investment include: trade and investment financing, budget support, and related technical assistance; trade, business support, and agribusiness development; financial sector reform and privatization; information technology; and construction of water and wastewater treatment facilities. This constitutes notification of FY 2006 funds.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$7,200,000 ESF; \$6,035,000 ESF Prior Year Unobligated). USAID is working with Government of Egypt (GOE) counterparts to develop paperless processes so many government transactions can take place on-line. Support for the U.S.-Egypt Science and Technology Agreement will continue. USAID is assisting the private sector to facilitate business transactions and provide training for small and micro-enterprises in the information and technology sector. USAID is also funding the identification, development, execution, monitoring, and evaluation of selected development activities. Principal Implementer: General Dynamics.

Improve Access to Clean Water and Sanitation (\$62,500,000 ESF Prior Year Unobligated). USAID is continuing to finance the construction of water and wastewater facilities and is constructing small-scale water and wastewater treatment facilities, water distribution networks, wastewater collection facilities, ground water control systems, water conservation systems, and wetlands for wastewater treatment. These activities are mitigating environmental degradation, improve health standards, and promote economic growth. Principal Implementer: To Be Determined (TBD).

Improve Economic Policy and the Business Environment (\$302,639,000 ESF Cash Transfer; \$12,300,000 ESF Project Assistance; \$200,000,000 Prior Year Unobligated ESF Cash Transfer; \$6,000,000 ESF Prior Year Unobligated Project Assistance; \$294,901,100 ESF Recoveries Cash Transfer). USAID is continuing to provide cash transfer assistance to support reforms under the Financial Sector Reform Memorandum of Understanding. USAID is implementing specific reforms in the areas of macroeconomic stability, financial sector modernization, trade facilitation, and commercial law development. These activities are aimed at stimulating investment and creating new businesses. Principal Implementer: BearingPoint.

Improve Sustainable Management of Natural Resources and Biodiversity (\$2,000,000 ESF). USAID assistance is being targeted to improve livelihoods and create jobs for populations living in and around the Wadi Gimal National Park in the Southern Red Sea coastal area, and to support ecotourism pilot projects. Principal Implementer: Chemonics.

Increase Agricultural Sector Productivity (\$7,000,000 ESF Prior Year Unobligated). USAID is continuing to enhance Egypt's competitiveness in the agricultural sector by providing assistance to agricultural trade associations by linking small horticulture and livestock producers to larger producers and exporters, helping producers meet quality standards of international importers, and transferring important technologies to smallholder farmers. Principal Implementers: Chemonics, CARE-Egypt, QED, Agricultural

Cooperative Development International/Volunteers in Overseas Cooperative Assistance, and Midwest Universities Consortium for International Activities.

Increase Trade and Investment (\$4,000,000 ESF; \$203,220,000 ESF Prior Year Unobligated). USAID is continuing to finance trade and investment transactions through the Commodity Import Program. USAID is assisting the Egyptian Customs Authority (ECA) to implement new customs procedures at all ports, establish a new organizational structure for ECA, conduct a multi-year training program, as well as identify ECA software and hardware needs for full automation of major ports. Principal Implementer: BearingPoint.

Strengthen the Financial Services Sector and Increase Access to Capital (\$5,600,000 ESF; \$475,900 DCA Prior Year Unobligated). USAID continues to support private sector credit bureaus, and expand access to housing finance through several banks and private companies. The Ministry of Justice is assessing requirements to establish a modern property registration system. In the underserved Upper Egypt region, one Development Credit Authority (DCA) activity is making medium-term credit available to small and medium size enterprises that formerly used the Commodity Import Program. Principal Implementers: Chemonics and BearingPoint.

FY 2007 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$2,000,000 ESF). USAID will continue to support the U.S.-Egypt Science and Technology Agreement. Principal Implementer: Not Applicable.

Improve Access to Clean Water and Sanitation (\$1,000,000 ESF). USAID will continue to support the activities of the Blue Revolution Initiative. Principal Implementer: TBD.

Improve Economic Policy and the Business Environment (\$301,878,000 ESF Cash Transfer; \$6,850,000 ESF Project Assistance). USAID will continue to support policy reform, particularly financial sector reform, through cash transfers and provision of technical assistance. This support will increase private sector banks' share of all bank loans extended and reduce the overall number of non-performing loans in the banking system. USAID will improve the business and investment environment by strengthening commercial laws and increasing the efficiency and effectiveness of government. Principal Implementer: BearingPoint.

Improve Sustainable Management of Natural Resources and Biodiversity (\$2,000,000 ESF). USAID will continue to fund activities to improve livelihoods and create jobs for indigenous populations living in and around the Wadi Gimal National Park. Principal Implementer: Chemonics.

Increase Trade and Investment (\$4,000,000 ESF). USAID will continue to support the ECA. USAID will also fund non-governmental organizations such as the American Chamber of Commerce and the Egyptian Exporters Association. Principal Implementer: BearingPoint.

Strengthen the Financial Services Sector and Increase Access to Capital (\$500,000 ESF). USAID anticipates transferring funding to DCA to implement two DCA activities started in FY 2006. Principal Implementer: TBD.

Performance and Results: Overall trade indicators, imports and exports as a percent of gross domestic product (GDP), rose to 30.8% in 2005. This is an increase from 22% in 1999, surpassing the projected target of 30% for 2009. The overall investment rate indicator, investment as a percent of GDP, demonstrated a slight improvement from a base of 17.4% in 2003 to 17.7% in 2005. The GOE is taking measures to further increase investment to 20.5% by 2009. It is noteworthy that in FY 2005, the composition of investment moved strongly toward the private sector (9%), exceeding the government share (8.7%) for the first time. At the grassroots level, USAID supported small and micro enterprise activities helping Egypt's low income business operators start new income-generating activities or expand existing businesses. More than 805,000 loans valued at over \$191million were issued nationwide in 2005, up from \$51.9 million in 1999, and surpassing USAID's projected target of \$174.2 million for 2009.

US Financing in Thousands of Dollars

Egypt

263-016 Creating Jobs through Trade and Investment	ESF
Through September 30, 2004	
Obligations	4,652,024
Expenditures	3,978,079
Unliquidated	673,945
Fiscal Year 2005	
Obligations	116,671
Expenditures	346,537
Through September 30, 2005	
Obligations	4,768,695
Expenditures	4,324,616
Unliquidated	444,079
Prior Year Unobligated Funds	
Obligations	780,132
Planned Fiscal Year 2006 NOA	
Obligations	333,739
Total Planned Fiscal Year 2006	
Obligations	1,113,871
Proposed Fiscal Year 2007 NOA	
Obligations	318,228
Future Obligations	383,350
Est. Total Cost	6,584,144