

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 2005 Obligation:	\$428,309,000 ESF
Prior Year Unobligated:	\$420,927,000 ESF
Proposed FY 2006 Obligation:	\$426,500,000 ESF
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2009

Summary: Strengthening the environment for trade and investment includes the following components: trade and investment financing, budget support, and related technical assistance; trade, business support, and agribusiness development; financial reform and privatization; technology; tourism development; lead remediation; irrigation; and design, evaluation, and training.

Inputs, Outputs, Activities:

FY 2005 Program: Enhance the Financial Sector's Contribution to Economic Growth (\$12,209,000 ESF, \$16,000,000 ESF Prior Year Unobligated). USAID assistance will support the formation of the Mortgage Finance Authority as a regulator for the real estate industry. The Ministry of Justice will undertake an assessment of the requirements to establish a modern property registration system. Subject to Government of Egypt (GOE) agreement to a program of banking sector restructuring, USAID will initiate assistance, within a U.S. Government multiagency program, to restructure state-owned banks' portfolios, strengthen management, prepare for privatization and strengthen banking supervision. The small and micro-enterprise development program will expand services through increased use of banks as intermediaries and a continued focus on programs in Upper Egypt. Principal contractors, grantees include Chemonics and the National Cooperative Business Association (NCBA).

Improve Economic Policy and Governance (\$200,000,000 ESF Cash Transfer; \$194,901,000 ESF Prior Year Unobligated Cash Transfer, \$200,000,000 ESF Recoveries Cash Transfer). USAID will continue to support GOE policy reform through the cash transfer program and with related technical assistance. The primary focus of the cash transfer program will be financial sector reform. Technical assistance includes financial sector reforms; continued implementation of trade policy reforms; customs reform; commercial law reform to stimulate investment and business creation; implementation of trade-related intellectual property rights; and additional World Trade Organization (WTO) compliance measures. Principal contractors, grantees and agencies include Booz Allen Hamilton and Development Associates.

Enhance Participation in Global Trade and Investment (\$195,720,000 ESF Commodity Import Program, \$4,280,000 ESF Project Assistance, \$9,550,000 ESF Prior Year Unobligated). USAID will continue financing trade and investment transactions through the Commodity Import Program. The competitiveness of the agricultural sector will be enhanced by providing assistance to agricultural trade associations; and to link smallholder horticulture and livestock producers to larger producers and exporters, meet the quality standards of international importers, and transfer important technologies to these smallholders. USAID will continue to fund the U.S.-Egypt Science and Technology Agreement which promotes cooperative scientific research, with private sector applications. Principal contractors, grantees and agencies include U.S. and Egyptian banks, Chemonics, CARE-Egypt, Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance (ACDI-VOCA), and MUCIA (Midwest Universities Consortium for International Activities).

Expand and Improve Access to Economic and Social Infrastructure (\$15,600,000 ESF). USAID, in collaboration with various Egyptian Ministries, other donors and the private sector, both local and U. S. based, will provide ICT infrastructure, training, and commodities to contribute to the GOE's goals for universal Internet/telephone access. USAID will also fund the identification, development, execution, monitoring and evaluation of selected priority development activities. Principal contractors, grantees and agencies include General Dynamics and others to be determined.

Reduce, Prevent and Mitigate Pollution (\$500,000 ESF; \$476,000 ESF Prior Year Unobligated). Lead pollution clean up involves the remediation of five contaminated closed lead smelter sites and at least one school in the highly populated area of Shoubra El Kheima. It will reduce health risks in the area, create jobs for community residents and other stakeholders and be the first remediation of this type in Egypt. The obligation of funds under the Development Credit Authority will support a loan portfolio guarantee with Egyptian private commercial banks for activities that are complementary to the program. Principal contractors, grantees and agencies include Millennium Science and Engineering.

FY 2006 Program: Enhance the Financial Sector's Contribution to Economic Growth (\$14,500,000 ESF). With the real estate financing activities, new property registration procedures will be tested in two pilot districts. Expanded training to the real estate profession will be provided leading to professional certification. A private sector credit bureau will be established. Housing finance will be expanded through several bank and non-bank housing finance companies. New financial instruments such as leasing, factoring, and other forms of collateralized lending will be introduced. USAID will also continue assistance to the multi-year program for restructuring state-owned banks. The small and microenterprise development program will expand services through increased use of banks as intermediaries and through greater provision of support services. Principal contractors, grantees and agencies include Chemonics and NCBA.

Improve Economic Policy and Governance (\$200,000,000 ESF Cash Transfer, \$6,000,000 ESF Project Assistance). The policy reform/cash transfer program will continue with the FY 2006 reform agenda dependent both on reforms implemented during FY 2005 and on decisions made about new reforms necessary for continued growth and development. Funds will be programmed for technical assistance to the GOE policy reform agenda. USAID will seek the implementation of policies to improve the business environment and will provide technical assistance and training in areas such as business law, corporate governance, civil service reform, and competition policies. Principal contractors: Booz Allen Hamilton and others to be determined.

Enhance Participation in Global Trade and Investment (\$200,000,000 ESF Commodity Import Program; \$4,000,000 ESF Project Assistance). USAID will finance trade and investment transactions through the Commodity Import Program with no substantive program changes. USAID will continue to fund the U.S.-Egypt Science and Technology Agreement which promotes cooperative scientific research with private sector applications. USAID will continue technical assistance to streamline customs reforms and facilitate trade. Principal contractors, grantees and agencies include U.S. and Egyptian banks, Chemonics, CARE-Egypt, ACIDI-VOCA, and MUCIA (Midwest Universities Consortium for International Activities).

Improve Access to Clean Water and Sanitation (\$2,000,000 ESF Project Assistance). The Middle East/North Africa region is among the most arid on the planet. The countries of the region each have unique comparative advantages in managing scarce water resources that should be shared with their neighbors. A USAID-STATE planning process has been underway since March 2004, including two regional meetings in Amman and Cairo to develop a new regional water initiative. USAID/Egypt has led this regional effort to date, and is planning to support Egyptian participation in the initiative.

Performance and Results: Despite the global economic downturn in recent years, Egypt's economy, while not vibrant, has withstood the full brunt of the decline. One of the key GOE defenses against this downturn is its agenda to further open trade and investment opportunities. USAID's Economic Growth strategy, now in place for four years, strongly supports that agenda. Although the government's revenue position and balance of payments are under considerable pressure, USAID programs, such as the Commodity Import Program and the cash transfer program, provide invaluable support, helping both the GOE and the private sector cope with difficult economic conditions. USAID provides the expertise and tools needed to continue economic reforms and to compete in the global economy.

US Financing in Thousands of Dollars

Egypt

263-016 Creating Jobs through Trade and Investment	ESF
Through September 30, 2003	
Obligations	4,083,576
Expenditures	3,436,058
Unliquidated	647,518
Fiscal Year 2004	
Obligations	568,448
Expenditures	542,021
Through September 30, 2004	
Obligations	4,652,024
Expenditures	3,978,079
Unliquidated	673,945
Prior Year Unobligated Funds	
Obligations	420,927
Planned Fiscal Year 2005 NOA	
Obligations	428,309
Total Planned Fiscal Year 2005	
Obligations	849,236
Proposed Fiscal Year 2006 NOA	
Obligations	426,500
Future Obligations	1,087,150
Est. Total Cost	7,014,910