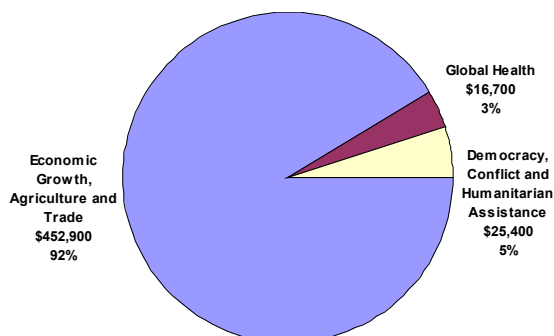
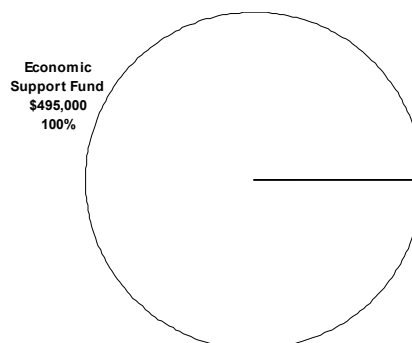


# Egypt

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**



## Objectives and Budget

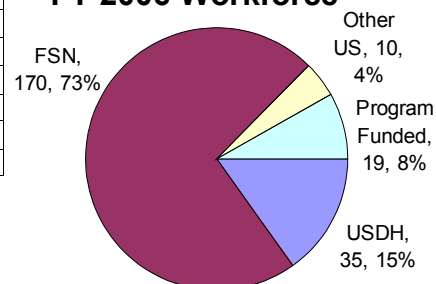
Objective	SO Number	FY 2004	FY 2005	FY 2006
Creating Jobs through Trade and Investment	263-016	472,340	428,309	426,500
Infrastructure	263-018	7,400	2,000	1,100
Environment and Natural Resources Management	263-019	9,940		
Healthier, Planned Families	263-020	29,230	26,900	17,200
Democracy and Governance	263-021	37,050	34,900	25,400
Improved Basic Education	263-022	15,648	38,611	24,800
<b>Total (in thousands of dollars)</b>		<b>571,608</b>	<b>530,720</b>	<b>495,000</b>

Excludes P.L. 480. See Program Annex.

## Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	17,442	18,873	15,266
USDH Salaries & Benefits	6,574	4,606	4,707
Program Funds	5,591	5,591	3,873
<b>Total (in thousands of dollars)</b>	<b>29,607</b>	<b>29,070</b>	<b>23,846</b>

**FY 2006 Workforce**



**Mission Director:** Kenneth Ellis

## Egypt

**The Development Challenge:** Egypt, a strong moderating force in the Middle East, has long been an important U.S. ally. Egypt and the U.S. share strategic interests that include combating terrorism, resolving regional conflicts, advancing regional peace, ensuring domestic and regional security, and promoting economic development. USAID's continuing bilateral assistance program serves the national security interests of both countries. It promotes prosperity and stability in Egypt by assisting the country's ongoing, but incomplete, transition from a state-dominated economy and polity to a free market-oriented, participatory one. A key U.S. goal is for Egypt to become a fully integrated and competitive participant in the global economy.

The greatest threat to domestic stability results from popular frustration with recent economic performance and a persistent lack of economic opportunity. According to the World Bank's World Development Indicators, about 40% of the 70.5 million Egyptians live on less than \$2 a day, despite a per capita gross domestic product (GDP) of about \$1,470. Official figures put the unemployment rate at close to 11 percent in 2004; various independent estimates, however, place the real rate much higher, especially when underemployment is a factor.

The government recognizes the need for increased investment, both foreign and domestic, to create jobs for an estimated 750,000 new entrants to the labor market annually and, during the 1990's, it improved the investment climate and raised the private sector share in the economy. Reform then lagged starting in the late 1990s, and the economy slowed and suffered from external shocks. Notable problems include cumbersome customs and business registration processes, a growing fiscal deficit, lagging privatization (particularly in the financial sector), lack of transparency, and an educational system that does not meet Egypt's needs. Following the Government's January, 2003, announcement of its intent to free the foreign exchange rate, the Egyptian pound depreciated 25% against the dollar in six months, but it has stabilized over the past year and foreign exchange availability has steadily improved since early 2004. Challenges facing the Government of Egypt (GOE) this year included managing the inflationary impact of the initial effort to float the pound. Central Bank statistics showed the Consumer Price Index rising over the year ending in July 2004 by 10 percent, while the Wholesale Price Index climbed 18 percent over the same period. This impact inhibited full floating of the exchange rate. The budget deficit continued to grow as well, exceeding \$1.62 billion, and economic growth slowed down to about 2.4 percent of GDP in 2004.

On the other hand, several favorable events in 2004 fed on important successes realized in the past two years - including advances in intellectual property rights protection, new legislation promoting business competition, and accession to several important trade agreements. In all of these areas, USAID worked closely with the GOE to reach these goals, each of which plays an important role in improving the country's investment environment and export prospects. Additionally the anticipated negative effect on the Egyptian economy from the Iraq war - especially on the vital foreign exchange earning tourism and Suez Canal sectors - was much smaller and briefer than expected, with both sectors recovering rapidly to see record earning levels in 2003, with even higher levels reached in 2004. Similarly, the trade deficit has reacted favorably to the pound's devaluation in both years, narrowing significantly, with 2004 seeing the addition of what will quickly become a major element among Egypt's exports - liquefied natural gas.

Perhaps the most important economic event of 2004 was the appointment of a new prime minister and cabinet in July. Emphasis was on younger, reform-oriented ministers, some with extensive private sector experience, taking up the posts with the greatest connections to economic performance. After July, there have been a number of steps, both large and small, implemented that seem to re-establish the GOE's economic reform credentials. Prominent among these was a restructuring of the tariff regime, with duties on many items eliminated and the average tariff level reduced by 40 percent, replacing exemptions and subsidies targeting the promotion of local production with reductions in corporate and income taxes, and renewed moves toward state enterprise privatization after a long period of dormancy. The GOE recently indicated that it expects growth to reach 5 % in FY2004/2005, a goal perhaps too optimistic, but there are many indications of improvement. The new government has now espoused and begun to implement financial sector, trade, foreign exchange, and other reforms which USAID and other donors have been advocating for years, with consequent improvements in economic growth, the balance of payments, availability of foreign exchange, and the overall business environment.

**The USAID Program:** USAID intends to obligate \$530.7 million in ESF in FY 2005 and to request \$495 million in ESF for FY 2006. The program data sheets herein cover five strategic objectives. The strategy has focused first on accelerating economic growth - essential to strengthening Egypt as a stable and prosperous U.S. ally. Two objectives have emphasized the creation of private sector jobs: strengthening the trade and investment environment; and increasing access to sustainable utility services. Three objectives have targeted the enhancement of the human resource base: providing health services; strengthening governance and participation in the political process; and improving basic education.

Both on-going and new activities under each of these objectives will receive FY 2005 and FY 2006 funds, and the program data sheets provide details on these programs. In response to Egypt's development needs and to the Administration's Middle East Partnership Initiative, special programs in two areas that had their beginnings in FY 2003 are continuing in FY 2005 and beyond: first, the education program will expand significantly to spread the benefits of community-based education reform to selected areas both in southern Egypt and in poorer parts of Cairo, and, second, the democracy and governance and participation program will significantly expand to provide for programs to increase transparency and participation in government and the political process (particularly through direct grants to non-governmental organizations-NGOs for such activities) and for the training of judges and journalists.

**Other Program Elements:** Supplementary USAID-funded programs contribute to the achievement of the overall development goal pursued in USAID's Egypt strategy. Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), using funding from the central Economic Growth and Agricultural Development (EGAT) office, is implementing a three-year, \$1.39 million activity under the Dairy Directive Program, which increase the availability of safe, hygienic processed dairy products as a means of decreasing the rate of malnutrition and infant/child mortality in Egypt.

**Other Donors:** Two key areas of common interest for bilateral and multilateral donors are: a comprehensive poverty action program, with emphasis on women and children; and further reform of the macroeconomic and investment-enabling environment. These areas were emphasized by donors at the 2002 Consultative Group (CG) meeting, and they have been stressed during 2003 and 2004 in donors' dealings with the GOE. The U.S. and European Union are the largest providers of assistance, and other major donors include Japan, Germany, the World Bank, bilateral and multilateral Arab Funds, the Islamic Development Bank, and the African Development Bank. USAID collaborates with other donors in all technical areas under its strategic program through regular plenary and sectoral subgroup meetings and other venues. The UNDP, which acts as the secretariat for donor coordination, has compiled an extensive data base showing the sectors, types, sizes, and locations of donor programs, the compilation will be updated annually and is now available in CD-ROM form.

## Egypt PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Economic Support Fund	611,002	571,608	530,720	495,000
ESF - Wartime Supplemental	300,000	0	0	0
PL 480 Title II	2,346	2,345	0	0
<b>Total Program Funds</b>	<b>913,348</b>	<b>573,953</b>	<b>530,720</b>	<b>495,000</b>

### STRATEGIC OBJECTIVE SUMMARY

263-016 Creating Jobs through Trade and Investment				
ESF	498,873	472,340	428,309	426,500
ESF - Wartime Supplemental	300,000	0	0	0
263-018 Infrastructure				
ESF	5,000	7,400	2,000	1,100
263-019 Environment and Natural Resources Management				
ESF	13,050	9,940	0	0
263-020 Healthier, Planned Families				
ESF	42,029	29,230	26,900	17,200
263-021 Democracy and Governance				
ESF	13,300	37,050	34,900	25,400
263-022 Improved Basic Education				
ESF	38,750	15,648	38,611	24,800

Mission Director,  
Kenneth Ellis

## Data Sheet

<b>USAID Mission:</b>	Egypt
<b>Program Title:</b>	Creating Jobs through Trade and Investment
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	263-016
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$428,309,000 ESF
<b>Prior Year Unobligated:</b>	\$420,927,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$426,500,000 ESF
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	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, ACDI-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	<b>ESF</b>
<b>Through September 30, 2003</b>	
Obligations	4,083,576
Expenditures	3,436,058
Unliquidated	647,518
<b>Fiscal Year 2004</b>	
Obligations	568,448
Expenditures	542,021
<b>Through September 30, 2004</b>	
Obligations	4,652,024
Expenditures	3,978,079
Unliquidated	673,945
<b>Prior Year Unobligated Funds</b>	
Obligations	420,927
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	428,309
<b>Total Planned Fiscal Year 2005</b>	
Obligations	849,236
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	426,500
Future Obligations	1,087,150
Est. Total Cost	7,014,910

## Data Sheet

<b>USAID Mission:</b>	Egypt
<b>Program Title:</b>	Infrastructure
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	263-018
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$2,000,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$1,100,000 ESF
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** Improved power, telecommunications, and water/wastewater services are essential to Egypt's overall economic growth and quality of life. 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) sectoral and regulatory capacity building to promote private sector participation in financing and management of utilities, enhance service delivery, and improve the overall sustainability of Egypt's infrastructure services.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Access to Clean Water and Sanitation (\$2,000,000 ESF). USAID will continue assistance to the ongoing sector reform program through 1) organizational development assistance to the newly-created Egyptian Water Regulatory Agency, establishment of a tariff rate application process, and implementation of a utility monitoring system; 2) guidance for the identification, evaluation, and replication of utility best practices; 3) introduction of advanced metering technologies on a pilot basis; and 4) limited advisory assistance for Private Sector Participation (PSP) transactions on a cost-share basis. Contractors and grantees: CH2M-Hill will continue to operate the Water and Wastewater Sector Policy Reform (WWSPR) activity for the above-mentioned program.

**FY 2006 Program:** Improve Access to Clean Water and Sanitation (\$1,100,000 ESF). USAID will provide additional funding for the ongoing sector reform program, as described above.

**Performance and Results:** Over 20 million people have benefited from the USAID investments in water and sanitation over the last 25 years including the major renovations of the sewage and wastewater systems in Cairo and Alexandria. Major improvements in operations and maintenance (O&M) cost recovery have been achieved in the water and wastewater utilities, including increased billings and collections, reduced water losses, improved customer service, and the establishment of management information systems. Among the utilities where USAID has worked, O&M cost recovery improved from 61% in 1999 to 90% by 2003, and as a result of recent tariff increases and continued cost recovery improvements these utilities will probably reach full O&M cost recovery on a consolidated basis by June 30, 2006.



## US Financing in Thousands of Dollars

Egypt

263-018 Infrastructure	ESF
<b>Through September 30, 2003</b>	
Obligations	3,368,165
Expenditures	2,942,939
Unliquidated	425,226
<b>Fiscal Year 2004</b>	
Obligations	7,408
Expenditures	124,489
<b>Through September 30, 2004</b>	
Obligations	3,375,573
Expenditures	3,067,428
Unliquidated	308,145
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	2,000
<b>Total Planned Fiscal Year 2005</b>	
Obligations	2,000
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	1,100
Future Obligations	0
Est. Total Cost	3,378,673

## Data Sheet

<b>USAID Mission:</b>	Egypt
<b>Program Title:</b>	Healthier, Planned Families
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	263-020
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$26,900,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$17,200,000 ESF
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	2009

**Summary:** USAID Egypt's Healthier, Planned Families objective improves the quality, availability and management of primary health care in Egypt, focusing on maternal and child health, family planning and infectious disease control. It will fund HIV/AIDS prevention and other infectious disease activities, safe birthing, child health interventions including polio eradication efforts, family planning and reproductive health services, and health information campaigns.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Reduce Transmission and Impact of HIV/AIDS (\$1,770,000 ESF). USAID will fund three HIV/AIDS Voluntary Counseling and Testing (VCT) Centers and two pilot sites for the management of sexually transmitted diseases. Two faith-based organizations that conduct outreach programs with intravenous drug users will be funded. USAID will continue upgrading the technical capacity of health providers through training in the diagnosis and treatment of HIV/AIDS; blood safety in blood banks in Minya, Aswan and Cairo, and infection control in renal dialysis centers in seven governorates. Principal grantee: Family Health International.

Prevent and Control Infectious Diseases of Major Importance (\$1,590,000 ESF). USAID completed the establishment of Epidemiology and Surveillance Units nationwide. To ensure their sustainability, USAID will fund technical assistance and training in quality control for governorate-level laboratories, data collection validation/analysis, and results dissemination. USAID will fund the expansion of infection control standards to 10 additional hospitals. Principal grantees: U.S. Naval Medical Research Unit No. 3 (NAMRU3), Centers for Disease Control and Prevention.

Improve Child Survival, Health and Nutrition (\$2,000,000 ESF). USAID will continue to fund technical assistance and local costs for the national polio campaign to help the GOE reach its goal of polio eradication. To further decrease child mortality, USAID will fund the expansion of the integrated management of childhood illnesses approach for early diagnosis and treatment of critical childhood diseases into 30 new districts in twelve governorates. Principal contractor/grantee to be determined (TBD).

Improve Maternal Health and Nutrition (\$2,495,000 ESF). USAID will fund safe birthing interventions, including hospital/clinic renovations, equipment, training, supervision, and community education in ten districts to improve pregnancy-related maternal health outcomes. USAID will expand the National Maternal Mortality Surveillance System to collect accurate nationwide data for establishment of program priorities. Principal contractor TBD.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$16,133,700 ESF). USAID will continue to make family planning information and services available nationwide to 17.2 million women in reproductive age. It will fund renovations and equipment in 100 rural and urban slum clinics, and train staff to provide family planning information and services to 24,000 new mothers. Communities will be informed on reproductive health through non-governmental organization (NGO) grants, plays and puppet shows reaching 150,000 people, training of agriculture extension agents, health outreach workers, and youth leaders. USAID will also fund contraceptives. The sustainability of Egypt's largest NGO-affiliated network of 88 family planning clinics will be improved, and 15 corporate partnerships worth \$600,000 will be developed. Principal contractor/grantee: TBD.

Communicating health information to the public and changing unhealthy behaviors is an integral part of all programs under this objective. The communication program will strengthen local capacity to conduct health information campaigns. Quarterly, about 20 million adults will be reached with health messages through TV, radio, and press, and about 10,000 through community events and training for journalists, religious and community leaders. Private sector involvement will be increased by training pharmacists and private physicians to promote good health practices. Principal grantee: Johns Hopkins University.

Build Health Systems Capacity (\$2,911,300 ESF). USAID will equip 10 medical schools and 11 nursing schools with updated curricula and teaching methodologies to improve the skills of graduates. The program will train 100 professors in up-to-date teaching techniques and clinical training skills. Twenty skills development labs will be established to provide hands-on training for the students. Principal contractor/grantee: TBD

**FY 2006 Program:** Reduce Transmission and Impact of HIV/AIDS (\$2,110,000 ESF). USAID plans to fund three HIV/AIDS Voluntary Counseling and Testing Centers and NGOs working with high risk groups, and train providers in preventive measures and care of HIV/AIDS patients. Implementer TBD.

Improve Child Survival, Health and Nutrition (\$2,260,000 ESF). USAID plans to fund campaign costs for polio eradication; expansion of the integrated management of childhood illnesses approach to improve child health outcomes in an additional 30 districts; and technical assistance, renovations, and training for interventions to increase newborn survival rates. Implementer TBD.

Improve Maternal Health and Nutrition (\$2,500,000 ESF). USAID plans to fund the expansion of essential services for safe birthing into an additional ten districts with high maternal and child mortality in Lower Egypt in order to decrease maternal morbidity and mortality. Implementer TBD.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$8,802,200 ESF). USAID plans to make family planning and reproductive health information and services available nationwide; increase availability to high priority groups (poor rural and urban women and newlyweds); and increase spacing between births to improve the survival of mothers and infants. Implementer TBD. The health communication program plans to continue behavior change programs, both at the national and community level. The program plans to increase the involvement of the private sector pharmacists and physicians in providing health education to clients. Implementer: Johns Hopkins University.

Build Health Systems Capacity (\$1,527,800 ESF). USAID plans to expand updated curricula and teaching techniques to an additional six medical schools, reaching the goal of competent teaching staff in all medical and nursing schools in Egypt using the updated curricula. Implementer: TBD.

**Performance and Results:** By utilizing the infectious disease surveillance system supported by USAID, recent disease outbreaks (Rift Valley Fever and lead poisoning) were quickly identified and controlled, averting a serious situation. The first-ever anonymous HIV/AIDS Voluntary Counseling and Testing (VCT) center in Egypt began receiving clients, thanks to USAID support. USAID-funded maternal and child health programs provide services to nearly 60% of women and children in Egypt. The treatment of childhood illness approach, supported by USAID, provides life saving services to nearly 59% of Egyptian children. USAID's contributions to improve the curricula and teaching methodologies in medical and nursing schools resulted in more hands-on training and a higher caliber of doctors and nurses. Quality family planning information and services reach nearly all 17.2 million women of reproductive age, thus helping to save the lives and improve the health of mothers, infants and young children. USAID's health communication activities reach about 28 million adults per year with various family health messages through multimedia channels, thus helping the Egyptian people improve their health status by adopting healthy behaviors.

## US Financing in Thousands of Dollars

Egypt

263-020 Healthier, Planned Families	ESF
<b>Through September 30, 2003</b>	
Obligations	540,562
Expenditures	454,636
Unliquidated	85,926
<b>Fiscal Year 2004</b>	
Obligations	29,350
Expenditures	39,633
<b>Through September 30, 2004</b>	
Obligations	569,912
Expenditures	494,269
Unliquidated	75,643
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	26,900
<b>Total Planned Fiscal Year 2005</b>	
Obligations	26,900
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	17,200
Future Obligations	49,800
Est. Total Cost	663,812

## Data Sheet

<b>USAID Mission:</b>	Egypt
<b>Program Title:</b>	Democracy and Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	263-021
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$34,900,000 ESF
<b>Prior Year Unobligated:</b>	\$20,000,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$25,400,000 ESF
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	2009

**Summary:** USAID's program to strengthen democracy and governance assists the Government of Egypt (GOE) and Egyptian civil society in: bringing more transparency and competition to electoral processes; strengthening the organizational and advocacy capabilities of civil society organizations; promoting more accountable and responsive local government; professionalizing the media through training and regulatory reform; strengthening the administration of justice; and increasing access to justice for women and disadvantaged groups. Where it is appropriate, the specific activities and implementing organizations will not be subject to prior approval by the GOE. In accordance with a new understanding reached with the GOE, the FY 2005 and 2006 programs will include up to \$18,650,000 and \$5,000,000 respectively of direct USAID grants to Egyptian and U.S. non-governmental organizations (NGOs), for which no prior GOE approval will be sought.

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Improve Justice Sector/Legal Framework (\$6,550,000 ESF, \$900,000 ESF Prior Year Unobligated). USAID will help reform the judicial system by improving the efficiency and effectiveness of civil courts and integrating women in the judiciary. Assistance will focus on streamlining two national-level courts. USAID will train 400 judges to increase knowledge of commercial law, promote timely decision-making, and improve management of judicial panels and courtroom procedures. To promote an interest in legal reform among young lawyers, USAID will assist law schools to develop comparative law curricula and promote critical thinking skills. Contractors: America-Mideast Educational and Training Services (AMIDEAST) and others to be determined (TBD).

Support Democratic Local Governance and Decentralization (\$7,800,000 ESF, \$3,200,000 ESF Prior Year Unobligated). In FY 2005, USAID will design and contract a local governance and participation activity to improve the effectiveness, transparency and accountability of local governments to deliver key municipal services. One emphasis will be on increasing local governments' access to revenue. The program will focus on governorates where USAID has invested considerable resources, building on USAID initiatives in education, health, micro-enterprise and infrastructure for an integrated policy, technical assistance, training, and commodity package. Implementers TBD.

Promote and Support Free and Fair Elections (\$5,530,000 ESF, \$3,900,000 ESF Prior Year Unobligated). For the 2005 national elections, USAID will promote a more transparent and competitive electoral process by offering assistance to the Government of Egypt and civil society to improve the legal framework, administration of elections and civic participation. The result will be a more open electoral system that allows political parties to compete and an informed citizenry to participate. Implementers TBD.

Strengthen Civil Society (\$4,720,000 ESF, \$2,000,000 ESF Prior Year Unobligated). USAID will train emerging Non-Governmental Organizations (NGOs) on management and organization as well as train and provide technical assistance to more mature NGOs to form advocacy networks, mentor newer groups and manage grants from the Middle East Partnership Initiative (MEPI) and other donors. The program will support up to 2,500 NGO representatives of 500 local groups. Grantee TBD.

Establish and Ensure Media Freedom and Freedom of Information (\$4,540,000 ESF, \$2,300,000 ESF Prior Year Unobligated). USAID will provide English-language training to the media, improve in-country media training capacity and promote Egypt as a regional hub for journalist training. Training will

incorporate promotion of local media and decentralized reporting, business development of private media, advertising markets and support of media legal reforms. Implementers TBD.

Protect Human Rights and Equal Access to Justice (\$5,760,000 ESF, \$7,700,000 ESF Prior Year Unobligated). USAID will strengthen the rule of law by increasing access to legal services for disadvantaged groups. USAID will help the GOE develop a public defender's system for indigent defendants through technical advice, workshops and site visits. USAID will also enhance access to justice for families by strengthening the capacity of the family justice system to mediate family disputes, increasing access to information on family legal services and establishing a management information system. Technical advice will be provided to develop mediation training, including workshops and site visits to observe mediation programs. USAID will also fund technical assistance to NGOs to spread information on legal rights, mediation services, and legal aid. Implementers TBD.

**FY 2006 Program:** Improve Justice Sector/Legal Framework (\$6,410,000 ESF). USAID will help the GOE streamline the twenty remaining courts. USAID will conduct a nation-wide public awareness and education campaign to expand the constituency for promoting and integrating women in the judiciary. Implementers TBD.

Support Democratic Local Governance and Decentralization (\$3,300,000 ESF). Project activities will expand into selected additional governorates. Additional municipalities will be engaged, citizen priorities identified, and mechanisms for community participation established. Implementers TBD.

Promote and Support Free and Fair Elections (\$3,400,000 ESF). The post-election period will yield opportunities to build on and institutionalize GOE political reforms and continue to promote electoral competition. Activities will include training of government officials and civil society groups in preparation for local elections. USAID will also fund workshops and exchanges/study tours with selected members of Parliament. Implementers TBD.

Strengthen Civil Society (\$1,800,000 ESF). Depending on the outcome of legal and regulatory reform espoused by the GOE, USAID expects to fund more NGO initiatives in the areas of democracy and political advocacy and develop networking and coalition building skills. Grantee TBD.

Establish and Ensure Media Freedom and Freedom of Information (\$2,790,000 ESF). USAID's media program will continue to work on capacity building with more emphasis on developing a strong and independent private media sector. Implementers TBD.

Protect Human Rights and Equal Access to Justice (\$7,700,000 ESF). USAID will provide technical assistance to reengineer practices, identify equipment needs, and automate the Prosecutor General's Office. USAID also plans to improve access to the case file for defense counsel, improving its ability to defend the rights of the accused. USAID will fund human rights curriculum development for judges and prosecutors, facilitate the training of mediators, and fund NGO production and dissemination of user-friendly brochures and pamphlets on legal rights, mediation, and legal aid services. Implementers to be determined.

**Performance and Results:** USAID assistance encouraged the GOE to replicate the successful civil/commercial court reform model nationwide, reducing opportunities for corruption, providing greater transparency of court processes and reducing the backlog of cases. In 2004, approximately 2,400 NGO representatives attended 95 training events on governance, advocacy, networking, constituency building and media relations. An additional 1,300 citizens and 26 civil society organizations participated in open roundtable discussions on democratic participation and policy formation. These efforts produced substantial improvements in organizational capacity and fifty civic actions, including advocacy campaigns supporting women's civil rights, fighting child labor, increasing public awareness on environmental issues and constituent development.

## US Financing in Thousands of Dollars

Egypt

263-021 Democracy and Governance	ESF
<b>Through September 30, 2003</b>	
Obligations	103,872
Expenditures	77,054
Unliquidated	26,818
<b>Fiscal Year 2004</b>	
Obligations	5,518
Expenditures	8,790
<b>Through September 30, 2004</b>	
Obligations	109,390
Expenditures	85,844
Unliquidated	23,546
<b>Prior Year Unobligated Funds</b>	
Obligations	20,000
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	34,900
<b>Total Planned Fiscal Year 2005</b>	
Obligations	54,900
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	25,400
Future Obligations	49,000
Est. Total Cost	238,690

## Data Sheet

<b>USAID Mission:</b>	Egypt
<b>Program Title:</b>	Improved Basic Education
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	263-022
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$38,611,000 ESF
<b>Prior Year Unobligated:</b>	\$61,759,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$24,800,000 ESF
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	2009

**Summary:** USAID/Egypt's Education, Training, and Workforce Development program provides technical assistance, training, and school construction support to the education and training sector to promote reform through education sector decentralization in target governorates; improve educational environments and teaching quality; and increase non-governmental sector capacity to provide community supported educational services in the areas of early childhood development, literacy, vocations/technical training, and life-skills.

USAID/Egypt will support decentralization and education reform by introducing proven models of teaching, management, community and private sector support into the Egyptian public education system. Programs will promote school readiness, improved teacher support systems, better management practices, and community participation in schools. USAID will support both formal and non-formal education and training efforts that increase the availability of quality education and expand girls' and young women's access in areas with the greatest poverty and gender gaps.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve the Quality of Basic Education (\$37,841,000 ESF, \$61,759,000 ESF Prior Year Unobligated). FY 2005 obligations will fund the following programs: Education Reform, National Books for Youth, Life Skills Education, and IT in Schools. An Education Reform Program was launched in July 2004, to assist the Government of Egypt to decentralize the management of pre-university education institutions as a means to improve educational quality and make schools more open to community involvement. In FY 2005, this program will continue to benefit selected primary, preparatory, and secondary schools from the governorates of Alexandria, Aswan, Beni Suef, Cairo, Fayoum, Minya, and Qena. Project funds will support education resource development, school construction, classroom materials, teacher training, and technical assistance to replicate the reforms in other governorates. Principal contractors and grantees include: Academy for Educational Development (subs: Michigan State University, Research Triangle Institute, University of Pittsburgh, MACRO); American Institutes for Research (subs: Education Development Center, World Education); Planning and Learning Technologies (Pal-Techj) and World Learning (sub: International Institute for Education).

The National Books Program will provide 7.6 million books to 6.6 million students in primary, preparatory, and secondary schools in all 27 governorates of Egypt. This program will also work with local organizations to develop the private book publishing sector to provide locally authored, affordable quality reading materials for Egyptian youth.

The Life Skills Program will receive on-going support to community life-skills classes for disadvantaged girls and boys. The classes will introduce youth to a broad range of life skills topics including basic nutrition, health care, and hygiene; basic human and children's rights; gender respect and equity; and non-violent conflict resolution.

IT in Schools is an ongoing program which provides computers, training, and internet connectivity to targeted schools in collaboration with the Government of Egypt. This program will also create a web-based teacher and student resource platform to support better teaching and dissemination of teaching tools.



Improve the Quality of the Workforce (\$770,000 ESF). USAID will provide ongoing support to the School to Work Program which matches up private sector interests and support with technical and vocational secondary schools to improve relevance of secondary education, develop internship opportunities, and facilitate recruitment and job placement. Activities will take place on a pilot basis in approximately 20 selected vocational and regular secondary schools.

**FY 2006 Program:** Improve the Quality of Basic Education (\$24,800,000 ESF). USAID/Egypt intends to incrementally fund on-going education activities in basic education and workforce development in the areas of school construction, provision of books, teacher training, resource development, decentralization, and non-formal life skills education. In addition, a new program to improve the technical and vocational education and training systems in Egypt will be implemented on a pilot scale to demonstrate successful models for private sector collaboration with government technical training centers.

**Performance and Results:** USAID's education activities achieved important results in FY2004. Key accomplishments include the following: 1) political support for education reform and decentralization continued to rise as a result of early visible signs of improvements in classroom teaching and school management in participating schools; 2) governors in the seven targeted governorates of Alexandria, Aswan, Beni Suef, Cairo, Fayoum, Minya, and Qena actively led and supported education reform efforts by creating independent and locally controlled education reform funds and promoting community participation; 3) 31,844 young girls and women in 17 governorates participated in literacy and life-skills classes; 4) Nine new schools were built with community contributions and support, resulting in the enrollment of over 6,535 new students who were previously out of school; 5) 5,815 girls' scholarships awarded; 6) a total of 135 NGOs and private associations mobilized to support education in their communities as a result of their participation in USAID funded training and awareness raising workshops; and 7) an Egyptian version of the American Sesame Street called "Alam Simsim" continued to be broadcasted.

By the end of the education reform program in FY2009, over a million Egyptian youth will benefit from USAID-funded programs. 30,000 student teachers and over 50,000 classroom teachers will become better teachers as a result of their participation in professional enrichment programs. All of the 27 teacher colleges nationwide will implement policy reforms to improve teacher education, recruitment, and professional development opportunities; and an estimated 300 partnerships will be formed between NGOs, schools, communities, and the private sector to support education at the local level.

## US Financing in Thousands of Dollars

Egypt

263-022 Improved Basic Education	ESF
<b>Through September 30, 2003</b>	
Obligations	169,045
Expenditures	59,599
Unliquidated	109,446
<b>Fiscal Year 2004</b>	
Obligations	33,499
Expenditures	20,792
<b>Through September 30, 2004</b>	
Obligations	202,544
Expenditures	80,391
Unliquidated	122,153
<b>Prior Year Unobligated Funds</b>	
Obligations	61,759
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	38,611
<b>Total Planned Fiscal Year 2005</b>	
Obligations	100,370
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	24,800
Future Obligations	80,550
Est. Total Cost	408,264