

category must be provided. Also, please indicate the exchange rate used for the proposed local expenditures.

- g) A certification that the utilization of the proposed personnel did not result from a suggestion by the USAID. This certification is required since it is the Contractor's responsibility to identify and provide technical expertise required to U.S. Agency for International Development's needs.
- h) Certification of Current Cost and Pricing Data.
- i) Certification of Organizational Conflict of Interest.
- j) As an attachment to the proposal, the contractor must explain in specific detail its process for conducting the background/reference checks on personnel proposed and the results of those checks.

Questions should be addressed to Hani Takla, Contracts Specialist, or Mr. Roy Plucknett, Contracting Officer, USAID/Egypt, O/PROC. Proposal shall be submitted in hard copy and or maybe faxed to. 011-20-2-516-4739. Electronic copy is also required to be e-mailed to address: htakla@usaid.gov .

Scope of Work:

I. Technical Approach

BACKGROUND

The world trading system is evolving rapidly into a global market with lower trade barriers and greater capital mobility. Egypt, as is the case of many emerging market economies, is committed to capturing the benefits of free trade and globalization, but needs to manage its external trade with policies and procedures in a way that reflects a more liberalized trade regime.

The Government of Egypt (GOE) acceded to the World Trade Organization (WTO) Treaty in 1995. By that action it bound itself to 16 multilateral agreements covering the trade in goods and services. These cover agriculture, technical barriers to trade, antidumping, intellectual property rights, and other agreements covering investment. With WTO membership, the GOE agreed to implement the GATT agreement in a 'single undertaking' applicable to the multilateral and not the plurilateral agreements. WTO membership carries an explicit obligation to comply with all the terms of these agreements and accept international standards and codes of good practice by the conclusion of its grace period in the year 2000. However, Egypt, like many other countries, has availed itself of grace period extensions in several areas. In other areas it needs to have its compliance notifications verified by the WTO or a competent international body.

According to the WTO Treaty, there are four key areas that constitute compliance with its obligations and rights. They are: Most Favored Nation Status, National Treatment, Reduction of Barriers to Trade, and Prohibitions of Quantitative Restrictions on Trade. However, individual agreements are mainly cooperating with ensuring consistency and transparency. It is, therefore, the ‘transparency-based’ requirements that form the basis to meet WTO obligations. These are principally related to the harmonization of laws with international norms and the public distribution and consistent application of implementing procedures and technical requirements. By extension, the systematic collection of data and consistent use of methodologies for analyzing it, is critical to Egypt’s ability to exercise its rights. There are also a number of “transparency-based” obligations, principally legal and regulatory, which require prompt attention.

At the time it was negotiating its WTO accession, Egypt was pursuing a very effective structural adjustment program that included liberalizing trade policy through reduced tariffs and the elimination of non-tariff barriers. Real progress was achieved. However, important items remain on the reform agenda. The most important among these is the development of international standards and procedures that comply with the WTO Treaty. Although the GOE has taken steps in this regard, technical assistance is needed to complete these procedures to ensure full treaty compliance.

To effectively advance and institutionalize a liberalized trade regime compliant with the agreements contained in the treaty, the GOE will need to establish a new entity or agency unit with a mandate to monitor the implementation of the WTO agreements. It will coordinate the activities of different ministries and government authorities. In addition, it will need to continue the reengineering efforts supported by USAID funded activities; e.g., Development Economics Policy Reform Analysis (DEPRA) and a bridge activity that continued work begun under the former. In addition, it will need to expand the reengineering efforts to other external trade divisions. These new developments in the institutional infrastructure and procedures will help promote Egypt’s participation in the international trading system.

Since October 1999, and until November 2001, the Ministry of Economy was merged with the Foreign Trade and it became one Ministry that is responsible for Economy and Foreign Trade (MOEFT). This Ministry was given the mandate to liberalize the country's trade regime and capture the benefits of free trade through the formulation and execution of policy, the rationalization of procedures and functions, and the compliance with international trade agreements. It was supposed to coordinate efforts of ministries working on WTO compliance and develop positions for both WTO negotiations.

The MOEFT has identified a need to establish a WTO unit that will serve as a trade policy formulation and execution entity. Ministerial decree 420/2001 specifies the functions and responsibilities of this unit. The contractor will work on the establishment of this unit, which will be the primary counterpart for the implementation of this SOW.

In November 2001, the Minister of MOEFT became responsible only for foreign trade and the Ministry is currently the Ministry of Foreign Trade (MOFT).

The MOFT has six existing foreign trade divisions with responsibility for different trade related functions. They are: the Foreign Trade Sector (FTS), the General Organization for Export and Import Control (GOEIC), the Commercial Representation Sector (CRS), the Egyptian Export Promotion Center (EEPC), the General Organization for International Exhibitions (GOIE), and the Trade Points. Of these, the contractor shall work in the institutional development of the first three divisions only, FTS, GOEIC and CRS (that will be referred to in this SOW as “the cooperating divisions”). A brief description of their functions follows.

The FTS has approximately 350 employees of which 60 are young professionals that have been carefully selected and are currently in training under the mentioned bridge activity. The reengineering efforts undertaken under this activity will be continued and expanded through a new activity, Assistance for Trade Reform (ATR). FTS has five departments that are involved in the formation and execution of trade policy, negotiating and monitoring trade agreements, interpreting and enforcing regulations, and conducting sector-specific studies. It also has specific duties pertaining to the administration of trade remedies (antidumping, countervailing duties, and safeguards).

GOEIC has facilities at ports and airports throughout the country to test imported and exported products to ensure their compliance with quality, health, and technical standards of the Egyptian Organization of Standards (EOS), and other entities; e.g., agriculture and health. It may also, indirectly generate standards through the workings of a technical committee, which provides recommendations for a standard, which in turn is recommended to the Ministry of Industry and Mineral Wealth for authorization. GOEIC maintains 22 offices and laboratories, 11 of which are dedicated to inspection.

The Commercial Representation Sector (CRS) is the agent for Egyptian foreign commercial policy and its representation overseas. It supports coordinates and sometimes initiates commercial policy and the MOFT's promotion activities, including much of Egypt's representation before the WTO. The CRS is mandated to promote exports, imports, and foreign direct investment. It has 115 foreign commercial officers stationed in 68 embassies and consulates in 60 countries. Headquarters has two administrative units and two technical departments that are responsible for international and regional affairs.

Equally important and complementary to the development and establishment of strong institutional capacities supporting the trade policy framework is the improvement of the GOE's export promotion capacities. Currently, all Egyptian officials, starting with the president, put export growth as a top priority and a prerequisite for sustainable economic growth. Accordingly, the MOFT is presently preparing a comprehensive export strategy (short and long-run) to achieve this objective.

PURPOSE

The main purpose of this activity is to assist the GOE to: (i) establish a WTO unit within the MOFT and to form the necessary intra- and inter-ministerial coordinating mechanisms incumbent upon WTO compliance; (ii) Continue and finalize the reengineering efforts as contained in the FTS reengineering study and to expand/complete this effort in CRS and GOEIC so that their operations facilitate trade liberalization and enhance Egypt's export

prospects; and (iii) facilitate the automation of the above four units with appropriate information technologies.

These efforts are expected to improve the trade policy framework and regulation climate in Egypt. They will strengthen and improve institutions responsible for policy formulation to enable them to apply the international norms and practices governing trade and investment. They will also provide expert services to improve laws and regulations affecting trade liberalization and WTO compliance, enable GOE to exercise its WTO rights, and improve Egypt's export performance.

These objectives will be achieved through the delivery of technical assistance, training, and information technology systems.

LINKAGE TO USAID STRATEGY AND DEVELOPMENT SUPPORT PROGRAM (DSP)

The procurement of services and commodities under this activity will advance USAID's Development Support Program (DSP), a program that assists the GOE in its efforts to foster economic growth. DSP I, the first two-year US\$400 million policy reform program, was signed in September 1999. It will be followed by DSP II that will span six years starting September 2001. Up to US\$200 million will be obligated each year for DSP II. Trade liberalization and WTO compliance figure prominently in DSP II. The ATR activity will assist the GOE with the implementation of trade measures contained in DSP II.

As described in its results package (RP) document, the DSP supports USAID's goal of "A Globally Competitive Economy Benefiting Egyptians Equitably." It contains a set of policy reform measures that will advance USAID's Strategic Objective (SO) 16, "environment for trade and investment strengthened." It is intended to generate broad-based increases in family income, thus directly reducing poverty and enabling the gradual removal of consumer subsidies, which currently preclude the market from allocating resources efficiently. Accordingly, the main purpose of this activity is very much in line with the overall USAID strategic objective for promoting trade and investment. The main policy areas under DSP II are: trade, competition, privatization, fiscal reform, financial markets, monetary policy, commercial law, civil service reform, and data.

The Technical Assistance to Support Economic Reform (TASER 263-0277) finances the procurement of expertise and other services to advance the goals of current and future DSPs, including the elimination of policy constraints to private sector trade and investment. TASER is a six-year program that commenced in FY 2000 and is scheduled to conclude in FY 2006.

PREVIOUS USAID ASSISTANCE

The FTS bridge activity addressing trade reform, which is funded by TASER and the Technical Support for Sector Policy Reform (TSSPR). The purpose of this activity was to assist the GOE in its efforts to develop and strengthen the management and analytical capacity of the FTS. This activity started in December 2000 and concluded in August 2001.

Prior to this activity, USAID sponsored the DEPRA activity, which concluded in October 2000 and provided expertise in the areas of trade policy, deregulation, and financial sector strengthening. It also worked to enhance the capabilities of individuals and institutions to conduct economic policy research. DEPRA conducted research in support of sound policy formulation. It strengthened the MOFT's information analysis and dissemination functions. Training was provided to improve the skills of its staff and commodities were procured to modernize its facilities and infrastructure.

In developing its research agenda, DEPRA prepared a series of policy studies that identified constraints to trade liberalization and recommended remedial actions. The findings, conclusions and recommendations of these studies were well documented.

In addition to the body of literature that DEPRA prepared, it provided the MOFT with expertise in regulation and legislation. Based on that, there is a sound analytical basis for trade liberalization and WTO compliance in Egypt.

Trade-related assistance has been provided through the United States Department of Commerce's Commercial Law Development Program (CLDP). One of its main tasks was a study on the establishment of a WTO unit. The study specified the expected roles and responsibilities of this unit, copy attached.

TASKS

To meet the purpose of this activity, USAID will contract for the services of a qualified firm that will recruit, place, and support a team of specialists qualified to provide the MOFT with expertise supportive of efforts to establish the new WTO unit, reengineer the cooperating divisions, and to liberalize the trade regime. These specialists shall work in close collaboration and under the guidance of the MOFT's coordinator and the representatives of cooperating divisions and the head of the WTO unit. All tasks under this scope of work should be implemented in close collaboration with the Ministry's coordinator and cooperating divisions

Concurrent with the reengineering efforts to be provided by the contractor, it is anticipated that the MOFT will formalize and approve a new organization chart ratified by the Central Authority for Organization and Management. Correspondence between the Ministry and the authority on this subject will be considered as a step towards approval of the new organization plan. It is also anticipated that this formalization process will start with GOEIC and CRS as soon as the reengineering studies including the new organizational structures are delivered by the contractor and approved by the MOFT. Similar procedures will be expected in the establishment of the new WTO unit.

In all tasks, the technical assistance will be delivered within the framework of a **mentoring approach** to ensure the transfer of skills. In addition to the long-term expatriates, the contractor will appoint three long-term local experts (senior trade specialist, senior macro economic specialist, and management information system specialist). To increase the chances of sustainability, the team of long-term expatriates will work in close collaboration with the Egyptian counterpart(s) designated by the cooperating divisions and the newly established WTO

unit. The mentoring approach should be undertaken in close collaboration with the Ministry's coordinator and the representatives of cooperating divisions. This will guarantee proper coordination on one hand and the transfer of knowledge and building capacities on the other.

There are five primary tasks that shall be undertaken by the contractor, who will deal with four divisions under the MOFT (the newly established WTO unit, FTS, GOEIC, and CRS). The contractor will abide by the timeframe set for each task specified in the following table. This time frame could be altered if necessary.

MOFT Divisions →	WTO Unit	FTS	GOEIC	CRS
Tasks and time frame ↓				
1. WTO unit establishment ↓	FY02-06 or end of contract			
2. Trade liberalization	FY02-06 or end of contract	FY02-06 or end of contract		
3. Reengineering	FY02-06 or end of contract	FY02-06 or end of contract	FY03-06 or end of contract	FY02-06 or end of contract
4. Training	FY02-06 or end of contract	FY02-06 or end of contract	FY03-06 or end of contract	FY02-06 or end of contract
5. Equipment	FY02-06 or end of contract	FY02-06 or end of contract	FY03-06 or end of contract	FY02-06 or end of contract

* FY 2002 starts Oct. 1, 2001 through Sep. 30, 2003, and so on.

In developing an annual work plan (see Section VII) supportive of the tasks contained in this SOW, the contractor shall consider the following sources:

Studies prepared by previous USAID contractors with respect to trade liberalization; e.g., studies prepared by DEPRA. The web site for studies conducted by DEPRA is WWW.economy.gov.eg/DEPRA.

Studies prepared by previous USAID contractors with respect to establishing a WTO unit, especially CLDP. (attached);

Studies prepared by international organizations, such as the World Bank, UNCTAD, and other donors such as the EU, Japan, etc;

Decrees pertaining to trade (copies of four decrees are attached with unofficial translations); and DEPRA plan for the re-engineering of the FTS (copy of which is attached). DSP II policy matrix.(attached)

Task 1: Establish a WTO unit

The contractor shall assist the MOFT with the establishment of a WTO unit that will be responsible for the formation and execution of trade policy, the coordination between ministries, and the negotiation of trade agreements. This unit will work across sectors within the MOFT and the head of the unit will report directly to the minister. This unit should serve as the 'national notifications

agency' that can report to the WTO on compliance issues. Its director will regularly chair an inter-ministerial WTO committee and prepare positions for WTO ministerial meetings.

A key concern the contractor must address is the management of the transfer of various functions that are now undertaken by different divisions under the MOFT to the WTO unit.

Among its responsibilities, the unit will:

Serve as the key contact point for the GOE with the WTO and be responsible for making notifications on compliance issues. It will also serve as the publications and distribution body for the MOFT for reports and procedural notifications required by the WTO (conformity assessment procedures, technical regulations, licensing policies, etc).

Serve as a WTO-related policy formulation body for the MOFT and be the lead on developing GOE positions for WTO negotiations.

Serve as chair of two WTO coordinating committees, one meant to coordinate positions between different sectors within the MOFT, one meant to coordinate inter-ministerial positions on WTO issues, and to promote the participation of the private sector in policy making.

Serve as the GOE's monitoring body for WTO compliance. In that, it will conduct studies on implementation issues as well as organize and coordinate verification reviews by appropriate international organizations.

The contractor shall undertake the following specific actions in close collaboration with the MOFT and the head of the WTO unit:

Immediate (Year One):

Review and revise, if necessary, the reports on the WTO establishment prepared by the CLDP and other contractors;

Assist the MOFT in the preparation for ministerial meetings;

Provide analytical and administrative support to an inter-ministerial team coordinating WTO issues. A system will be put in place to ensure effective coordination among team members; and

Subsequent to the contractor's assessment of Egypt's position on WTO compliance and its trade policy framework, the contractor shall pursue a WTO awareness campaign that informs the public about the benefits of free trade and WTO compliance.

Short-term (Years One and Two):

Recommend an organizational plan that will address functional as well as personnel and procedural issues faced by the unit. This plan should reference the way other countries and/or international organizations with trade negotiations units are structured;

Upon the approval of the MOFT, implement the organizational plan for the unit;

Complete a training needs assessment that specifically addresses deficiencies in commercial diplomacy and trade negotiation and reporting skills;

Assist the MOFT with the installation of an organizational structure for the unit with clear lines of authority within the MOFT and throughout the GOE. Establish reporting and clearance processes by creating personnel and procedural work plans for the unit and the sectors that support it. This will include a centralized filing and retrieval system;

Assist with the preparation of verification reviews by the WTO or other international organization, as appropriate, in priority areas such as trade related intellectual property rights (TRIPs), technical barriers to trade (TBT) and sanitary and phytosanitary standards (SPS) and to evaluate needs based on these reports;

Assist the MOFT with the preparation of guidelines, publication, and distribution of reports and pamphlets incumbent upon compliance, such as conformity assessment procedures and technical regulations. These publications will be submitted to the WTO or an appropriate international organization pursuant to treaty compliance. A system and schedule for annual reporting to the WTO should be established.

Assist the MOFT in the institutionalization of inter-ministerial trade policy coordination, using the unit as a secretariat. This may include the development of guidelines and clearance procedures. TRIPs, TBT, and SPS are of immediate concern.

Medium Term (Years Three and Beyond):

Continue the implementation of all efforts that has been started in immediate and short term. It is expected that, by the end of the medium term, the WTO unit will be fully operational with a clear defined systems and procedures and in accordance with international norms.

It is envisioned that that there will be overlap between the immediate, short, and medium-term tasks.

The ultimate goal of this task is to improve Egypt's status in respect to WTO compliance and set the mechanism and procedures needed to monitor its status of compliance.

Expected Results for Task One (Base Period)

The main expected results from this task are

- The WTO unit is established with the appropriate organizational structure and responsibilities;
- Procedures and guidelines are set for the GOE to follow when dealing with WTO; and
- Inter-ministerial communication and coordination system is set in place.

Task Two: Trade Liberalization and WTO Compliance Policies

Under this task, the contractor is required to provide technical assistance in areas that do not fall under the jurisdiction of the MOFT such as standards and trade services. This technical assistance

will be implemented in close collaboration with MOFT and upon the approval of the concerned entities.

1. In close collaboration and under the guidance of the Ministry's coordinator, the contractor shall prepare and submit to MOFT and USAID a set of policy recommendations that will continue the liberalization of the country's trade regime in conformity with Egypt's GATT/WTO commitments. The contractor shall assist the MOFT with the following tasks:

- Develop the new Egyptian Rules of Origin in compliance with the Rules of Origin agreement.
- Review existing policies, laws, and regulations that have a direct effect on trade;
- Comprehensively review the status of trade related services;
- Recommend changes in existing policies and/or the design of new ones;
- Advise the GOE in the implementation of the new policy measures;
- Provide, upon the request of the cooperating divisions and the WTO unit and with the approval of USAID, short term technical assistance to advise on trade reform related areas which may include the completion of analytical reports;
- Assist in drafting laws and regulations, upon request of the MOFT, related to trade reform; and
- In addition, the contractor shall assist in revising Egyptian standards that would comply with international standards as they relate to the import and export of commodities.

2. As signatory to the WTO Treaty, Egypt has obligations and rights within the evolving multilateral trading system. To assist the GOE to meet its WTO obligations and take advantage of its rights, the contractor, working in close collaboration with MOFT and primarily through short-term consultants, shall:

- Assist the WTO unit to review and assess Egypt's laws in the context of WTO compliance. This will assist Egypt to continue its efforts towards full WTO compliance. Undertake a comprehensive assessment of Egypt's status in complying with WTO obligations and exercising its rights;
- Undertake an assessment of the important areas that will be the subject of further WTO negotiations in the near future;
- Based on the review, recommend a time-phased action plan to implement the recommended measures; and
- As requested, present a series of workshops on the importance of WTO compliance and the exercise of rights.

3. The contractor shall assist GOIEC in the implementation of reform measures that will help in improving the trade policy framework and regulations climate in Egypt and in supporting private sector initiatives (local and foreign) in import inspection. This will be achieved through the implementation of Decree 106 (procedures, sampling, testing and inspection) and establishing a one-stop shop for different kinds of inspection, and issuing conformity assessment procedures. Specifically, the contractor shall assist GOIEC in the drafting of the implementing regulations of Decree 106, which establishes coordinated conformity assessment procedures.

In relation to this, the contractor shall assist in the establishment of the policy measures and procedures necessary for "accreditation and selection of private (foreign and local) labs" with the aim of accepting certificates from these accredited companies in import inspection.

To establish the system of decrees acknowledging the compliance with these inspection certificates, with the norms and standards that have been set by MOFT (Decree no. 552/2000 can be used as a point of reference);

Continue the efforts provided by previous TA in the automation of trade registry (import and export agencies).

4. The contractor is required to advise the MOFT on export promotion techniques and best practices. This could cover a wide range of export support services that will be provided by the GOE or/and private sector entities. The contractor will work closely with MOFT to implement these programs and services. To this end, the contractor will examine the relatively weak performance of Egyptian exports and critically survey the existing export promotion measures, authorities, and activities. The contractor must be capable of presenting different scenarios for the improvement of Egypt's export performance according to the prevailing economic conditions. Under the direction and guidance of the MOFT, the contractor shall draft a practical time-phased action plan identifying priority measures and target dates. The areas to be addressed include among others: incentive structure, export transaction costs, export trade-financing measures, and trade services.

5. As requested, sponsor monthly or bimonthly seminars and workshops on important trade policy reform issues that will involve key Egyptian public and private sector decision-makers as well as the general public.

Expected Results for Task Two

The main expected results from this task are

- An economically rational policy framework that is conducive to trade liberalization and WTO compliance (base and option periods);
- The Egyptian Rules of Origin are developed and notification is sent to the WTO (base period);
- Clearly defined export promotion policies and strategies (base period);
- The conformity assessment procedures practiced by GOEIC are more transparent, clearly defined, and consistent with international norms and practices (option period); and
- Egypt makes significant movement towards WTO compliance (base period).

Task Three: Institutional Development of the Cooperating Divisions Working in Foreign Trade

The contractor shall undertake and complete the following:

- Continue and complete the implementation of the FTS re-engineering plan as approved by the MOFT.
- The contractor shall assist FTS in the following:
 - Strengthening the MOFT's policy analysis unit helping it set procedures facilitating the information flow to key policy makers;
 - Enhancing and better regulating trade services and identifying priority areas for upgrading the services infrastructure;
 - Increasing the use of market access data;
 - Strengthening FTS's relationships with other trade-related ministries and agencies;
 - Providing strategic planning and trade diplomacy training during the FTS re-engineering phase and advise staff on WTO and free trade agreements (FTAs) negotiations;
 - Streamlining unit processes and procedures;
 - Developing process manuals and guidelines and train professionals on their usage; and
 - Supporting the establishment of a trade library and a docket system.
- Conduct additional studies as needed by the cooperating divisions aimed at:

- Enhancing rules of origin regulations and enforcement capabilities; and
- Other studies as required.
- Provide institutional development support for the General Organization for Import and Export Control (GOIEC) and the Commercial Representation Sector (CRS).

The contractor shall provide a management consultant team to review the various roles and functions of GOEIC and CRS and enhance these roles and functions in a liberalized economy. In order to do this review, the contractor shall conduct reengineering studies for both divisions. Based on the findings of these studies, the contractor shall design an action plan for its implementation. The contractor shall consider the FTS study as a model. The contractor shall assist the MOFT with the implementation of any proposed structure modifications.

In executing this task, the contractor shall:

- Be provided with the existing studies, laws, and decrees that is important in conducting the studies;
- Review, in collaboration with the relevant divisions, existing studies, laws and decrees;
- Conduct an inventory of the current organizational structure, processes, and physical resources available, and identify constraints preventing the cooperating divisions from performing their mission;
- Prepare and submit recommendations to alleviate constraints identified; and
- Coordinate with other agencies with trade policy responsibilities.

Expected Results for Task Three:

The main expected results expected from this task are

- Reengineering efforts are completed for the cooperating divisions; (base and option periods)
- Practical tools are in place for FTS staff to analyze trade-related data; (base period)
- The reengineering plans for the CRS and GOEIC shall reflect the GOE's trade liberalization reform agenda; (base period)
- Procedures, guidelines and manuals will be developed for use by the cooperating divisions to attain their new mission and goals; (base and option periods)
- The research capabilities of economic researchers within the cooperating divisions are enhanced; (base and option periods)
- CRS has an established system for work procedures and defined responsibilities as related to export promotion; (option period), and
- GOEIC has defined organizational structure and responsibilities that enable it to participate in a liberalized trade regime. (option period)

Task Four: Organization of In-country and Off-shore Training Activities, Workshops, and Seminars

The contractor shall provide in-country and on-the-job training, workshops, and seminars, and other training for the MOFT staff in topics relevant to their responsibilities. Topics for in county training may also include leadership development, business skills and strategic planning. The contractor shall identify off-shore training events for the MOFT staff. Topics to be covered include trade policy reform, GATT/WTO compliance, dispute settlement mechanism under the WTO, effective participation in WTO negotiations, economic theory, management, investment and trade promotion, international agreements, economic modeling and quantitative analysis, trade infrastructure and support services.

Training funds. Training will be funded partially through this contract and partially through USAID's Development Training 2 (DT2) program. The total cost of the training activities may total US\$2.6 million, of which US\$600,000 to be provided by DT2, and the remaining funds will be provided through ATR by the contractor for in-country and off-shore training. However, if a follow-on to DT2 is awarded, some training could be implemented by that activity, as explained below.

For Year One and Until March 2003. Under this task, structured and off-the-shelf training whether domestic or international will be acquired through USAID's DT2 program in an amount not to exceed US\$600,000. DT2 Component no. 1, International Institute of Education (IIE) and DT2 Component no. 3, English Language Testing and Training (ELTT) will be used for this purpose. (DT2 Component no. 1, is expected to be in effect until January 2003 and ELTT will be in effect until March 2003). Up to US\$400,000 will be available under DT2 for off-shore and US\$200,000 will be available for in-country training, for a total of up to US\$600,000 until January 2003. The amount specified above will cover training under this task and IT training under task five as well.

For years two and beyond.

- 2.1 In-country on-the-job, educational, tailored training, seminars, workshops and conferences will be funded by the contractor, according to the annual approved training plan and as resources permit. The annual budget for year two and until the end of the task order is up to US\$200,000 per year, for a total of approximately US\$650,000; and
- 2.2 Off-shore training will be funded under this Task Order or under a follow-on activity to DT2/3. The funds available are US\$400,000 per year, for a total of approximately US\$1.3 million.

Pursuant to this task, the contractor must coordinate with the Ministry's coordinator and the cooperating divisions and the newly established WTO unit. The contractor shall undertake and complete the following sub-tasks during the contract period:

- As a continuation from previous TA, prepare a commercial diplomacy program to the staff of the cooperating divisions. This program will instruct the staff in the principles and procedures of conducting trade negotiations and representing commercial interests;
- Prepare and conduct on-the job intensive training in international trade legal affairs.
- Conduct a training needs assessment for each of the three cooperating divisions, FTS, GOEIC, and CRS, and the newly established WTO unit to identify the type and nature of training programs;
- Design and implement in-country and off-shore training activities as needed; and
- The contractor shall prepare a comprehensive annual training plan for both in-country and off-shore non-degree training; the first annual plan to be submitted to USAID within three months of the contractor's initiation of activities in-country and thereafter, within the first month of the subsequent year.

The plan will be based on the training needs assessment and shall include:

- The number of person months of training for each of the cooperating divisions and the WTO unit;
- The list of training courses recommended with details for each;
- The number of employees to be trained and the duration of each training activity, both in-country and off-shore;
- The estimated cost of each training activity;

- The administrative procedures to be used to acquire the training; and
- A schedule listing all in-country and off-shore, non-degree training and the methodology to periodically evaluate the training and adjust the plan accordingly.

Expected Results of Task Four:

The main expected results from this task are

- Technical capacities of the cooperating divisions and the newly established WTO unit are improved; (option period),
- Private/public awareness in respect to trade and WTO issues is elevated; (base period),
- Negotiation skills for MOFT staff are strengthened; (base and option periods)
- Skills used in economic modeling and quantitative analysis are improved; (base and option periods),
- Analytical, writing & reporting as well as management skills of MOFT staff are strengthened; (base and option periods), and
- MOFT's capacity to promote Egypt's rights in WTO is enhanced;(option period).

Task Five: Implementation of Information Technology Plan for Cooperating Divisions and WTO Unit; Procurement of Equipment and Software

The contractor shall undertake an information technology (IT) needs assessment for the newly established WTO unit and prepare a plan for it. The contractor shall conduct a comprehensive assessment of the cooperating divisions IT requirements, which will provide the technical specifications for an IT modernization plan for the cooperating divisions and the WTO unit. The assessment should be conducted in conjunction with other current or prospective IT needs assessment that may be underway for the benefit of the cooperating divisions. Specifically, the plan will include a review of the current IT needs assessment commissioned by the MOFT and, to the extent possible, build upon that work to provide a comprehensive assessment.

It is important that the contractor coordinate its work with other USAID-funded IT activities to ensure continuity and compatibility with data collection, processing and dissemination programs. The plans will identify needed equipment and information; architecture, system support, and personnel and training. It will also identify sources of trade data and/or ways to collect and/or acquire trade data currently available in Egypt.

The contractor shall implement the IT plans within the limits of the budget provided. The contractor shall establish an operational computer network linking the cooperating divisions under this task to facilitate communication and exchange of information.

Commodities

Up to **US\$3 million** shall be available to the contractor to procure IT equipment and to furnish its office space. Procurement of hardware and software will be implemented for each of the cooperating division and should commence separately once the reengineering plan for each division is completed and approved. The procurement for the cooperating divisions and the WTO unit will occur when

- In the context of the reengineering plans, the new goals, functions and structures of each of the cooperating divisions and the WTO unit under a liberalized trade regime are defined, clear, and approved by the MOFT and USAID; and
- The IT plan is submitted to and approved by MOFT and USAID.

Funds from the GOE's local currency special account may also be available to finance items included in the prospective IT plans. However, for the purpose of this contract, offerors should not factor in the use of local currency. The Ministry of International Cooperation (MIC) and USAID jointly program the account.

Following applicable USAID procurement regulations, policy, and guidance, the contractor shall prepare and submit to USAID for its approval a procurement plan for WTO unit and the cooperating divisions' IT capacities. The plan should describe the commodities to be procured under the auspices of this activity. Equipment to be procured by the contractor on behalf of the GOE will include software and hardware. This will include, but will not be limited to, electronic data processing equipment and software, computers, server(s), personal computers, modems, printers, scanners, software operating system packages, statistical, database and integrated management information system software packages, facsimile machines, and photocopy machines. The plan should also describe in detail: the commodities to be procured and the number to be ordered; a schedule of ordering, purchasing, and shipping the commodities; and the method of administering the procurement process.

The contractor shall prepare detailed annual procurement plans for USAID approval pursuant to the submission of annual work plans.

As mentioned above, equipment can only be procured after approvals of the IT and procurement plans which will reflect the new goals and mission of the WTO unit and cooperating divisions. As stated under Task Four training required to implement the IT plan can be acquired through funds provided for training under this contract, and through USAID's DT2 program or similar follow-on training programs; i.e., DT3.

In addition to the IT equipment mentioned above, the contractor will be permitted to purchase goods and services necessary to furnish its own office, which will be provided by the GOE. This includes office equipment, telecommunications, furniture, printers, air conditioners, photocopiers, and three vehicles. This equipment will be used by the contractor and his staff to accomplish the above mentioned tasks.

Expected Results for Task Five:

The main expected results from this task are

- IT system is established in the cooperating divisions, within the budget limit; (base and option periods).
- The usage of IT is increased and the established IT system (hardware and software) is improved in the cooperating divisions; (base and option periods).

Performance standards

The contractor understands that it will be evaluated according to the fulfillment of the performance standards stated below. The MOFT and USAID will ensure that the contractor receives the necessary support to attain these requirements. Ultimately, the success of the activity will be measured by the degree to which the contractor achieves expected results, as described under each task.

The following are the performance standards for the five main tasks under this SOW

Tasks One and Three:

1. *Technical Competence*: The implementation plans for the WTO Unit, FTS, CRS and GOEIC should be comprehensive, implementable, with a realistic time table, and serve the overall goal of the activity which is capacity building and trade liberalization.

2. *Contractor Responsiveness*: the contractor will be evaluated by its correct, rapid, and helpful responses to USAID and MOFT officials without undue delays. The contractor will be evaluated also by its efficiency in the communication and coordination among the different interest groups of this SOW.

Task Two:

Ability to assemble effective expertise *and* provide good quality technical assistance: Performance under this task will be evaluated by his success in assembling qualified and high-level local and US experts in the different subject areas for both long-and short-term positions. It will be also evaluated through the quality of technical assistance provided to the counterpart and his satisfaction with the work presented.

Task Four:

The contractor will be evaluated by his ability to acquire and deliver well targeted training through the implementation of its training plan, the counterparts satisfaction with the quality, and delivery of that training. This shall require close coordination in the planning and execution of that training with other contractors and customers.

Task Five:

The implementation plan for the IT task should be well structured, clear and implementable with tasks identified in terms of priority and within the budget resources committed. The contractors shall be responsible for the full implementation of the approved plan.

VII. DELIVERABLES AND REPORTS

The contractor is required to submit the following deliverables:

The contractor shall prepare and submit to USAID the first annual work plan within 90 days of the chief of party's arrival. The first draft is due after 45 days of his/her arrival. The contractor shall also prepare annual work plans (due 30 days