

**No. 19888**

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**UNITED STATES OF AMERICA  
and  
EGYPT**

**Project Grant Agreement for development planning studies  
(with annex). Signed at Cairo on 17 August 1978**

*Authentic text: English.*

*Registered by the United States of America on 10 June 1981.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ÉGYPTE**

**Accord de don pour un projet relatif à des études sur la pla-  
nification du développement (avec annexe). Signé au  
Caire le 17 août 1978**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 10 juin 1981.*

**PROJECT GRANT AGREEMENT<sup>1</sup> AMONG THE ARAB REPUBLIC OF EGYPT, THE UNITED STATES OF AMERICA AND CAIRO UNIVERSITY FOR DEVELOPMENT PLANNING STUDIES**

Dated: August 17, 1978

A.I.D. Project Number 263-0061

TABLE OF CONTENTS

PROJECT GRANT AGREEMENT

<p>Article 1. The Agreement</p> <p>Article 2. The Project</p> <p style="padding-left: 20px;">Section 2.1. Definition of Project</p> <p style="padding-left: 20px;">Section 2.2. Incremental Nature of Project</p> <p>Article 3. The Financing</p> <p style="padding-left: 20px;">Section 3.1. The Grant</p> <p style="padding-left: 20px;">Section 3.2. Grantee Resources for the Project</p> <p style="padding-left: 20px;">Section 3.3. Project Assistance Completion Date</p> <p>Article 4. Conditions Precedent to Disbursement</p> <p style="padding-left: 20px;">Section 4.1. First Disbursement</p> <p style="padding-left: 20px;">Section 4.2. Additional Disbursement</p> <p style="padding-left: 20px;">Section 4.3. Notification</p> <p style="padding-left: 20px;">Section 4.4. Terminal Dates for Conditions Precedent</p> <p>Article 5. Special Covenants</p> <p style="padding-left: 20px;">Section 5.1. Project Evaluation</p> <p style="padding-left: 20px;">Section 5.2. Establishment of a New Joint Advisory Committee</p> <p style="padding-left: 20px;">Section 5.3. Criteria for Selection of Sub-projects</p> <p style="padding-left: 20px;">Section 5.4. Establishment of the Institute</p> <p style="padding-left: 20px;">Section 5.5. Building of the Institute</p> <p style="padding-left: 20px;">Section 5.6. Operations of the Institute</p> <p style="padding-left: 20px;">Section 5.7. AID Direct Contract</p>	<p>Article 6. Procurement Source</p> <p style="padding-left: 20px;">Section 6.1. Foreign Exchange Costs</p> <p style="padding-left: 20px;">Section 6.2. Local Currency Costs</p> <p>Article 7. Disbursements</p> <p style="padding-left: 20px;">Section 7.1. Disbursement for Foreign Exchange Costs</p> <p style="padding-left: 20px;">Section 7.2. Disbursement for Local Currency Costs</p> <p style="padding-left: 20px;">Section 7.3. Other Forms of Disbursement</p> <p>Article 8. Miscellaneous</p> <p style="padding-left: 20px;">Section 8.1. Communications</p> <p style="padding-left: 20px;">Section 8.2. Representatives</p> <p style="padding-left: 20px;">Section 8.3. Standard Provisions Annex<sup>2</sup></p> <p>Annex 1</p> <p>Description of the Project</p> <p>A. Introduction</p> <p>B. Project Description</p> <p style="padding-left: 20px;">1. Summary</p> <p style="padding-left: 20px;">2. Activity Details</p> <p style="padding-left: 20px;">3. Organization and Administrative Arrangements</p> <p>C. Reporting</p> <p>D. Evaluation</p> <p>E. Program Budget</p>
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A.I.D. Project 263-0061

**PROJECT GRANT AGREEMENT** dated August 17, 1978, among the ARAB REPUBLIC OF EGYPT, "Grantee", CAIRO UNIVERSITY ("CU") and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

<sup>1</sup> Came into force on 17 August 1978 by signature.

<sup>2</sup> Not published herein; for the text see "Project Grant Agreement between the United States of America and Haiti relating to health services. Signed at Port-au-Prince on 30 August 1977" in the United Nations, *Treaty Series*, vol. 1229, p. 287.

### Article 1. THE AGREEMENT

The purpose of this Agreement is to set out the understandings of the parties named above (“Parties”) with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

### Article 2. THE PROJECT

*Section 2.1. DEFINITION OF PROJECT.* The Project, which is further described in Annex 1, will consist of assistance provided to agencies of the Grantee and to CU—initially under a direct two-year contract between A.I.D. and a U.S. participating institute—to strengthen the capabilities of the Grantee’s Ministries to utilize more appropriate and professional development program and planning methods. The primary objective of the first two years of the Project is to establish an Institute of Technological Planning within Cairo University with the capacity of assisting the Grantee’s Ministries in the areas of applied research on important Egyptian developmental problems, program development, project implementation and training. To accomplish this, the U.S. participating institute will assist CU and the appropriate Grantee’s Ministries in obtaining the following objectives:

- Establishment of an Institute of Technological Planning at CU by August 31, 1979;
- Organization of resource teams to assist in specific applied research studies requested by ministries and other interested entities;
- Development of technical advisory services at the Institute;
- Training of Egyptians in-country, at the U.S. participating institute and in other appropriate institutes;
- Organization of conferences, seminars and meetings pertinent to the objectives stated above.

During the remaining three years of the Project, the objective will be to provide continuing but diminishing assistance to the new Institute so that at the end of five years the Institute can provide consultative services to government agencies on a self-supporting basis.

The Project shall finance technical assistance, training, applied research, evaluations, and related commodity support required to further Project activities.

Cairo University shall implement this Agreement on behalf of the Grantee.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

*Section 2.2. INCREMENTAL NATURE OF PROJECT.* (a) A.I.D.’s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D. based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

### Article 3. FINANCING

*Section 3.1. THE GRANT.* To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed three million eight hundred thousand United States (“U.S.”) Dollars (\$3,800,000) and two million three hundred thousand Egyptian Pounds (LE 2,300,000) (“Grant”).

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant.

*Section 3.2. GRANTEE RESOURCES FOR THE PROJECT.* (a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the first two years of the Project will be not less than five hundred and forty thousand in Egyptian Pounds (LE 540,000), including costs borne on an “in-kind” basis.

*Section 3.3. PROJECT ASSISTANCE COMPLETION DATE.* (a) The “Project Assistance Completion Date” (PACD), which is August 31, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

### Article 4. CONDITIONS PRECEDENT TO DISBURSEMENT

*Section 4.1. FIRST DISBURSEMENT.* Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which

disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2 and of any additional representatives, together with a specimen signature of each person specified in such statements; and,
- (b) Such other information and documents as A.I.D. may reasonably require.

*Section 4.2. ADDITIONAL DISBURSEMENT.* Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the first two years' activities under the Grant, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An evaluation conducted by the Grantee of progress toward attainment of objectives of the Project up to that date, which evaluation shall have been approved by A.I.D.;
- (b) Evidence of the establishment of an Institute of Technological Planning within CU, with authorities and functions approved by A.I.D. and whose initial staffing shall have been designated; and,
- (c) Such other information and documents as A.I.D. may reasonably require.

*Section 4.3. NOTIFICATION.* When A.I.D. has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

*Section 4.4. TERMINAL DATES FOR CONDITIONS PRECEDENT.* (a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee; and,

(b) If all of the conditions specified in Section 4.2 have not been met by August 31, 1980, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

#### *Article 5. SPECIAL COVENANTS*

*Section 5.1. PROJECT EVALUATION.* The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems;
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project; and,
- (e) Arrangements and conditions further described in Section D of Annex 1.

*Section 5.2. ESTABLISHMENT OF A NEW JOINT ADVISORY COMMITTEE.* The Grantee and CU agree to establish a new Joint Advisory Committee of a nature and composition acceptable to A.I.D. This new Joint Advisory Committee will be established within six months from the date of the Grant Agreement and will include representation from the Grantee's Ministries. The Grantee will provide A.I.D. with a statement of the Committee's authorities, functions and initial membership. The Grantee and CU agree to make available representatives from their respective organizations to serve as Members of the new Joint Advisory Committee.

*Section 5.3. CRITERIA FOR SELECTION OF SUB-PROJECTS.* The Grantee and CU agree to establish criteria acceptable to A.I.D. for the selection of sub-project activities, within six months from the date of the Grant Agreement. The Grantee and CU further agree that one such criterion will be the proportion of costs to be financed by the outside entity or the Grantee's Ministry interested in the sub-project activity.

*Section 5.4. ESTABLISHMENT OF THE INSTITUTE.* The Grantee and CU agree to establish an Institute for Technological Planning by August 31, 1979.

*Section 5.5. SPACE FOR THE INSTITUTE.* The Grantee agrees to provide, through Cairo University, adequate space which will be used to house the Institute in order for it to carry out its activities.

*Section 5.6. OPERATIONS OF THE INSTITUTE.* Cairo University agrees to:

- (a) Provide a full-time Director for the Institute and such other full- or part-time personnel as may be required;
- (b) Make staff members available to participate in an academic exchange program at the U.S. participating institution; and,
- (c) Make staff members available, as may be required, to the Institute to participate in applied research studies, provide technical advisory services, and serve as instructors.

*Section 5.7. A.I.D. DIRECT CONTRACT.* The Grantee agrees that as soon as possible after signing of this Agreement and satisfaction of the conditions precedent to first disbursement, A.I.D. may enter into a direct two-year contract with a U.S. institution to provide the services required for the Project. The contract will be subject to standard A.I.D. provisions and shall be funded under this Grant.

#### *Article 6. PROCUREMENT SOURCE*

*Section 6.1. FOREIGN EXCHANGE COSTS.* Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b), with respect to marine insurance.

*Section 6.2. LOCAL CURRENCY COSTS.* Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source in Egypt and, except as A.I.D. may

otherwise agree in writing, their origin in countries listed in Code 935 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Local Currency Costs").

#### Article 7. DISBURSEMENTS

*Section 7.1. DISBURSEMENT FOR FOREIGN EXCHANGE COSTS.* (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

- (1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or
- (2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

*Section 7.2. DISBURSEMENT FOR LOCAL CURRENCY COSTS.* (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained from local currency also owned by the U.S. Government.

*Section 7.3. OTHER FORMS OF DISBURSEMENT.* Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

#### Article 8. MISCELLANEOUS

*Section 8.1. COMMUNICATIONS.* Any notice, request, document or other communication submitted by any Party to one or more of the others under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee (either one or both):

Mail address:

Office of the Rector  
Cairo University  
Cairo, Egypt

The Minister of Economy and Economic Cooperation  
Ministry of Economy and Economic Cooperation  
8, Adly Street  
Cairo, Egypt

Alternate address for cables:

Office of the Rector  
Cairo University  
Cairo, Egypt

The Minister of Economy and Economic Cooperation  
Ministry of Economy and Economic Cooperation  
8, Adly Street  
Cairo, Egypt

To A.I.D.:

Mail address:

A.I.D.  
U.S. Embassy  
Cairo, Egypt

Alternate address for cables:

A.I.D.  
U.S. Embassy  
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the U.S. AID Mission with a copy of each communication sent to A.I.D.

*Section 8.2. REPRESENTATIVES.* For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, the Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and the Rector, Cairo University, and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S. AID, Cairo, Egypt, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description to Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

*Section 8.3. STANDARD PROVISIONS ANNEX.* A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.



IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Arab Republic of Egypt:

By: [Signed]

Name: DR. HAMED EL SAYEH  
Title: The Minister of Economy and  
Economic Cooperation

United States of America:

By: [Signed]

Name: DONALD S. BROWN  
Title: Director, U.S. AID

Cairo University:

By: [Signed]

Name: DR. SOUFY ABOU TALEB  
Title: Rector, Cairo University

Project 263-0061

## ANNEX 1

### DESCRIPTION OF PROJECT

#### A. Introduction

The Project described herein is a result of work initiated in December of 1976, when A.I.D. signed a contract with the Massachusetts Institute of Technology (M.I.T.) to establish a collaborative research effort with Cairo University and various interested Ministries of the Grantee to improve their capabilities in analyzing, planning and managing work on important Egyptian developmental problems. At the same time the feasibility of institutionalizing the processes established to carry out this work was examined. It was determined by A.I.D. the success of M.I.T.'s initial work warranted devising a five-year project which would continue the process and build a semi-autonomous Institute at CU capable of carrying out independently in the future the joint research effort involving CU with outside entities and Grantee's Ministries.

#### B. Project Description

##### 1. Summary

This Grant Agreement is a result of A.I.D.'s approval of the Project and provides assistance to the Grantee in creating improved developmental program and project planning and management capabilities within several Egyptian Ministries. The Project will establish a permanent institution in association with Cairo University through which the following mutually supportive objectives will be accomplished:

- Provision of Egyptian-based technical research and training assistance to government technical ministries and agencies and to government planning agencies;
- Mobilization of Egyptian academic resources for applied research on specific developmental problems; and,
- Creation of a permanent Egyptian institutional framework through which applied research and training capabilities can be directed to Egyptian development problems.

The Project also provides the means whereby analyses of technical and economic development programs will be carried out with assistance from a participating U.S. insti-

tution. Thus, the Project's institutional development objective is to be achieved in large part by direct work on important priority development problems confronting Egyptian government ministries. It is planned that twelve problems will be under study at any given time and that several conferences and training programs will be carried out annually. The selection of areas for study will be based on their direct relevance to significant Egyptian development problems, the proportion of costs shared by the involved outside entity, and criteria to be established during the first few months of the Project.

This Project's innovative approach will vest considerable responsibility in the participating U.S. institution, Cairo University, and the Egyptian government. They will share responsibility for determining the feasibility of project activities and assuring that the benefits of their actions will be transferred to the targeted institutions and Egypt's development program. The success of this effort will be the major factor in evaluating this Project.

The implementation, management and annual reviews of the Project will be directed initially by a Joint Advisory Committee, which has CU and U.S. university members, and later through a new Joint Advisory Committee to be established in connection with the formation of the proposed Institute. (See Section B for a discussion of the responsibilities and membership of the new Joint Advisory Committee.) A.I.D. will maintain a close working relationship with these Committees and will participate, as appropriate, in the annual reviews of Project progress.

A major in-depth evaluation of Project progress will be made during the second year to determine the advisability of A.I.D. funding beyond the initial two years of the Project. Two other in-depth evaluations will be subsequently conducted during the remaining life of the Project.

## 2. *Activity Details*

The Project will consist of a set of activities that draw together the needed resources to address and resolve important development problems faced by the Ministries. A program of applied research is the largest portion of the proposed effort and will organize a set of sub-project teams to provide continuing assistance on development problems of interest to the Ministries. These sub-project teams will consist of members of CU's and the U.S. participating institute's faculties as well as the Grantee's Ministries personnel. Cairo University will be responsible for making available its interested faculty members on a given team.

To organize and coordinate these activities on a permanent basis at Cairo University, the establishment of an Institute for Technological Planning has been proposed. Given the continued interest of the Cairo University administration in establishing the Institute and of several Ministries in utilizing its services, assistance will be provided to the University in organizing the technical and administrative activities of the Institute. In addition to the program of applied research, the Institute will organize shorter-term technical assistance and advisory services through which sub-project team members or other Cairo University resources are utilized on specific activities related to the formulation of a development plan or implementation of a project. As presently conceived, the Institute will also provide training programs to expand the capabilities of present and future Ministry planners. Thus, the anticipated efforts of the Institute will be in the three areas: A program of applied research, technical advisory services, and the training programs. Grantee Ministries involved, or other outside interested entities, are expected to pick up an increasing portion of the costs of the services provided by the Institute such that by the PACD the Institute can be financially independent and operating without further A.I.D.-funded assistance.

A general framework for the activities can be defined in terms of the analytic approaches considered feasible for the studies. Three general approaches or orientations to specific sub-projects will be utilized:

1. Engineering analysis and technical project evaluation will address specifically technical issues, including field and laboratory studies, design, training requirements, etc.;

2. Economic analysis will focus on project, sector and national planning issues, micro- and macroeconomic studies related to specific Egyptian development programs; and
3. An interdisciplinary approach is required for the development programs which focus on the social issues, overall economic policy formulation, and specific projects on population and labor force issues, socioeconomic change including urbanization, social services, technology transfer, and development administration strategies.

The economic and social analysis complement the technological aspects of the studies and place them in their proper developmental context. Invariably some consideration of the issues raised by each approach [is] incorporated in the planning and evaluation phases of specific sub-projects.

The technical effort will address a range of topics that can be classified into four general areas:

- Public Works
- Energy
- Manufacturing
- Social-economic Development and Administrative Policies.

Assurance that the activities carried out by the Institute reflect government priorities should result from the inclusion of appropriate government representation on the new Joint Advisory Committee of the Institute; and the criteria to be established for selecting these activities. Each research proposal will also be reviewed and approved by the Minister of the relevant Ministry.

### 3. *Organizational and Administrative Arrangements*

Until the Institute is formally established, the Project will maintain the general management and administrative organization developed during the pre-project feasibility phase.

The principal organizational elements and responsibilities include:

- a) Institutional and administrative agreements between CU and the U.S. participating institution;
- b) One Program Director each for the participating U.S. institution and CU to be responsible for coordinating and organizing their respective institution's inputs into the Project and ensure that contractual or institutional requirements are being satisfied;
- c) A joint CU/US participating institute Liaison Office established at CU with a Director and staff to administer the day-to-day Project activities and ensure effective cooperation with government or outside clients; and,
- d) A Joint Advisory Committee, consisting of members from CU and the U.S. participating institute, to provide overall policy and administrative direction to the Liaison Office.

When the Institute of Technological Planning at CU is established, it will incorporate the existing Liaison Office. The Liaison Office will be maintained within the Institute in order to carry out the U.S. participating institute's administrative and contractual obligations to A.I.D. The authorities and functions of this Institute will be worked out in detail by the new Joint Advisory Committee (discussed below) and approved by A.I.D. The Institute will be given adequate office space by the Grantee through Cairo University in which to carry out its activities.

The Joint Advisory Committee will be replaced by a new Joint Advisory Committee for the Institute which will be established within six months from the date of this Agreement in the context of the formal establishment of the Institute, and a full-time Director of the Institute will be appointed. This Joint Advisory Committee is expected to be chaired by the CU Vice-Rector of Graduate Studies and include representatives from:

- a. Senior Participating Cairo University Faculty (2) (one of whom may be the Director of the Institute);

- b. Senior Participating Ministry Staff (3) (One of whom will be from the Ministry of Plan or will be knowledgeable of overall Grantee development priorities.);
- c. Senior Cairo University Administrators (2) (One of whom may be the Director of the Institute and one of whom may be the Committee Chairman.);
- d. Director of the Institute (1); and, possibly at a later date,
- e. Foreign Cooperating Academic Institutions (2).

This Joint Advisory Committee will be responsible for identification and selection of activity proposals in areas of interest to the Egyptian government and the Institute according to criteria to be established within six months from the date of this Agreement; for assessment of benefits derived from the various activities of the Institute; and for determining the extent to which the institutional-building purposes of the Institute have been achieved and the Institute has met the criteria of having contributed to the ability of the government to carry out project and program development activities.

A.I.D. will maintain close working relations with this Committee, and will participate as appropriate in the annual reviews of Project progress.

It is planned that as soon as A.I.D.'s direct contractual responsibility ends in two years when the Institute has been formally established and favorably evaluated, Cairo University will negotiate and execute a contract directly with a U.S. participating institution to continue to carry out the Project.

### *C. Reporting*

The Grantee shall cause to be submitted annual Project progress reports for all aspects of Project activities. These reports will be prepared in conjunction with CU, the U.S. participating institute, relevant Egyptian counterparts and, as appropriate, USAID/Egypt. These reports will form a base for decisions on modifications, discontinuations, or extension of the Project. They will also provide basic information for the evaluations. The Grantee will deliver to A.I.D. by August 31 of each year a report to include:

- Status of contracting permanent and short-term personnel for Project implementation and related technical arrangements. This section will describe problems in the selection of professionals, timely delivery and completion of their services.
- Status and work assignments for administrative and technical personnel assigned to the Project from departments at Cairo University, and the participating U.S. institution.
- Status of Project activities with respect to:
  - a. Coordination with ministries, agencies, joint working groups, and international organizations.
  - b. Development and application of Cairo University/U.S. institution's analysis/assessment capability applied to actual and planned projects.
  - c. Degree of intergovernmental and public acceptance of project team concept as planning analysis resource.
- Status of establishment of Institute for Technological Planning with respect to:
  - a. Administrative arrangements;
  - b. Financial control mechanisms;
  - c. Prospects and plans for obtaining full financial support, independent of A.I.D.; and
  - d. Training programs planned and underway.

The Grantee will deliver to the Director, USAID/Egypt, five copies of all final Project progress reports.

#### D. *Evaluations*

A.I.D., the U.S. participating institute, the Grantee and CU will participate in the establishment of an evaluation plan, and in the drafting of scopes of work and carrying out the in-depth evaluations of the Project. The evaluations will focus on the program in Section 5.1 of this Agreement and the following:

- a. The progress toward developing and implementing the research, technical assistance and training programs of the Institute;
- b. The level of Grantee or outside financial support for the Institute and the Institute's plans for obtaining financial independence from A.I.D. by the end of the Project;
- c. The implementation by the Institute of a training program for the Grantee's participants to provide Ministries with the capability to utilize successfully the Institute after Project termination;
- d. The progress toward developing an Egyptian capability to translate development problems into researchable issues and to manage such problem-solving research; and,
- e. The contribution specific sub-project studies are making to Project objectives (the technical aspects of the activities themselves will not be evaluated).

The first evaluation shall have been conducted and submitted to A.I.D. for approval by no later than June 30, 1980. The timing of the evaluations to be conducted after the first one will be agreed upon by A.I.D. and CU before the end of the first two years of the Project. It is currently believed that the most appropriate timing for these evaluations would be within two years from the completion of the first evaluation and at the completion of the Project.

#### E. *Program Budget*

During the first two years of the Project, the funding requirements are anticipated to remain at approximately the rate reached by the end of the pre-project feasibility stage. Additional expenditures will be required for the start-up of the Institute and development of the educational programs. Beginning in year three, a reduction in the direct U.S. participating institute's involvement on project teams and program administration will take place with a subsequent reduction in A.I.D. financing. While the total Egyptian effort and local currency requirements would increase for the last two years, direct financing by the Ministries and other government agencies of the research and educational programs of the Institute would further reduce the funding required from A.I.D. By the PACD, independent financing of the administration and educational programs of the Institute will cover its budget. Financing of specific research projects may be obtained from participating Ministries, national and international agencies, including A.I.D., as topics of mutual interest are identified.

An illustrative budget summary for the Project is provided in the following table:

OVERALL BUDGET SUMMARY\*  
*Development planning studies*  
 September 1, 1978–August 31, 1983  
 (Costs in thousands\*\*)

	Year											
	1		2		3		4		5		5-year total	
	\$	LE	\$	LE	\$	LE	\$	LE	\$	LE	\$	LE
Staff and administration ..	352	19	352	19	317	19	276	19	276	19	1,573	95
Project teams .....	972	(624)	972	(624)	650	(876)	325	(1,128)	325	(1,128)	3,244	(4,380)
		546		546		584		376		376		2,428
Liaison office and/or Institute for Technological Planning .....	100	144	100	164	70	(176)	20	(176)	20	(176)	310	(836)
					116			60		60		544
Educational programs ....	20	20	50	30	50	30	20	20	20	20	160	120
					(55)			(50)		(50)		(205)
Visiting Fellows Program .	98	6	98	6	98	6	98	6	98	6	490	30
Conferences and seminars .....	4	7	4	7	4	7	4	7	4	7	20	35
Direct expenses .....	156	30	156	30	105	25	55	15	55	15	527	115
					(37)			(45)		(45)		(187)
U.S. and international travel .....	102	280	102	280	65	180	35	90	35	90	339	920
Project travel in Egypt ...	—	25	—	25	—	17	—	8	—	8	—	83
					(25)			(25)		(25)		(125)
Evaluation .....	—	—	25	10	—	—	15	5	—	—	40	15
Overall cost of program* ..	1,804	1,155	1,859	1,195	1,359	1,381	848	1,551	833	1,546	6,703	6,828
AID funding request at fixed prices .....	1,804	1,077	1,859	1,117	1,359	984	848	606	833	601	6,703	4,385
AID funding request assuming 10% escalator ..	1,804	1,077	2,045	1,229	1,644	1,191	1,128	807	1,216	877	7,837	5,181
Total AID funding request .		\$7,837,000										
(Escalated) .....		LE5,173,000										

\* The budget does not include the indirect contribution by the Government of Egypt to support the project teams and the use of many university facilities. These are estimated at LE180,000 per year.

\*\* Total costs are in parentheses when different from the AID Funding Request.