

Getting Statistics on the Same Page

The IMF endorses efforts by DATA to bring Egypt in line with an internationally recognized method of gathering statistics

In what could be an important boost for foreign investment, the International Monetary Fund has tentatively approved Egypt's bid to adopt a universal standard for collecting and spreading economic data. Egypt will likely become the 59th nation to implement the IMF's Special Data Dissemination Standard (SDDS) and only the second Arab country to do so behind Tunisia — Jordan is also nearing approval from the IMF.

The January announcement, which comes after several years of efforts by the Data Access & Transmission Activity Project (DATA Project), requires the government release of

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A new USAID project aims to help more families finance the construction of a new home.

Building a Mortgage System from the Ground Up

The Financial Services Project has been launched to address the extensive needs of a fledgling mortgage finance system.

As USAID's latest economic growth venture, the Financial Services Project will work to make purchasing a home easier for consumers who don't have duffle bags full of cash. The absence of a mortgage financing system has put the pursuit of home ownership out of reach for many consumers, driving up housing vacancies. Created in November of last year, the project has four to five years to develop the mechanisms needed to support a mortgage financing system.

The task goes beyond offering technical assistance in the implementation of the Real Estate Finance Law, which was passed in 2003 to establish the standards and regulations needed to

enable secure and efficient lending to homebuyers. Proponents of the law must also inspire confidence in the system, as neither borrowers nor lenders are accustomed to it.

Allen Decker, who has extensive experience in both commercial real estate and international development, has taken over as chief of party of the project. The deputy chief of party, Francois Pepin, who was formerly the chief of party of the Capital Market Development project, will handle one of the project's four broad objectives: establishing a framework for secured lending within the Ministry of Justice and developing new financial instruments under the Capital Market Authority, Ministry of Finance and the Central Bank of Egypt. The project's other tasks are to help create an environment supportive of the real estate financing industry, assist the Ministry of Justice in improving the

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Making an Impact

Outgoing USAID program impact and assessment officer John Morgan addresses ways USAID can get a better sense of how programs affect the typical family

At the end of January, USAID's economic growth program impact and assessment officer John Morgan was packing up to become the head of the program office in the USAID Central Asian Republic's Mission. EGLink caught up with John to hear his thoughts about his experience over the last year and a half in Cairo.

What are the most interesting projects you have been involved with in the last 18 months?

Among the most interesting projects I have encountered here are the customs reform and the real estate finance programs. Both are essential to the future of private sector growth within Egypt, but from totally different avenues. The real estate finance program offers the potential of home ownership to a greater number of Egyptians and likely has the greatest potential for direct impact on the average Egyptian citizen (see page 1, "Building a Mortgage System from the Ground Up").

What are some of the most important lessons you have learned in your role as the program impact and assessment officer?

The most important lesson in impact evaluation is to establish clear development objectives and to disaggregate the steps required to achieve results and to quantify milestones and indicators of progress to guide our implementation. All of these admonitions are given to program officers and activity managers around the world. Still, we often fail to find ways to express these linkages in ways the general public can identify as having a positive impact on their daily lives. We really need to work to make the Performance Monitoring Plan (PMP) process more meaningful, to collect quality data more quickly, and to find ways to use that data to demonstrate our successes (or failures) to our counterparts, to our bosses, and to the general public.



John Morgan

In what ways has USAID's objectives shifted during your post in Cairo? Do you see more of an emphasis on identifying tangible ways the Egyptian people have benefited from the number of economic growth programs in operation?

The basic objective of our program has not shifted — providing assistance to achieve improved economic growth. However, the focus had begun a shift to Upper Egypt Governorates just before my arrival. Yes, we are trying to identify tangible impacts of our activities on the average Egyptian — whoever he or she is. I believe that our program is making important changes, but I also believe that we can improve our approach to conveying how our programs have contributed to these changes.

What methods are available to get a better sense of the impact of USAID on individuals, families and communities, as opposed to simply monitoring the activities of the various economic growth projects?

The most effective method would be to conduct more in-depth surveys of citizens, and how their personal lives are changing. However, we must do this without intruding on the privacy of individuals. Changes in GDP, in trade statistics, etc. do not translate into information that relates to how the average Egyptian family's life changes each year. For them, the important factors include dietary habits of the family, health

conditions (and availability of services), education for their children, financial stability, and improved leisure time. The basic premise should be to monitor these parameters over a long period, when policy changes are being made.

Why is this so difficult to do in practice?

We are dealing with a lot of policy changes that seem abstract to the average citizen, and take a long time to have an impact on daily lives. The links are also difficult to connect directly. We will never be able to say that a particular policy change directly resulted in a farmer in Upper Egypt earning LE 5 more per month, but we can assert that our programs would contribute to that farmer having greater markets for his goods, generally increased income and as a result, a generally improved lifestyle. The abstract character of this approach embodies the difficulty we face in making these links.

How can USAID more clearly demonstrate the breadth and importance of its activities here?

I strongly believe that we need to increasingly focus on getting the name of USAID in the minds and on the lips of the average Egyptians. They need to know the name of our agency and to know the types of work we do to help them. Talk with the Government of Egypt (GOE) officials, and they know about USAID, about our programs, and much of our impact. Yes, they are important individuals to inform. However, in the long-term, our SO-16 work is to improve the economic lives of Egyptians, not the GOE. As we make progress in our activities, we need to be providing more information to them than we currently do.

What will you miss the most about this assignment and Cairo in general?

I will miss all the people I have worked with here in Cairo, especially the RRSA staff who have worked so diligently to aggregate information on the results and impact of SO-16 activities. Of Cairo, on the private side, I will truly miss the hectic traffic, the beauty of the mosques, the crowded shopping streets of downtown, and of course the Friday Market (Souk El Goma). 

Corporate Tax Activity Gone but Not Forgotten

The debate over a new corporate tax law illustrates the depth of the CTA's efforts to reform the tax system

The Corporate Tax Activity (CTA) closed its doors several months ago, but has shown its lingering effects after more than a decade of efforts to improve the tax system. The influence is especially clear as the People's Assembly prepares to take up debate this session over a unified corporate tax law.

CTA helped introduced legislation several years ago that the current bill is based on, and its passage, in some form, is expected in the coming months. The appointment of a new economic team to the Cabinet has helped move tax reform up on the list of legislative priorities. The ruling National Democratic Party made tax reductions for individuals and businesses a centerpiece of its second annual conference last September.

Iman El Shayeb, team leader of USAID's Partnership for Economic Reform Sector Policy and Privatization Division, which administered the CTA, says the latest development characterizes the sometimes slow-but-steady nature of reform. "It might not show returns very fast, but it does show returns," she says.

The improvement of tax policy and administration has long been the focus of USAID's assistance to Egypt, starting in 1975 with a series of missions focusing on tax administration. In 1980, a tax administration project started to deliver regular assistance through the US Internal Revenue Service. It continued until the initiation of the Public Finance Administration Project (PFAP) in 1989, which continued through 1998 and formed the basis for the CTA.

In 1999, the CTA started work to deepen income tax reforms, extend the General Sales Tax (GST) introduced by PFAP to the wholesale and retail sectors, and expand the general sales tax's coverage of services. CTA delivered a comprehensive policy and administrative reform package to the Ministry of Finance a year later; and with the Cabinet's approval submitted a draft law to the People's Assembly in 2002. There had been little movement on the issue

until the new Cabinet members revived talk about tax reform late last year.

Arguably the most innovative development supported by the CTA — through the provision of training and equipment — was the establishment of the Model Customs and Tax Center (MCTC). The center is a 'one-stop shop' for corporate taxpayers that deal with the tax department, the sales tax department and customs.

The center opened in 2003 and now provides a single point of access for all three tax concerns. In addition, the center provides expeditious payment of customs and clearance of goods through

all points of entry and a single unified audit for both income and sales taxes, resulting in a substantial reduction of the administrative burden on taxpayers. Perhaps most importantly, the center's staff has been carefully trained to listen to taxpayers' complaints and resolve problems between tax departments and taxpayers. ■

CONTACT: Iman El Shayeb, Team Leader of Partnership for Economic Reform Sector Policy and Privatization Division, USAID; Tel: (02) 522-6684; Fax: (02) 516-4589; E-mail: ishayeb@usaid.gov.

Keeping the Air Clear and the Chamomile Clean

EL SHAMS seeks to improve farmers' post-harvest handling techniques to boost exports of plants used in herbal remedies

The rising demand for alternative remedies in the form of medicinal and aromatic plants could be a boon to farmers in Upper Egypt, but only if their products can reach markets in conditions that meet Western standards. Experts say the poor post-harvest handling of these plants has held down the potential for exports.

Efforts under the Agricultural Exports and Rural Income project (AERI) are now underway to improve the situation. AERI's Enhanced Livelihood from Small Holder Horticultural Activities Managed Sustainability (EL SHAMS) activity brought in a consultant last fall through the University of California, Davis to find ways to solve the problem. The consultant, Mahendra Thapa, is from Nepal, where farmers face similar challenges and work under similar constraints.

One of the main problems is the way farmers dry their plants: under the sun. "Animals are walking through it, birds are flying over and doing their thing in it," says Peter Wetzel, a technical

adviser at EL SHAMS. Additionally, products being shipped overseas have unacceptable levels of chemical residue. "If you're drinking a medicinal tea, you don't want chemicals in it," says Wetzel.

Despite the potential to export 5,000 tons of chamomile, Wetzel says exports currently stand at only 1,000 tons, primarily because of microbiological and chemical residue. As consumers continue to turn to alternative medicines, Wetzel foresees no letup in demand. "We're not going out there to create a market. We know that there is a demand and every indicator is that the demand will increase year to year," says Wetzel.

Thapa helped EL SHAMS prepare five grant applications to Chemonics to build post-harvest handling facilities — the private sector has applied for similar grants. The relatively simple facilities are designed to either dry plants evenly under a roof or to extract oils from them.

The value to growers could be phenomenal. Take jasmine essence, for instance, which comes in the form of a paste. One feddan only produces half a kilo of paste, but is worth LE 20,000. Compare that to grapes (LE 15,000), tomatoes (LE 0-20,000 depending on the season) sugar cane (LE 1,800) and green beans (LE 2,000 in a good year). ■

CONTACT: Tom Herlehy, Chief of Party, EL SHAMS; Tel: (02) 526-0096/3373; Fax: (02) 525-7074; E-mail: therlehy@egypt.care.org.

Wrapping up the Growth Through Globalization Project

Despite the end of the \$133 million project, several agencies will continue to promote the private sector with other funding sources

Official efforts to help Egypt adjust to the global economy through the Growth Through Globalization Project came to a close this past December. The aim of the \$133.5 million project, launched in 1996, was to increase private sector competitiveness with the ultimate goal of accelerating economic growth and job creation in areas Egypt has a competitive advantage.

USAID funded six activities to accomplish this: the American Chamber of Commerce Business Information Project, Egyptian Exporters Association (Expolink), Agriculture-Led Export Business (ALEB), Horticultural Export Improvement Association (HEIA), Agribusiness Linkages (AgLink) and Agricultural Reform (AgReform). The latter two projects came to an end earlier last year, while the others have just wrapped up. Half of the Growth Through Globalization activities — AmCham, Expolink, and HEIA — will continue to operate under different funding sources.

Results Reporting Support Activity (RRSA) recently completed final evaluations on the four projects that closed in December. The following is a summary of three of those reports — information about HEIA's final evaluation can be read in, "HEIA Still Coming Up Roses," page 5.

Agriculture-Led Export Business (ALEB)

The food processing industry has witnessed significant growth under ALEB, a \$25 million project. Exceeding targets of up to 10 percent, exports of targeted firms increased by 19 percent in 2002 and 33 percent in 2003. In the first half of 2004, companies were on pace to reach \$270 million in exports, more than meeting their targets.

RRSA's report credits ALEB with

increasing companies' understanding of international standards, which has helped increase their competitiveness. The marketing skills of food processing companies also showed great improvement with the help of market studies, timely information, development of databases, and training on international marketing practices.

Despite its success, ALEB was not able to meet its goals in terms of sustainability. It's now uncertain whether any agency will be able to fill in where ALEB has left off. The report predicts that the value of a large amount of data ALEB has amassed will diminish rapidly. However, some of ALEB's resources, including its library, have been passed on to Expolink (see "ALEB Leaves Legacy on CD, page 7).

CONTACT: Tarek Shata, Economic Growth Office Project Management Specialist, USAID; Tel: (02) 522-6646; Fax: (02) 516-4652; E-mail: tashata@usaid.gov.

AmCham's Business Information Highway Project

AmCham has been broadly successful in creating a valuable venue for research and networking for the Egyptian business community, according to a final report on the organization. AmCham has become a technology based "E-Chamber," largely because of the grants received from USAID.

The report determines that AmCham has met all the objectives called for when the grant was awarded in 1996, namely to develop an extensive network to connect businesses and associations, build trade and business databases and provide access to local and international commercial and trade opportunities. AmCham's website, supported by the Business Information Center, attracted nearly half a million visitors in 2003. Among the other tools and technology it provides are video conferencing and alerts for business matchmaking and tenders.

Among the final recommendations, the report says AmCham should establish a more formal approach to strategic planning and focus more on reporting the outcomes of its activities.

CONTACT: Hisham Fahmy, Executive Director, AmCham; Tel: (02) 338-1050; Fax: (02) 338-1060; E-mail: edirector@amcham.org.eg.

Expolink

Fast approaching its targets for expanding private-sector export growth, Expolink has shown great promise in providing much needed support to exporters. Without any more funding from USAID, the real challenge will be to identify additional sources of revenue to cover its costs.

Through the end of September 2004, export growth attributed to assistance from Expolink had increased to \$147.5 million, which is close to a target of \$170 million. (The report does warn that despite Expolink's technically sound accounting systems accurate numbers are still hard to come by due to the lack of transparency among Egyptian private firms). The total number of members has increased from 171 in 2002 to 914 in 2004 — compared to a target of 1,200 members.

A delay to the start of the project due to contractual issues did pose some difficulty in monitoring the success of Expolink against its targets, however the group's clients have shown great satisfaction with its services, including professional looking brochures designed to polish up Egypt's image overseas. Trade missions have been a particular strong point. Almost 280 companies participated in 46 trade missions — 36 domestically and 10 abroad — which exceeded a target of 35. Foodstuffs and furniture have made the greatest strides in three years under Expolink, with the value of furniture exports increasing from \$0 to \$60.7 million from 2002 to 2004 and foodstuffs increasing from \$13 million to \$18.9 million.

While Expolink's managers predict that sustainability is one or two years away, the report states that significant adjustments to services, costs and funding sources will have to take place if Expolink is to achieve any lasting stability. ■

CONTACT: Amr Abdel Latif, Executive Director, Expolink; Tel: (02) 527-1010; Fax: (02) 527-1015; E-mail: alatif@expolink.org.eg.

HEIA Still Coming Up Roses

Flower exports could play a growingly important role in the future of the Horticultural Export Improvement Association

The closure of the Growth Through Globalization project has not slowed down the Horticultural Export Improvement Association (HEIA), which demonstrated its staying power earlier this year by hosting a cut flower exhibition. About 30 exporters impressed large crowds with their floral displays on a pleasant-scent-filled floor of the Cairo Fair Grounds from January 11-14.

HEIA Deputy Executive Director Wael Rafea expected several thousand visitors over the four-day exhibition, including the ministers of agriculture from Egypt and Sudan. The Agricultural Commodity Council and the International Fairs Authority were also hosts of the event, which featured foliage, seeds, bulbs and fertilizers displays in addition to flowers.

Rafea sees booming potential in the cut flower business. "The flower is promising. The advantage of flowers is that they are a very big cash crop," he says. Almost 40 of HEIA's members exported about 2,200 tons of cut flowers in 2004, which fetch about \$10,000 a ton. HEIA's largest crop, table grapes, is worth about only \$2,000 a ton on the market by comparison.

Chrysanthemum, Ammi, Anethum, Molucella, and Gypsophila Perfecta are some of the most common flower and plant varieties exported. The primary destination for the flowers is the Holland Flower Auction. Grapes, strawberries, green beans, melons and mangoes are among HEIA's other important crops because they had all been identified as high-value, non-traditional export crops with favorable growth potential.

Cut flowers could be an increasingly important crop to HEIA in its quest for sustainability. Results Reporting Support Activity (RRSA) recently prepared a final report on HEIA, which found that HEIA has had made "significant" progress in the expansion of Egypt's horticultural exports. The report cites the establishment of the refrigerated perishables terminal at the Cairo

Airport and efforts to help its members comply with international standards as two of HEIA's more important accomplishments.

The biggest challenge, the report states, will be finding a way to cover its costs in the face of uncertainties about future funding. Revenues from HEIA's services currently fall short of covering its direct expenses. While the potential for funding from USAID and other agencies still exists, it's uncertain how the groups more than 375 members would react to significant price increases for services in the absence of outside assistance.

New requirements by the World Trade Organization this year also raise

CONTACT: Wael Rafea, Deputy Executive Director, HEIA
Tel: (02) 338-3080; Fax: (02) 338-1940; E-mail: wael@heia.org.eg.



One of the many stunning flower exhibits...

questions about the financial viability of the refrigerated perishables terminal. The payment of a LE 160 per ton subsidy from the Export Promotion Fund may now be prohibited, according to an evaluation team. Users who now pay only LE 85 per ton would have to make up for the subsidy, which may cut down on usage of the terminal and would raise the possibility of deficits. ■

Survey Weighs Success of Globalization Project

Clients continue to show satisfaction with USAID's partner services in promoting competition in the private sector

The latest survey completed by the Results Reporting Support Activity (RRSA) finds continued satisfaction among clients who have dealt with the activities under the Growth Through Globalization Program. This year's Client Satisfaction Review examines services provided by ExpoLink, HEIA, ALEB, AgLink and AgReform, all of which aim to promote increased private sector competitiveness.

This Client Satisfaction Review is the sixth of its kind by USAID's partner services in Egypt. It explores the perspectives of private firms, trade associations, and smallholders on the content and quality of partner services, and their assessment of the result of these services on their income, exports, production, and employment.

The review finds that the majority of clients continue to be satisfied with partner services. Overall satisfaction rates remained level at 89 percent for

all client groups.

Several additional findings deserve attention. Private sector firms reported that they implemented all consultants' recommendations at a significantly higher rate this year, to 67 percent last year from 33 percent the year before. These strong improvements are due in part to changes in partners' approach to service delivery — relying on tried and tested consultants familiar with the conditions in Egypt, and charging the majority of members for the consultant visits — and to the lag-time required for firms to process recommendations and actually implement changes based on the situation of the individual firm as well as the overall economy.

Finally, nearly all farmers estimated that their income as well as their production had increased as a result of partner assistance, and the majority of smallholders spent part of their increased incomes in household education and health, farm improvements, and increased food consumption, particularly of vegetables and dairy products. ■

CONTACT: Heather Dale, Policy Studies Team Leader, RRSA; Tel: (02) 792-5466; Fax: (02) 792-5488; E-mail: hdale@da-rrsa.org.

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'Building a Mortgage System from the
Ground Up'

registration system for urban properties, and develop a broad credit information system.

Registration is perhaps the most pressing issue. Pepin estimates that 95 percent of the country's properties are not registered, and he points to historically high registration fees as part of the reason why the public doubts the benefits of registration — although fees have recently been cut in half to 3 percent. "Even if you wanted to pay the registration fee it would take you a year and a half in the best of circumstances to finally get registration," he says.

Public outreach will be essential in convincing potential homeowners of the potential benefits of the system. While two mortgage finance companies have already been created under the provisions of the new law, Pepin reports that the number of applicants has been slower than anticipated, discouraging other such companies from entering the market. "Demand for mortgages has not yet taken hold," says Pepin.

Many people are not even aware of what a mortgage is, he says, let alone the benefits of registering a home in order to borrow against a mortgage, for example, or taking out a mortgage in order to purchase a home. "You can't force everyone to borrow on mortgage, but at least if people understand what good leverage mortgage finance can give them, I think that would be very helpful," he says. "So, we'll have to work quite a bit on that."

At the same time, banks and other lending institutions must be convinced that they have a recourse in lending money against a registered asset. Foreclosure is one of the many sticky issues facing proper implementation of the bill, but one that is vital to its sustainability. "If the banks are not happy with the registration system they'll never use it," says Pepin.

Another challenge is the lack of a long-term pool of funds to support a mortgage system. Currently, there are no government treasury bills that extend beyond seven years. However, the Ministry of Finance has just

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IMF Managing Director
Rodrigo de Rato came to
Cairo in November

vital economic data that has been collected in a specific timeframe. The transparency gives investors access to data that will make it

easier for them to compare Egypt to other countries in the real, fiscal, external and financial sectors, including estimates of the GDP, the wholesale and consumer price indices, employment and balance of payments.

In all, the IMF established 21 requirements that countries must comply with to become a member of the SDDS. While some government ministries have worked over the last few years to adopt universal norms in some of these individual areas, embracing an all-encompassing standard and method will help bring government ministries on the same page, laying the groundwork for more extensive statistical policy reform, according to Frank Szumilo, DATA's Chief of Party.

announced plans to float a LE 1 billion, 20-year bond. Still, Pepin says it will take the existence of tools like 30-year bonds, for example, to fix yields over the life of a mortgage. The goal is to create a system that feeds off itself. Real estate loans will be issued by lending institutions on the primary market, and eventually mortgage-backed securities on the secondary market could provide the best prospect for a long-term financing solution.

Finally, the project will assist the Central Bank in developing regulations for a private credit bureau that will be established to enhance information about borrowers and reform a credit system that is "predominately short

"This will eventually become the guideline for all statistical activity" he says. The change will also give the government the data it needs to enhance its statements, he adds.

The statistics will be published on the Ministry of Planning's website (www.mop.gov.eg) with an expected starting date of January 31, 2005, pending approval from the IMF's home office in Washington, D.C. Also posted will be an advance release calendar, which shows the detailed schedule of when the statistical data will be released for the year ahead. It will also show information on the methodology used to compile the statistics and a national summary data page.

The DATA Project has been extended through September 2005 which will allow the project to provide technical assistance to help further unify Egypt's statistical policy. Part of its scope of work also calls for working to connect private businesses with data producers, and to identify data that is already available but not used to its full potential. ■

CONTACT: Frank Szumilo,
Chief of Party, DATA Project
Tel/Fax: (02) 260-1687/1679;
E-mail: fszumilo@yahoo.com.

term, stunted and beyond the reach of the middle income classes and the public at large," according to the project's program description.

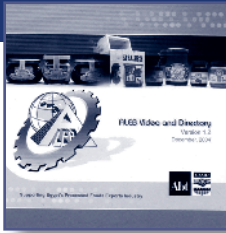
"Having good credit information can reduce your rates of interest by up to about two percent," says Pepin.

"Anything that makes it easier and cheaper to purchase your house, well, this is the driving force behind the project," he adds. ■

CONTACT: Allen Decker,
Chief of Party, Financial Services
Project; Tel: (02) 749-5984; E-mail:
adecker@egyptfs.com.

ALEB Leaves Legacy on CD

A new CD produced by the Agricultural Led Export Business (ALEB) activity explores the potential of the food processing industry in Egypt and provides the contact information of companies worldwide that support the local industry. ALEB released more than 3,000 copies of the CD shortly before it came to an end late last year. A wealth of materials from ALEB's library has been taken over by ExpoLink, which has also absorbed aspects of ALEB's functions in promoting the food processing industry. As part of its final activities, ALEB also printed posters for employers to hang up to encourage cleanliness.



ALEB CD Cover

CONTACT: Tarek Shata, Economic Growth Office Project Management Specialist, USAID; Tel: (02) 522-6646; Fax: (02) 516-4652; E-mail: tashata@usaid.gov.

Raising the Stakes

In its first ever report, the Egyptian National Competitiveness Council takes a look at how Egypt can find a competitive edge. Minister of Investment Mahmoud Mohieldin says the Egyptian Competitiveness Report 2003-2004, released late last year, prompts the need to "ring some alarm bells." The report states, "Over time, it appears that while Egypt scores high in terms of some factors, on the whole its competitiveness profile has been on the retreat." The Council offers more than 10 recommendations to enhance competitiveness, including encouraging more transparent governance, streamlining domestic regulations with international standards and moving forward with a market-oriented exchange rate.

CONTACT: Jeson Ingraham, Communications Coordinator, RRSA; Tel: (02) 792-5466; Fax: (02) 792-5488; E-mail: jingraham@da-rsa.org.

Portrait of a Farmer

Recent surveys presented by the Agricultural Exports and Rural Incomes (AERI) project reveal some interesting biographical information about Egypt's small farmers. After interviewing almost 2,000 small farmers in 19 villages in Lower and Middle Egypt, the Small Holder Livestock and Dairy Producers and Organizers activity found that the typical smallholder owns about one feddan of land, one and a half milking cows or buffaloes, and only 0.2 heads of cattle. The average age of the smallholders who took the survey was about 37, and 92 percent were women. There are seven people in the average family. The survey also found that the average income from one feddan is LE 2,000. The typical family brings in about LE 9,500 between agricultural land, livestock and dairy, and other employment. Together, the smallholders surveyed produce an average of 3,850 tons of milk worth LE 3,793,350, 962.5

tons of cheese (LE 2,165,625), 21.2 tons of butter (LE 318,000), 3 tons of ghee (LE 72,000) and 3.5 tons of cream (LE 56,000). A similar survey by the AERI-EL SHAMS activity looked at major cropping patterns of 480 farms spread across 480 villages in Middle and Upper Egypt. The survey found that the farmers use about 40 percent of their land to grow wheat and more than 26 percent for long berseem, or clover, during the winter season. The most popular crops during summer are maize (37 percent) and sorghum (22 percent).

CONTACT: Stephen McCarthy, Chief of Party, AERI-Small Holder Livestock and Producers and Organizations Activity; Tel: (02) 364-6933; Fax: (02) 364-6900; E-mail: steve@pop.thewayout.net.

ICT Expands Pilot Programs for SMEs

The Information and Communications Technology (ICT) program is finalizing plans to expand its successful "ICT4SME" project to four new governorates, and to deepen its pilot projects in Assuit and Dakahlya. The "ICT4SME" project aims to increase awareness of the value of information and communications technologies to Small and Medium Enterprises (SMEs), with the longer-term goal of increasing the use of ICT solutions by SMEs across the country. In 2004, the first pilot ICT4SME program was launched in Assiut and Mansoura, with grants awarded through a competitive bid process to two local implementing partners: the Assiut Businessmen's Association in Assiut and the Association for SME Development (BASU) in Mansoura. Following a successful first year involving over 300 SMEs, ICT is now in the process of expanding the program both vertically and horizontally. The vertical expansion component aims to deepen the impact in the Assiut and

Dakahlya SME communities by reaching more than 30 percent of qualified SMEs in both cities. The horizontal expansion component aims to extend the project activities into four new governorates (two in the north and two in the south). The four governorates will be selected through a public RFP process, soliciting proposals from NGOs in nine areas across Egypt. By the end of 2005, the ICT4SME activity expects to have increased the ICT awareness and utilization of more than 26 percent of SMEs in 6 regions, and to have established a replicable model that can be rolled out to benefit the remaining 12,200 qualified SMEs in Egypt.

CONTACT: Peter Ilick, Publications, QA/QC, Communications, and Training Expert, ICT; Tel: (02) 532-5330; Fax: (02) 532-5335; E-mail: ilick.peter@gd-ns-ict.com.

Comings

With decades of experience in both commercial real estate and international development, **Allen Decker** has taken over as chief of party of the new Financial Services Project (see "Building a Mortgage System from the Ground Up," page 1). The project focuses on improving access to financing for home ownership, and Decker has long seen urban real estate as a financial asset for economic development and conflict alleviation. His first foray in international development came in the early 1990s after the collapse of communism in Russia, where he used his background in real estate and knowledge of Russian history as the vice president of USAID's Eastern European Real Property Foundation as the region embarked on a transition to capitalism and embraced private ownership. More recently, he served as the chief of party for the Kyrgyzstan Land Reform Project in the Kyrgyz Republic. The Financial Services Project is expected to employ up to 50 people, including managers for each task. **Kevin O'Brien** will work to create an environment to support a fledgling real estate finance industry, **Dougal Menelaws** is in charge of making improvements to the registration system, **Marian Mishriki** will focus on developing a credit bureau, and **Francois**

Pepin, who was the chief of party for the Capital Market Development Project, will specialize in developing financial tools to support the long-term funding of mortgages.

Jeson Ingraham joined Results Reporting Support Activity in December to re-launch the EG Link newsletter and help further develop the economic growth program website. He has more than five years of experience in journalism and government and has lived in Cairo since last September. He graduated with a degree in the Politics of Divided Societies from Gordon College, which is outside of Boston, Massachusetts.

Goings

John Morgan, USAID's economic growth program impact and assessment officer, has been named head of the Program Office in the USAID Central Asian Republics Mission, which covers Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan (see "Making an Impact," page 2). His responsibilities will include oversight on the quality of design and monitoring of the Mission's programs in democracy, economic growth, health, education, and water and energy. John first came to Cairo in August of 2003.

Hank

Schumacher, RRSA's chief of party, returned to the United States in January after spending the last 8 years in Ukraine, Kosovo, Georgia and Egypt. He came to Cairo in late 2002 to start the RRSA activity. His focus with RRSA has been on working with partners to develop a better system for systematic reporting on results, but he sees the need to broaden efforts on impact assessment of target beneficiaries. He will continue to assist RRSA on evaluation projects from the home office of Development Associates in Arlington, Virginia. **Mamadou Sidibe**, RRSA's former evaluation and assessment team leader, has been named acting chief of party.



Hank Schumacher

RRSA NOTES

As part of ongoing efforts to provide information about economic growth in Egypt, Results Reporting Support Activity (RRSA) has unveiled two new sites exploring the Commodity Import Program (CIP) and the Agricultural Exports and Rural Incomes (AERI) project.

The sites can be accessed from the left-hand column of RRSA's economic growth website, www.usaideconomic.org.eg, or directly at www.usaideconomic.org.eg/cip and www.usaideconomic.org.eg/aeri. Since their November launch, both sub-domains have provided timely information about the programs' services, results, news, publications, key

contacts and economic impact.

RRSA provides information system tools and services within a user-friendly environment. Additionally, RRSA's alert service provides quick and easy access to all the new publications, results, achievements, and news for CIP, AERI and numerous other projects. Stay tuned in the coming months as RRSA works to provide greater accessibility to information on the web dealing with USAID's economic growth activities.

CONTACT: Ashraf El-Sanadili, Information Technology Manager, RRSA; Tel: (02) 792-5466; Fax: (02) 792-5488; E-mail: aelsanadili@da-rrsa.org.

CREDITS...

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Editorial Board: RRSA Team

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RRSA

Mamadou Sidibe, Acting Chief of Party
20 Aisha El Taimoreya St., 1st Floor, Suite 2
Garden City, Cairo, Egypt

Tel: (02) 792-5466/77

Fax: (02) 792-5488

E-mail: jingraham@da-rrsa.org

Website: www.usaideconomic.org.eg

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USAID Economic Growth Office

Activity

USAID/Egypt Economic Growth Office

Contact Person

Mervat Fikry Sidra
Cognizant Technical Officer

Contact Information

USAID Head Office in Egypt
Plot 1/A Off Ellaselki Street
New Maadi, Postal Code No. 11435
Tel: (02) 5227000/1/2; Fax: (02) 516-4659/28
Email: mfikry@usaid.gov
Website: www.usaid-eg.org

Policy Program

Activity

Assistance for Trade Reform
ATR

Contact Person

Timothy Buehrer
Chief of Party

Contact Information

19 Ma'ahad Naser St., Shobra
Tel: (02) 204-0995; Fax: (02) 204-0980
Email: tbuehrer@atrnat.com

Data Access and Transmission Activity
DATA

Frank Szumilo
Chief of Party

Ministry of Planning, Salem St., 8th floor
Salah Salem St., Nasr City
Tel and Fax: (02)-260-1679
Email: fszumilo@yahoo.com
Website: www.data-egypt.org

Intellectual Property Rights Assistance
IPRA

Jaleen Moroney
Chief of Party

Ministry of Supply & Internal Trade, 99 El Kaser El Eini
St., Cairo Egypt
Tel: (02) 794 8261-795 4812; Fax: (02) 794-2834
Email: moroney@nathanegypt.com

Results Reporting and Support Activity
RRSA

Mamadou Sidibe
Acting Chief of Party
Jeson Ingraham
Communications Coordinator

20 Aisha El Taimoreya St., Garden City
Tel: (02) 792-5466/77; Fax: (02) 792-5488
Email: msidibe@da-rrsa.org
ingraham@da-rrsa.org
Website: www.usaideconomic.org.eg

Financial Sector Modernization Program

Activity

Financial Services Project
FSP

Contact Person

Allen Decker
Chief of Party

Contact Information

4 Hayet El-Tadrees Square, Dokki
Giza, Egypt
Tel: 749-5984
Email: adecker@egyptfs.com

Private Sector Commodity Import Program

Activity

Commodity Import Program
CIP

Contact Person

Robert Van Horn
Division Chief

Contact Information

USAID Head Office in Egypt
Plot 1/A Off Ellaselki Street
New Maadi, Postal Code No. 11435
Tel: (02) 522-7000/1/2; Fax: (02) 516-4652
E-mail: rvanhorn@usaid.gov
Website: www.usaid-eg.org

Agribusiness Competitive Exports

Activity

AERI—Enhanced Livelihood from Small
Holder Horticultural Activities Managed
Sustainability EL SHAMS

Contact Person

Thomas Herlehy
Chief of Party

Contact Information

34 St. 106, Hadayek El Maadi
Tel: (02) 526-0096/3373; Fax: (02) 525-7074
Email: therlehy@egypt.care.org
Website: www.care.org.eg

AERI—Midwest University Consortium for
International Activities MUCIA

Dr. Mohamed Samy
Egypt Coordinator

7 Nadi El Sid St., Dokki
Tel: (02) 337-0567; Fax: (02) 335-6081
Email: samy@uiuc.edu

AERI—Small Holder Livestock and Dairy
Producers and Organizations Activity

Stephen McCarthy
Chief of Party

53 Manial St., Manial
Tel: (02) 364-6933; Fax: (02) 364-6900
Website: www.acdivoca.org
Email: steve@pop.thewayout.net

AERI—Support to Trade Association Activity

Larry Morgan
Chief of Party

7 Nadi El Sid St., Dokki
Email: morgan@chemonics.net

Infrastructure

Activity

Information and Communication
Technology Program ICT

Contact Person

Jun Labadan
Chief of Party
Peter Ilick
Publications, QA/QC, Communications, and Training Expert

Contact Information

53 Manial St., 3rd Floor
Tel: (02) 532-5330 Fax: (02) 532-5335
Email: ilick.peter@gd-ns-ict.com
Website: www.gd-ns-ict.com

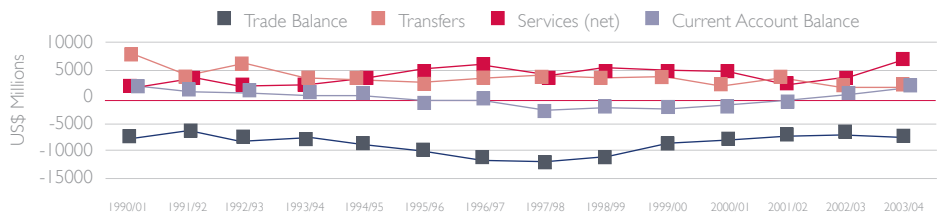
Judging the Economy

Results Reporting Support Activity (RRSA) joined with the Ministry of Finance in December to produce the second edition of the Ministry's Egyptian Economic Monitor. The Monitor, published on a quarterly basis, provides an overview of the Egyptian economy and discusses recent domestic and global economic developments. It also includes the most recent fiscal and monetary data for Egypt, including statistics such as the ones published here.

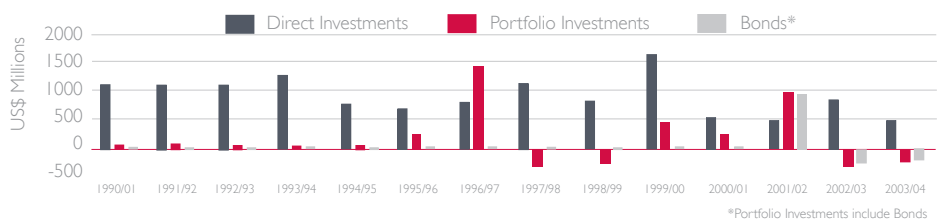
The Monitor is a useful reference for businesses, policy makers, researchers, and anyone else interested in receiving the latest information on the Egyptian economy. Officials from the Ministry of Finance had planned to bring copies of the December 2004 Monitor to the annual meeting of the World Economic Forum held in Davos, Switzerland in January.

CONTACT: Heather Dale, Policy Studies Team Leader, RRSA; Tel: (02) 792-5466/77; Fax: (02) 792-5488; E-mail: hdale@da-rsa.org.

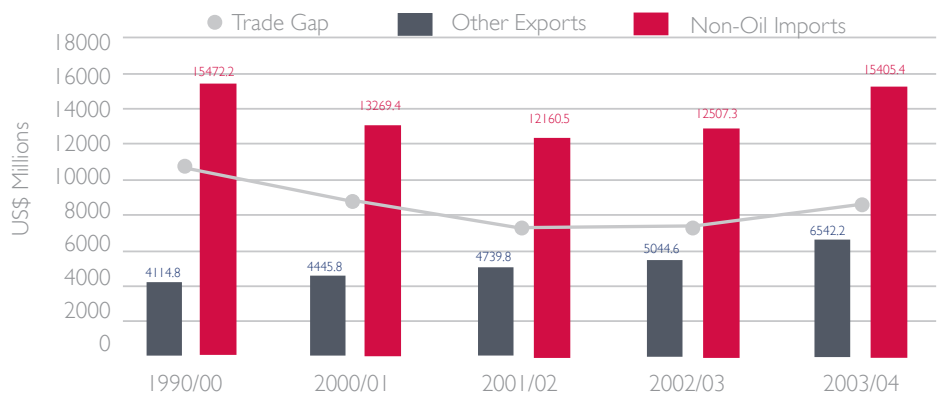
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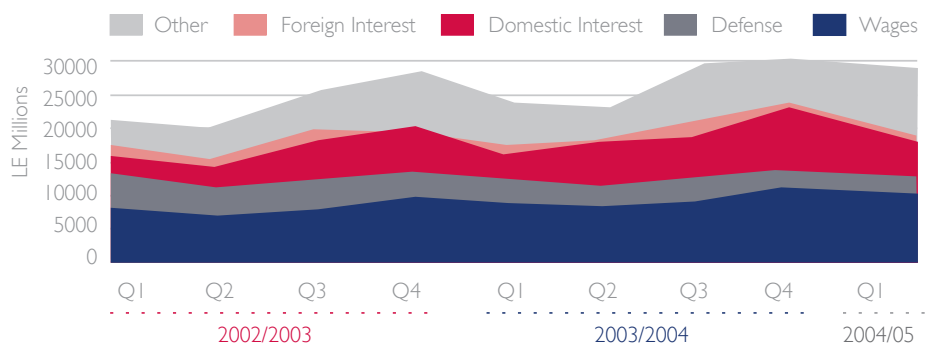
Foreign Investment in Egypt



Non-Oil Trade



Quarterly Expenditures (Budget Only)



The Finance of Current Expenditures by Tax Revenue

