



PARTNERS FOR DEVELOPMENT

The Experience Of The Italian-egyptian Debt Swap Program (2001-2008)

> Samir Radwan Sherif Kamel Nivine El Oraby

> > assisted by: Dina Shaaban Ghada Nadi

This Study was commissioned by the Management Committee of the Italian-Egyptian Debt for Development Swap Program, headed by the Egyptian Minister of International Cooperation and the Ambassador of Italy in Egypt to an Independent Team of Experts headed by **Prof. Samir Radwan**

Graphics Designed by:

Mohammad M. Mansour

Acknowledgements

Thanks are due to H.E. Ambassador Fayza Abu El Naga, Minister of International Cooperation, whose unfailing support was a major source of inspiration for the Debt Swap Program. The MOIC staff has given generously of their time and ideas. Thanks are particularly due to Dr. Talaat Abdel Malek, Executive Director of PEMA, Ms. Zahia Abu Zeid, Supervisor of the European Cooperation Sector and Ms. Nadia Fathallah, Supervisor of the Italian Cooperation Desk

On the Italian side, the leadership provided by H.E. Ambassador Claudio Pacifico, the Italian Ambassador to Egypt is gratefully acknowledged. Mr. Nino Merola, Cooperation Attach_, Embassy of Italy in Cairo spear headed the work of the Italian team.

For the Technical Support Unit: Mr. Roberto Schuller, TSU Director; Mr. Yassin Mubarak, TSU Deputy Director; Mr. Antonio Bottone and Mr. Marco Ginestro, the Program Officers of TSU did not spare any effort to help the project.

Special thanks are due to those who initiated the Program and devoted their efforts to make the projects a success: H.E. Antonio Badini, former Ambassador of Italy in Egypt; Mr. Guido Benevento, former Cooperation Attach_, Embassy of Italy in Cairo; Mr. Marco Spada, former TSU Director.

Finally, a special gratitude to all the interviewees (listed in the Annex) who provided valuable information and views that significantly contributed to this evaluation.

ACRONYMS

LE

MAIS MALR

Mbps

MAIBARI :

ARC Agriculture Research Centre ASSDA : Abul Seoud Social Development Association BWDC Beheira Water and Drainage Company **CAPMAS** : Central Agency for Public Mobilization and Statistics Central Bank of Egypt **CBE** CDA Community Development Associations CIU Consultation and Information Unit CKGeL Community Knowledge Generation and eLibrary CLC Community Learning Center CPF Counterpart Fund : CPU Central Processing Unit **CSN** Children with Special Needs DAC Development Assistance Committee (OECD) DSS Decision Support System project **ECOA** Egyptian Center for Organic Agriculture ECC Egypt Craft Center EEAA Egyptian Environmental Affairs Agency EEI Egyptian Educational Initiative Egyptian-Italian Environmental Cooperation Program **EIECP** EISI Egyptian Information Society Initiative EHDR Egypt Human Development Report EIC **Employment and Information Center ESP Education Service Provider** : approx. 0.4 hectare feddan FHU Family Health Unit **FGM** : Female Genital Mutilation FAO Food and Agriculture Organization General Authority for Literacy and Adult Education **GALAE** Gbps Gigabyte per Second GOE Government of Egypt General Organization for Physical Planning GOPP HDI Human Development Index : . IC : Italian Cooperation **ICDL** International Computer Driving License ICT Information and Communication Technology Information and Communication Technology for Development ICT4D ICT4IE : Information Technology for Illiteracy Eradication **IEDS** : Italian Egyptian Debt Swap Information Technology IT IWC : Inner Wheels Club

Livre Egyptienne (Egyptian Pound)

Mega Bit per Second

Mediterranean Agronomic Institute of Bari

Ministry of Agriculture and Land Reclamation

: Movement for Empowerment of Children and Women

MCIT : Ministry of Communication and Information Technology MDGS : Millennium Development Goals MITU : Mobile Information Technology Unit MOE : Ministry of Education MOEA : Ministry of State for Environmental Affairs MOHP : Ministry of International Cooperation MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization	MC		Management Committee
MDGs : Millennium Development Goals MITU : Mobile Information Technology Unit MOE : Ministry of Education MOEA : Ministry of State for Environmental Affairs MOHP : Ministry of Health and Population MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
MITU : Mobile Information Technology Unit MOE : Ministry of Education MOEA : Ministry of State for Environmental Affairs MOHP : Ministry of State for Environmental Affairs MOHP : Ministry of Health and Population MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MOTI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMES : Small and Micro-Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
MOE : Ministry of Education MOEA : Ministry of State for Environmental Affairs MOHP : Ministry of Health and Population MOIC : Ministry of International Cooperation MOIC : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MOTI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Medium-Size Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			·
MOEA : Ministry of State for Environmental Affairs MOHP : Ministry of Health and Population MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Medium-Size Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization			
MOHP : Ministry of Health and Population MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			,
MOIC : Ministry of International Cooperation MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			•
MOSS : Ministry of Social Solidarity MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
MOTI : Ministry of Trade and Industry MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Meiror-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			·
MWRI : Ministry of Water Resources and Irrigation NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
NCCM : National Council for Childhood and Motherhood NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
NCS : Nature conservation Sector (EEAA) NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			,
NCW : National Council for Women NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMES : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			
NGO : Non-governmental Organization NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society			` /
NII : National Information Infrastructure NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Summit on the Information Society			
NPO : National Postal Organization NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Summit on the Information Society		:	
NRC : National Research Centre NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	
NVAD : New Vision Association for Development NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	-
NWRC : National Water Research Center ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICS : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	
ODA : Official Development Assistance PC : Personal Computer PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	·
PCU: Personal Computer PCU: Program Coordination Unit PEMA: Project Evaluation and Macroeconomic Analysis PICs: Poison Information Centers PMU: Project Management Unit PPP: Public-Private Partnership SSNP: Smart Schools Network Pilot Project TA: Technical Assistance TOT: Training of Trainers TSU: Technical Support Unit UNDP: United Nations Development Program UNIDO: United Nations Industrial Development Organization PSWT: Passive In-Stream Wetland Treatment of Drain Water project RADCON: Rural Development Communication Network SGI: Societa Generale di Ingegneria SpA SMEs: Small and Micro-Enterprises SMMEs: Small and Medium-Size Enterprises VCs: Visitor Centers VCT: Voluntary Counseling and Testing WAHI: Women Association for Health Improvement WFP: World Food Program WHO: World Summit on the Information Society		:	
PCU : Program Coordination Unit PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	·
PEMA : Project Evaluation and Macroeconomic Analysis PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Summit on the Information Society		:	·
PICs : Poison Information Centers PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	PCU	:	
PMU : Project Management Unit PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Summit on the Information Society		:	·
PPP : Public-Private Partnership SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	Poison Information Centers
SSNP : Smart Schools Network Pilot Project TA : Technical Assistance TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCS : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	PMU	:	
TA: Technical Assistance TOT: Training of Trainers TSU: Technical Support Unit UNDP: United Nations Development Program UNIDO: United Nations Industrial Development Organization PSWT: Passive In-Stream Wetland Treatment of Drain Water project RADCON: Rural Development Communication Network SGI: Societa Generale di Ingegneria SpA SMEs: Small and Micro-Enterprises SMMEs: Small and Medium-Size Enterprises VCs: Visitor Centers VCT: Voluntary Counseling and Testing WAHI: Women Association for Health Improvement WFP: World Food Program WHO: World Health Organization WSIS: World Summit on the Information Society	PPP	:	•
TOT : Training of Trainers TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	SSNP	:	Smart Schools Network Pilot Project
TSU : Technical Support Unit UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	TA	:	
UNDP : United Nations Development Program UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society		:	Training of Trainers
UNIDO : United Nations Industrial Development Organization PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	TSU	:	Technical Support Unit
PSWT : Passive In-Stream Wetland Treatment of Drain Water project RADCON : Rural Development Communication Network SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	UNDP	:	United Nations Development Program
RADCON: Rural Development Communication Network SGI: Societa Generale di Ingegneria SpA SMEs: Small and Micro-Enterprises SMMEs: Small and Medium-Size Enterprises VCs: Visitor Centers VCT: Voluntary Counseling and Testing WAHI: Women Association for Health Improvement WFP: World Food Program WHO: World Health Organization WSIS: World Summit on the Information Society	UNIDO	:	United Nations Industrial Development Organization
SGI : Societa Generale di Ingegneria SpA SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	PSWT	:	Passive In-Stream Wetland Treatment of Drain Water project
SMEs : Small and Micro-Enterprises SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	RADCON	:	Rural Development Communication Network
SMMEs : Small and Medium-Size Enterprises VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	SGI	:	Societa Generale di Ingegneria SpA
VCs : Visitor Centers VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	SMEs	:	Small and Micro-Enterprises
VCT : Voluntary Counseling and Testing WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	SMMEs	:	Small and Medium-Size Enterprises
WAHI : Women Association for Health Improvement WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	VCs	:	Visitor Centers
WFP : World Food Program WHO : World Health Organization WSIS : World Summit on the Information Society	VCT	:	Voluntary Counseling and Testing
WHO : World Health Organization WSIS : World Summit on the Information Society	WAHI	:	Women Association for Health Improvement
WSIS : World Summit on the Information Society	WFP	:	World Food Program
	WHO	:	World Health Organization
	WSIS	:	World Summit on the Information Society
WUAs : Water User Associations	WUAs	:	Water User Associations

Table of Contents, Partners For Development

	A Message The Ambassador of Italy in Egypt H.E. CLAUDIO PACIFICO	11
	Executive Summary	12
	Preface	15
	Chapter One: A New Rationale for Development Assistance	16
S	Chapter Two: Why Debt Swaps?	21
nt	Chapter Three: The Italian Egyptian Debt for Development Swap (IEDS)	
te	Second: Alignment of the IEDS Model with the Paris Declaration Indicators	28
of Con	Chapter Four: Where did the Money Go? An Evaluation of the Project Clusters	36 40 42 45 50 53
	Seventh: Health	
<u>e</u>	Eighth: Women Development and Empowerment Chapter Five: What Have We Learnt?	
	About the Authors	70
ש	List of Interviewees	72
	Deferences	72

Foreword

Government of Egypt,

The Minister of International Co-operation,

H.E. FAYZA ABOULNAGA9

By: The Minister of International Co-operation Government of Egypt

H.E. FAYZA ABOULNAGA

I am especially pleased to introduce this publication, the first in a series, which informs our readers about the innovative debt swap mechanism – a mechanism that Egypt has initiated successfully with some of its development partners. The first agreement was signed with France (1994), followed by agreements with Switzerland (1995), Germany and Italy (2001). This report focuses on Egypt-Italy Debt Swap agreement and the projects funded under it.

The essence of debt swap lies in the fact that it represents a joint effort by both sides to make extra contributions to fund development projects that otherwise would not be implemented or would seek other funding. In other words, debt swap arrangements are not made in lieu of the more normal official development assistance (ODA) but are supplements to it.

As this publication shows, there are specific guidelines to project selection, monitoring of implementation progress, and the modes of intervention. The Egypt-Italy Debt swap agreement has supported a wide range of initiatives in several sectors including microenterprises and SMEs, water resources, rural development, health, education, gender and social development.

I am also happy to draw attention to the geographic distribution of Egypt-Italy debt swap projects, covering various regions of the country and helping to narrow the gap among the regions, especially those that had not had much development assistance assigned to them in the past. Thus, Cairo and Giza account for not more than 23%, the Delta 33%, while Upper Egypt has 17% of the total. There is still room for improving such distribution, especially with regard to Upper Egypt, Sinai, Siwa and the Red Sea.

In terms of implementation, a number of agencies have undertaken this role. For example, some projects were carried out by the Egyptian side such as the Ministry of Agriculture & Land Reclamation, Ministry of Social Solidarity, Ministry of Health & Population, National Council for Women, and so on. Others were implemented by UN agencies such as the UNDP, World Food Program, etc. The majority of projects approved to-date has been implemented by Egyptian governmental and non-governmental organizations; this practice makes use of

It is my hope that our readers will find this document informative. We welcome your comments about its contents.

available local talent and expertise and contributes to strengthening national

It remains for me to express my special appreciation to the Government of Italy for its excellent collaboration not only under the debt swap agreement but also in development co-operation as a whole. I also gratefully acknowledge the effort of the Technical Support Unit to the Management Committee of the Swap Program for producing this valuable publication.

Foreword

capacities for development.

4 Message

By: The Ambassador of Italy in Egypt H.E. CLAUDIO PACIFICO

"I am very pleased to present the most significant experience in the long lasting collaboration between our two Countries: the Italian - Egyptian Debt for Development Swap Program, jointly managed and implemented along the last seven years thanks to the professionalism, the willingness and the enthusiasm of both parties.

We officially started this experience on 19th of February 2001, when Italy and Egypt signed the "Debt for Development Swap" Agreement, with the aim of converting eligible Official Development Assistance (ODA) bilateral debt owed by the Arab Republic of Egypt to the Italian Republic into financial resources to implement development projects in Egypt.

In the shortage of consolidated examples and practices for the implementation of the debt swap mechanism, this Program faced an extraordinary challenge: how to transform a debt in an instrument for development.

Principles and priorities for the Program execution have been set up in line with GOE's requirements and MDG's objective of poverty alleviation and human development. Inspired by those criteria, we have been working in order to identify projects aimed at achieving long term and sustainable growth.

Along these years, capacity building and other forms of assistance have targeted both conventional and innovative sectors and have produced a relevant impact on different categories of beneficiaries, such as public administration, civil society and private sector. Synergies and forms of cooperation have been established among projects and links with the Italian system have been created, boosting, in this way, the outcomes and the effects of the initiatives.

The experience gained by Italy in different sectors, such as SMEs, rural development, water resources, health, education, gender and social development has been put at disposal of the Egyptian Government and, in most of the cases, the process of know how and technology transfer has evolved in to forms of partnership between the two Country systems.

The validity of the approach adopted, proved by the outcomes achieved so far, has allowed not only to efficiently orient the resources available towards a path of growth and sustainability, but also to cement a partnership for development with wider, positive effects for the whole Euro - Mediterranean area.

The lessons learned form this successful experience has led our two Governments to proceed along the path of joint cooperation, by launching the Second Debt Swap Program, which will consolidate the success of the previous one and the synergies already established between the two systems, implementing initiatives inspired by reciprocity of interests and mutual benefits".

This report presents the results of an independent study of the Italian Egyptian Debt Swap (IEDS). An attempt has been made to review the successes as well as the challenges that confronted this innovative modality in development partnership. A review of the achievements indicates that IEDS constituted an interesting model of debt-for-development swaps, with 53 diverse-sectors projects. A number of Ministries in the Egyptian Cabinet were key players, as well as UNDP, UNICEF, UNFPA, IFAD, WFP, NCCM, EEAA and other major local and international bodies.

IEDS budget amounted to US \$ 149 million, which is a relatively modest amount compared to Egypt's total external debt amounting US \$ 34.5 billion as of March 2008. Nevertheless, IEDS contributed to the fulfillment of MDGs' objectives and GOE's development priorities, and demonstrated that achievements with a sustained impact are of a particular importance, not only the size of the funds. On another front, noting that Egypt is a country that is characterized with wide discrepancies in governorate human development levels, with HDIs varying between 0.753 and 0.669 for highest and lowest governorates respectively, IEDS interventions were largely targeted to the Upper Egypt governorates where low HDI-levels are prevailing. It is noted that poverty incidence can be as high as 60% in the low-HDI governorates compared to only 8% in the high-HDI ones.

The urban-rural divide was heavily addressed by IEDS, whereby rural development interventions, which also included projects aiming to promote agricultural exports, constituted 30% of total IEDS budget, i.e. the highest share among all IEDS project-clusters. In fact IEDS largely targeted the sectors characterized with low-productivity and low-pay employment, which absorb about 90% of total employment in the Egyptian labor force i.e. the agricultural sector, the informal sector and the government sector. That was through projects aiming to enhance agricultural productivity, support craftsmen through vocational training and networking, improve education, as well as provide the local administration with significant institutional capacity building.

IEDS attracted GOE's attention to areas that did not previously get adequate focus, e.g. the role of ICT in rural development, the environmental sector and water resource management. The success of certain interventions encouraged other donors to participate, and triggered government allocations. Public administration and civil society benefited from extensive capacity building, and the private sector benefited from increased opportunities and better access to export markets. An Egyptian-Italian partnership was truly achieved in project selection and management. The role of the Italian Development Cooperation as a catalyst facilitated further interventions from Italy and enhanced contributions from other donors and allocations by the Egyptian Government.

The details of the different projects addressed are to be found later in the report. Here we shall highlight the major outcomes of the study with reference to the eight project clusters covered:

The program has broken new grounds in the areas of environmental preservation, water management and rural development. Preservation of Protected Areas and national biodiversity was achieved, and Wadi El Hitan Museum was established and nominated by UNESCO as Egypt's only World Heritage Natural Site. Water sector pioneer interventions were replicated outside IEDS in light of their visible positive impact. Agricultural

productivity was enhanced in West Nubaria, people's settlement increased, producer associations set up and linkages created with private firms. Farms in Fayoum were certified by the Egyptian Center for Organic Agriculture. Experimentation in Toshka resulted in better and higher quality agricultural yield, and Egyptian crop exports to European markets were enhanced.

- The program has demonstrated the potential of using **information** and **communication technology** to enhance development objectives and outreach for the unprivileged groups. The Smart School Network covered public schools in 16 governorates aiming to become a standard model for preparatory education. Mobile Information Technology Units reached 200,000 people in remote areas. Agreement held with GALAE to continue using the illiteracy eradication CD-ROMs. 'Kenana Online' agricultural subportal established, and a website created under the Rural Development Communications Network, with linkages to research centers.
- Poverty alleviation is at the center of MDGs and the Government's concerns. The project has contributed to introducing fresh approaches to poverty reduction. With the aim of poverty alleviation, the support to craftsmen led to enhancement of skills and products, networking with Egypt Craft Center, and linkages with exporters through the 'Fair Trade'. Knowledge on participatory slum upgrading compiled to guide future efforts and achieve sustained impact.
- Youth and children figured prominently among the target groups of the projects. NCCM upgraded the skills of child laborers to move them to less hazardous jobs; compiled the National Strategy for Protecting Youths from Drugs, and launched with UNDP a national campaign on youth-related issues. Sohag's local CDA continued the computer services after project-end, in a financially sustainable manner.
- The problems of the **health sector** are immense and the projects focused on some critical interventions. Poison Information Centers were established, the approach used by AIDS Counseling Centers was replicated by other centers in Egypt and in other countries, and the positive impact of AIDS anti retro viral medications supported MOHP negotiations for government budget allocations.
- The issue of gender cut-across many of the projects. In particular, the cooperation between NCCM and UNDP was successful in that the FGM project moved from pilot to national level; Youth UN-Volunteers at governorate level created a network of 'agents of change'; FGM was criminalized by MOHP decree and condemned by the highest religious authority in Egypt.

Finally, the experience of the Italian-Egyptian Debt Swap has been a rich one in terms of the lessons gained from such a development partnership carried out in mostly new areas, and using innovative approaches. This project has been a success story, particularly in pioneering the work of some important aspects of development, creating a lasting demonstration effect, and making a relatively small amount of funds go a long way in supporting government strategies and the objectives of MDGs. In specific terms, a number of lessons may be singled out:

 Project's partnering with a body that has political weight is a factor of success. But government bureaucracy, inadequate coordination, and data discrepancies are major issues to be addressed.

- There is a need to streamline the procedures and to amend the modality of transfer of installments to reduce delays.
- Projects are likely to succeed under decentralized and participatory approach. Civil society is now recognized to have a complementary rather than competing role to the government. Capacity-strengthening for partner institutions is emphasized, with special reference to civil society, to ensure sustainability of project's activities. Laws can better be enforced by addressing root causes of the problem.
- Monitoring/ coordination can be enhanced by better identification of the roles and of the target groups. Interventions can be very effective, regardless of the size of funds, if they are of sustained impact, easily replicable, and take local culture into account.

The experience of the Italian-Egyptian Debt Swap will certainly serve as a non-traditional model for development cooperation which can be emulated by other countries elsewhere in the world.

ву: Samir Radwan

This report provides the results of an independent study of the Italian-Egyptian Debt Swap Program (2001-2008). This program represents an innovative approach to development partnership. Traditional aid has given place to new modalities that reflect the changing nature of partnership between developed and developing countries. As the Development Assistance Committee (DAC) has noted, development assistance should support national efforts, and at the same time enable developing countries to achieve the objectives of the Millennium Development Goals (MDGs). In this respect, the initiative of Debt Swap for Development provides a case study of such new thinking.

To undertake the evaluation exercise, we have examined fifty three projects that benefited from the Italian-Egyptian Debt Swap Program. These projects were divided into eight clusters depending on the major activity of each project. Certainly, this typology is necessarily arbitrary as several of the projects may straddle more than one cluster. The methodology used comprised different aspects: a thorough survey of the progress and evaluation reports of the projects; a direct soliciting of the views of Egyptian partners, principally represented by the Ministry of International Cooperation; an exploration of the views of Italian Cooperation, as well as the experts that were heavily involved in implementing the projects. These sources provided invaluable information upon which the study was based.

What were the major conclusions of the study?

- The modality of Debt Swap for Development continues to be an efficient and beneficial type of aid. As in the previous evaluation prepared for the World Summit on the Information Society (Tunisia, 2005)¹, Debt Swap is beneficial to both donor and recipient countries.
- The development partnership based on the Debt Swap approach brings new ideas and methods of work to developing countries. In many cases, the Italian Debt Swap pioneered new areas such as environmental preservation and the use of ICT in rural development. As such, it had a far-reaching demonstration effect on the Egyptian development scene.
- The major contribution of the Program is not necessarily the amount of funds it brought to Egypt. It is rather the areas chosen that have broken new grounds upon which national efforts could add and improve.
- There are certainly some shortcomings, prominent among which is that the amount involved was spread thin among several projects, and therefore these projects could not have a deep impact on the recipient country. Moreover, the problems of development management in Egypt caused some delays in implementing the projects, and the question of sustainability at the end of the project's life needs to be addressed. But all these were to be expected and do not detract from the value of the Debt Swap Program.

In conclusion, the experience of Debt Swap has resulted in valuable lessons not only for Egypt but for other development partners elsewhere in the world who may wish to adopt such a modality. It is hoped that the present report be of use in guiding future endeavors in Egypt and elsewhere.

Preface

¹ Samir Radwan, Exchanging Debt for Development: Lessons from the Egyptian-Debt-for-Development Swap Experience, Economic Research Forum, Cairo 2005.

W

Development Assistance

for

<u>а</u>

Rai

"One-fifth of humanity lives in countries where many people think nothing of spending \$2 a day on a cappuccino. Another fifth of humanity survive on less than \$1 a day and live in countries where children die for want of a simple anti-mosquito bed net."— HDR 2005

Introduction: Highlights on Human Development and Poverty in Egypt

The evolvement in Human Development Index (HDI) in Egypt over the last decade reflects a gradual improvement to reach 0.723 in 2006. This is still slightly below the 0.8 level that characterizes countries with high-level of human development. The breakdown of HDI to its three components 'income, education and life expectancy' (Table 1.1) indicates that the improvement has in most cases been consistent with the exception of drops in income and education HDIs in 2002 and 2004 respectively. The IEDS program has numerous initiatives in the area of poverty alleviation and improvement of quality of life as noted in Chapter Four under 'project clustering'. Similarly, education has a considerable weight among IEDS-interventions under the 'youth and children' cluster of projects.

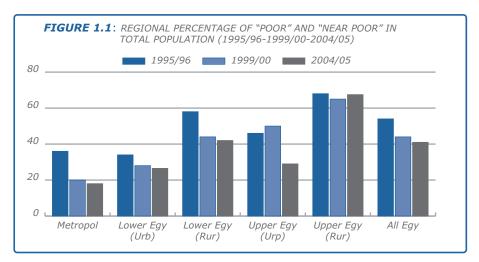
Table 1.	Table 1.1: Human Development Index (HDI) in Egypt 1996 – 2006				
Year	HDI	Life Expectancy Index	Education Index	GDP Index*	
1996	0.631	0.695	0.599	0.598	
1998	0.648	0.698	0.614	0.632	
2000	0.655	0.702	0.643	0.649	
2001	0.68	0.702	0.682	0.655	
2002	0.687	0.752	0.703	0.607	
2004	0.689	0.76	0.685	0.622	
2006	0.723	0.772	0.718	0.681	

Source: Egypt Human Development Report 2008

* At US \$ PPP

There are large disparities however in HDI levels between the various governorates of Egypt. Information on the five highest-HDI governorates and the five lowest ones is shown on Table 1.2. It is noted that all five disadvantaged governorates indicated in the Table are located in the south i.e. 'Upper Egypt'. Information on poverty incidence in the same governorates is also shown in the same Table. Figure 1.1 shows the concentration of poverty in rural areas, specifically in rural Upper Egypt.

In this respect, it is worth mentioning that IEDS interventions were largely targeted to Upper Egypt as indicated in Chapter Four. Further, IEDS projects involved with rural development, and the promotion of agricultural exports, constituted 30% of the total IEDS budget, which is the highest share among project-cluster budgets (Figure 3.2, Chapter Three).



Source: Egypt Human Development Report 2008

Table 1.2: HDI and Poverty in Highest and Lowest Governorates				
Governorate	HDI	Poverty Incidence		
Highest Governorates:				
Port Said	0.753	7.60%		
Suez	0.751	2.40%		
Cairo	0.737	8.00%		
Alexandria	0.738	4.60%		
Damietta	0.739	2.60%		
Lowest Governorates:				
Fayoum	0.669	12.00%		
Minya	0.682	39.40%		
Assiut	0.681	60.60%		
Sohag	0.685	40.70%		
Beni Suef	0.697	45.40%		

Finally, an analysis of the structure of the Egyptian labor force reflects the wide prevalence of low-productivity and low-pay jobs, whereby modern-sectors absorb no more than 10% of total employment (Table 1.3). By contrast, the informal sector, the government sector and the agriculture sector, together constitute 90% of total employment. IEDS interventions heavily targeted such disadvantaged sectors through a diversity of projects aiming to enhance agricultural productivity, support the agro-processing and the craftsmen sectors, skill upgrading through vocational training, as well as provide the local administration with extensive capacity building.

Table 1.3: Structure of the Labor Force				
	Million	Percentage		
Labor force	22	100		
Unemployed	2	9.1		
Employed	20	90.9		
in:				
Government	5.7	28.5		
Informal Sector	7	35		
Agriculture	5.3	36.5		
Modern Sectors	2	10		

Source: ERF, Labor Force Panel Survey 2006, Cairo, 2007

Development Assistance

The rationale for new thinking on development assistance is the realization that there is a need to narrow the gap between rich and poor countries. It is a matter of fact that three quarters of the World's income belongs to one fifth of the World's population¹. Such a divide creates an environment of biased and unfair international competition. If these disparities are allowed to prevail, the economic advantages gained from such a competition will soon transform to an international safety threat. Poverty everywhere is a threat to prosperity everywhere.

Within this context, the issue of economic development has taken center stage for world economists and policy makers. The idea of a *development partnership* has finally taken firm roots. Moreover, the criteria against which economic development is measured has evolved beyond the unilateral obsession with GDP and its growth rate. At first, people were fascinated with tabulated GDP figures, GDP growth rates, Investment figures and so on. But then it came evident that these numbers do not truly reflect the actual living situation. GDP growth is a necessary but not sufficient indicator of development. This is when the concept of a Human Development Index evolved, and the concept of looking at the human side of development became more appealing. Accordingly the Millennium Development Goals (MDGs) were set with the objective of improving the quality of human life. Given the current distribution of World Income, achieving the MDGs will not be possible in the absence of *Effective Development Assistance*.

Initially development assistance efforts were in the form of various projects targeted at specific sectors. Unfortunately, and despite the multiplicity of success stories, there is always the issue of sustainability of projects after the donor leaves, and the funds dry up.

Economic development is a complex issue; it is a *process* as the literature would argue. It is an interactive process that takes place among the different structures of the economy. Addressing these economic structures simultaneously will ensure the smoothness and sustainability of the development process. In turn, donors have decided to change their assistance rationale from being *project-based* to one that is *program-based*. In fact, the Development Assistance Committee

¹ United Nations Development Program (UNDP). "International Cooperation at a crossroads. Aid trade and security in an unequal world." Human Development Report. 2005

(OECD/DAC) members have set a target for 2010 that at least 66% of aid flows are to take the form of program-based aid. The aim of a program-based assistance is basically to create the proper infrastructure for the development process to start taking off. Emphasis on *Capacity Building* and the involvement of local institutions have therefore become increasingly popular.

It is worth mentioning however that even though the role of Development Assistance is crucial, it may create unhealthy dependency syndrome among recipient countries. As the Chairman of the DAC argues: "Aid is only a compliment to the development effort of individual countries". Accordingly, it was suggested that DAC members need to give higher priority in terms of aid allocation to good performers with large shares of poor people as opposed to other groups. Since development assistance is a form of partnership; countries that prove their eligibility as good development partners, are more likely to get more assistance.

Aid Effectiveness

The issues of aid allocation and aid effectiveness have also been dominating the current discourse on economic development. Through the endorsement of the Paris Declaration of 2005, OECD countries have set a group of indicators for the proper management of aid resources. These indicators may be summarized as follows:

- Partners have operational development strategies At least 75% of partner countries selected should have national development strategies (including Poverty Reduction Strategies 'PRSs') that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.
- 2. Reliable country systems At least half of the selected partners should have procurement and public financial management systems that either a) adhere to broadly accepted good practices or b) have a reform program in place to achieve these.
- 3. Aid flows are aligned on national priorities More reported aid flows to the government sector on national budgets.
- 4. Strengthen capacity by coordinated support Providing capacity-development support through coordinated programs consistent with partners' national development strategies.
- 5. A. Use of country public financial management systems Increase the percentage of aid flows that use public financial management systems in partner countries, which either (a) adhere to broadly accepted good practices or (b) have a reform program in place to achieve these.
 - B. Use of country procurement systems Attempt to have at least 90% of donors and of aid flows that use partner country procurement systems that either a) adhere to broadly accepted good practices or b) have a reform program in place to achieve these.
- 6. Strengthen capacity by avoiding parallel implementation structures Reduce the number of parallel project implementation units (PIUs) per country by at least two thirds.

- 7. Aid is more predictable Increase the percentage of aid disbursements released according to agreed schedules in annual or multiyear frameworks.
- 8. Aid is untied Increase the percentage of bilateral aid that is untied.
- 9. Use of common arrangements or procedures Provide at least 66 % of aid as program-based.
- 10. Encourage shared analysis Have 40% of field missions and 66 % of countries analytical work including diagnostic reviews, joint.
- 11. Results-oriented frameworks Increase the proportion of aid going to countries with transparent and monitorable performance assessment frameworks to assess progress against (a) the national development strategies and (b) sector programs.
- 12. Mutual accountability All partner countries should undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.²

Through the implementation of the above initiatives, OECD/DAC countries believe that the achievement of MDGs on time would be more feasible. Nevertheless, DAC/ OECD members still have remaining challenges that need to be addressed in order to ensure better aid effectiveness. These Challenges as summarized by the DAC's Development Co-operation Report of 2007 include: (i) more focus on results and development of the capacities to assess progress; (ii) more involvement of recipient countries and their civil societies in the design and implementation of initiatives; (iii) collective action that builds on the comparative advantage of each partner.³

It emerges clearly from the above that development assistance has gone beyond the hand-out approach towards a more realistic role to support national efforts and guarantee that aid resources are cost-effective and help create sustainable structures. Moreover, the projects under this program were in line with the above mentioned indicators. It is from this perspective that the Italian-Egyptian Debt-for-Development Swap program will be evaluated.

http://www.oecd.org/dataoecd/57/60/36080258.pdf

³ OECD(2008) The DAC Journal: Development Assistance Report 2007.(www.oecd.org/dac/dcr)

The Debt Swap Mechanism

The United Nations Development Program (UNDP) defines Debt Swaps as:

"The cancellation of (part of the) external debt of a country in exchange for the debtor government's commitment to mobilize domestic resources (in local currency or in other assets, such as bonds or privatized public assets) for an agreed purpose at agreed terms. The cancellation of external debt usually comes at a discount from face value."

In Debt Swap programs, a framework for the swap is first negotiated between the "donor" and the government of the "indebted" country. The Donor then purchases the debt from the original creditor or from the secondary debt market at a discount from face value. In turn, the donor becomes the title owner of the debt and may apply to convert the debt into a domestic currency obligation. According to the terms and conditions negotiated with the indebted government, the debt is converted into local currency. The donor finally allocates these funds to implement the intended project.²

Debt swaps can take various forms, for example:

Debt-for-aid / development swap – the conversion of external debt into local currency paid for development projects (e.g. health, education) in the indebted country.

Debt-for-equity swap – The cancellation of external debt in exchange for local currency invested in equity /shares in a domestic firm or privatized public enterprise

Debt-for-nature (environment) swap— the cancellation of external debt in exchange for local currency used to finance conservation ("green") or environmental protection ("brown") projects i.e. pollution abatement, development of environmentally-related infrastructure, etc³

Another way of categorizing debt swaps is proposed by the Rosen et al definition⁴. They place debt swaps into two categories: "private swaps" (those including one or more NGOs as parties); and "public swaps" (those to which the parties are governments and bilateral or multilateral debt is retired). It is worth mentioning though that the term "private swaps" may involve public debt and "public swaps" may result in grants for NGOs, but they provide a generally useful distinction between swaps that are largely initiated and carried out by NGOs and those which are mainly governmental.

In Egypt's case, the signed agreements for debt swap fall under the category of "public" swaps that take the form of "Debt-for-Development Swaps".

In a typical Public Debt Swap the parties involved are two governments, usually of developed and middle income countries. The swap takes place according to the following steps:

Chapter II
Why Debt Swaps?

¹ UNDP Guide for DFES for National Desertification Funds (1998)

² Moron, Dominic, "Debt Swaps for Hot Spots: More Needed" Biodiversity letters, Vol.2 (No.3, May1994)

³ UNDP Guide for DFES for National Desertification Funds (1998)

⁴Rosen, Sydney, Jonathan Simon, Donald Thea and Paul Zeitz. "Exchanging Debt for Health in Africa: Lessons from Ten Years of Debt-for-Development Swaps." <u>Development Discussion Paper</u> No. 732 (1999).

- 1. The two countries (creditor and debtor) set criteria for participation in the swap that typically include satisfactory implementation of a structural reform program;
- 2. The debt is then deposited in a counterpart fund;
- 3. Funds are co-monitored by a board composed of debtor and creditor country representatives;
- 4. As the debtor country fulfills the terms of the agreement, the debt is progressively cancelled in line with those terms.⁵

Historical Background

The introduction of Debt Swaps arose as a consequence of the International Debt Crises of the 1980s. Total accumulated debt for developing countries in 1982 reached US\$ 850 billion. By 1983, a total of 43 developing countries were overdue with their foreign debt service and repayment.

Chile was among the highly indebted countries at that time, and was the first to implement a Debt Swap Program which took place in 1985. Over three and a half years, Chile was able to retire the equivalent of \$ 4.2 billion of debt through debt swaps.⁶

Debt Swaps: A Possible Solution?

External debt constitutes a good 25% of GNPs of developing countries. This means that for every \$10 the average person makes in a developing country, \$2.5 have to be paid back to a developed country. If the MDGs are to be achieved by 2015, the phenomenon of capital flowing from poor countries to the rich has to decelerate. Developing countries still have many challenges to face in order to build the required infrastructure for sustainable development. Debt service funds unnecessarily crowd out investments that can otherwise be used to achieve MDGs objectives.

The Debt Swap Mechanism proposes a potential solution to that problem. If we hypothetically assume that the \$2.5 debt burden per person is exchanged for an efficient investment in a critical development area such as education, the average income of that person is likely to increase. Debt Swaps are therefore viewed not only as a solution to the international indebtedness of LDCs, but also as a key factor in achieving the MDGs.

The following arguments present the potential advantages of debt swaps over traditional modalities of aid, and other methods of debt management.

Advantages of Debt Swaps over Other Types of Aid Mechanisms

Debt swap is supposed to be a more efficient method of aid based on the following arguments:

1. Relief of the fiscal burden of public debt and improving sovereign ratings:

The relief of the external debt burden and the risks associated with it

⁵ Deacon, R.T., and P Murphy. "The structure of an environmental transaction: the debt-for-nature swap." <u>Land Economics</u>

⁶ Larrain, Felipe and Velasco Andres. "Can swaps solve the debt Crises? Lessons from the Chilean Experience." <u>Princeton Studies in International Finance</u> No. 69 (1990).

- improves the country's sovereign ratings. It also gives the indebted country the fiscal flexibility to address other priority issues.
- Reduction of the Balance of Payment Deficit: As debt service payments in foreign currency are reduced, debt swaps reduce the balance of payment deficit. In some cases, bilateral debt swap agreements include a form of debt cancellation as well. This further enhances the effort to reduce the deficit.⁷
- 3. Targeted Development: Governments benefiting from debt swaps are better able to direct more investments into development projects while; maintaining a sense of national ownership of the resulting projects.
- 4. Investment in National Priority Sectors: One of the Aid Progress Indicators of the Paris Declaration of 2005 states that "Aid flows are aligned on National Priority". Since the allocation of debt swap funds are decided by both sides, the donor often dedicates part of the fund to support national policy. In the case of the Italian-Egyptian Debt for Development Swap (IEDS), sectors from the Mubarak Electoral Program like poverty alleviation and women empowerment are covered through various projects in the program.8
- 5. Investment in key sectors that were not previously addressed by the Indebted Country: This advantage is specifically absent from other aid mechanisms like budget support. Budget support aims at strengthening the capacity of the government of the recipient country. In turn, it is a mechanism that is more inclined to supporting government policy priority sectors. Debt swap mechanisms however, may propose developmental efforts in issues or sectors that were previously ignored by the indebted government. In case of the Italian-Egyptian Debt for Development Swap, new issues like ICT, environment and clean industrial production, and better water management are covered by the program.
- 6. Attracting further investments: Initial capital granted through debt swaps can also be used to attract matching contributions from other donors. In the case of the Mexican debt-for-nature swap, the Global Environment Facility (GEF) made a major contribution to a protected area. Debtor governments usually try to estimate the degree of additionality offered by debt swap operations by determining the likelihood of the foreign investment or development assistance flowing into the country the country in the absence of debt conversion.⁹
- 7. Saving in Foreign exchange: Funds released from the debt swap are in local currency, and therefore the country's foreign reserves are kept intact. Accumulating exchange rate reserves is a form of self-protection for developing countries against real exchange rate volatility and against the risk of a financial crisis.
- 8. More Domestic Participation: The creation of local currency funding mechanisms through the swap, leads to greater participation of civil society and especially NGOs. The involvement of grass root organizations like NGOs is a key factor in the success and more importantly the sustainability of development programs.

⁷ Economic Research Forum (ERF). Exchanging Debt for Development: Lessons from the Egyptian Debt for Development Swap Experience. Egypt. 2005

⁸ See Chapter 4

⁹ www.oecd.org/document/3/0,3343,fr_2649_34335_35165443_1_1_1_1,00.html - 20k

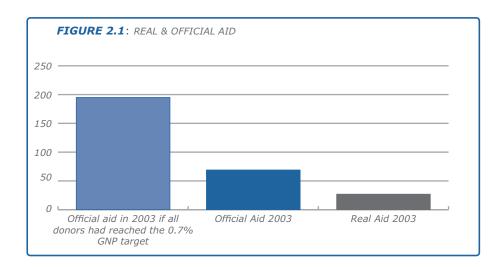
- 9. More Efficient Aid Expenditure on Transaction Costs: The use of the countries' systems and the employment of its local skills (as in most forms of debt swaps) saves a lot of money and time that would otherwise be wasted on issues like money transfer bureaucracies, or understanding the culture and language. In turn, the aid effort becomes more effective and efficient.
- 10. No attached conditionality: This type of aid mechanism has no ties to conditions; both recipient and donor allocate funds based on mutual priorities. Budget support mechanisms on the other hand although theoretically designed to support government policy, may sometimes have hidden economic and political conditionality.
- 11. Predictability Debt swaps are much more predictable than other aid methods. Predictability is a very crucial factor in the planning process of allocating development funds, and also in the country's ability to sustain the inflow of these funds.

Advantages of Debt Swaps over Other Debt Management Mechanisms

- 1. Debt Swaps are better aligned with the MDGs and the Paris Declaration of 2005.10
- Qualitative monitoring on actual development: When creditor nations from the developed world relief debt on LDCs and categorize it as aid, there is no real proof of whether these released funds were spent on development or not. This is also the case with budget support mechanisms that often suffer from the lack of domestic accountability of the recipient country. In Debt Swap mechanisms however, the allocation and the monitoring of the funds are co monitored by the donor and the recipient. Qualitative monitoring of development as opposed to a simple figure added to the ODA figures is a sign of actual assistance to the indebted nation.
- 3. Technical Assistance: Debt for Development projects often involves technical assistance included in the projects' budgets. The transfer of technology and the enhancement of capacity building, provided through technical assistance, strengthen the sustainability of development. Technical assistance allows members of the Technical Support Unit to be better acquainted with beneficiaries. This interaction allows for a better understanding of the culture and of its needs, and hence improves the quality of assistance.
- 4. A Debt swap solution gives the best of both Debt Relief and Real Aid: Developmental organizations like ActionAid refuse to accept simple Debt Relief as part of Real Aid. ActionAid categorizes Debt relief as "phantom aid" as it does not have tangible effects on poverty reduction or the MDGs through new resources to finance development projects. It is argued in an article issued by ActionAid that Phantom aid makes official aid seem at least three times bigger than it really is.¹¹ The figure below illustrates ActionAid's calculations of Official and Real ODA based on OECD figures.

¹⁰ See Chapter 1

¹¹ Greenhill, Romilly, "Real Aid: An Agenda for Making Aid Work" <u>ActionAid International UK</u> (2005).



Although the ActionAid figures are arguable, it is a matter of fact that Debt Relief constitutes a substantial share of ODA, with no tangible improvements in the lives of people living in LDCs. Richard Carey, Deputy Director of DAC Secretariat admits in an article written in response to the ActionAid article that: " For Donors, the debt reporting rules have created often significant amounts of ODA that have not required the allocation of real resources and the real aid programs needed to deliver them." ¹²

Debt Swaps however, give the debtor country the opportunity to get the best of both. It provides the "fiscal flexibility" of a debt relief while supporting developmental efforts through technical support and joint monitoring. The capacity building obtained through the technical support, together with the involvement of local institutions and civil society creates a base for self-sustained development. In that sense, it could be argued that Debt Swaps are a form of Aid that does not lead to an unhealthy dependence on it.

It appears that these are powerful arguments in favor of the debt swap for development over traditional aid methods. It is in this light that we shall examine the experience of the Italian-Egyptian Debt for Swap Experience that took place over the years 2001 – 2008, together with a briefing on Egypt's external debt.

Egypt's external public and private debt amounted to US dollars 34.5 billion at end of March 2008. Table 1.1 indicates the breakdown of this amount by creditor.

¹² Carey, Richard (2005). "Real or Phantom aid?" DAC News. www.oecd.org/document/29/0,2340,en_2649_33721_34990749_1_1_1_1_1,00.html - 30k

Table 2.1: Egypt's External Debt as of March 2008				
Creditor	Amount of Debt In US \$ billion	Share in total debt		
Paris Club members (under bilateral loans)	20.8	60.10% (including 45.7% rescheduled and 14.5% non-rescheduled)		
Non-Paris Club members (International and Regional Organizations)	0.8	2.30%		
Suppliers' and buyers' credit	7.4	21.60%		
Short-term debt	2.8	8.20%		
Egyptian bonds and notes	2.6	7.60%		
Private sector (non-guaranteed)	0.03	0.10%		
total	34.5	100%		

Source: Central Bank of Egypt, External Position of the Egyptian Economy, Quarterly Report, Volume No. 21, July-March 2007-2008.

The Government of Egypt (GOE) represented by the Ministry of International Cooperation (MOIC) and its international partners has found creative ways to reduce Egypt's debt burden and at the same time promote development goals. One of the successful partnership examples that the GOE has is with the government of Italy, which is crystallized and demonstrated through the commitment of the Italian Cooperation in Egypt (IC) reflecting the consolidated bonds and the long history of collaboration between the two nations. Such collaboration is articulated in different areas and promotes a multi-sector developing program reflecting a consistent strategy for economic, social and human development. There is a wide variety of projects that the IC promotes and that relates to culture, vocational training, environment, research as well as social and productive areas. Moreover, the IC promotes projects financed by the bilateral financing, debt-for-development swap as well as through the Italian non-governmental organizations (NGOs). Following are sample examples of how the debt-for-development swap was utilized in the context of deploying ICT in Egypt.

Egypt and Italy signed a debt-for development swap agreement on February 19th, 2001. The agreement aimed at converting the Official Development Assistance (ODA) bilateral debt owed by Egypt to Italy into financial resources to implement development and environment programs with a focus on improving rural and unprivileged locations in Egypt. The total amount of debt subject to swap operations was US dollars 149.09 million of Egypt interest and principal payments for its Italian outstanding debt and was due for Italy over a period of five years. The amount was deposited in Egyptian pounds (LE) over the five-year period in a counterpart fund with the Central Bank of Egypt (CBE). The programs included a variety of projects totaling 53 projects that addressed various sectors of the economy including the deployment of ICT to serve developmental purposes across different sectors as will be demonstrates the coming sections.

It is important to note that in June 2007, Egypt and Italy signed the second tranche of the debt-for development swap agreement. The total amount of debt subject to swap operations under the document signed in 2007 is 100 million US dollars for a period of five years (2007-2011). According to government officials, the document will help Egypt in benefiting from the Italian expertise to continue its "green corridor" project which aims at opening up European (especially Italian) markets to Egyptian agricultural exports besides encouraging Egyptian and Italian private sectors to establish joint companies and partnerships for producing and exporting high-quality Egyptian products. Moreover, it will help in supporting basic industries and pushing forward the country's comprehensive development and reform processes, including the latest national ICT strategy that was developed for the period 2007-2011.

Since its inception, IEDS is managed by a bilateral Management Committee (MC) jointly headed by the Egyptian Minister of International Cooperation and the Italian Ambassador, and supported by representatives of Egyptian Ministries of Finance, International Cooperation – European Sector, Economic Development and the Central Bank of Egypt. The MC is supported by a Technical Support Unit (TSU). The MC is responsible for project selection and also responsible to monitor and evaluate the results achieved by each project with the support of the TSU and the project coordinator assigned to field monitoring. The Italian Egyptian debt swap program finances 53 development projects(and partially covering TSU running costs) with a total budget of US dollars 149.09 million. The projects funded through the IEDS aim to promote socioeconomic development and environmental protection. Priority was accorded to projects aimed to rural development, poverty alleviation and food security.

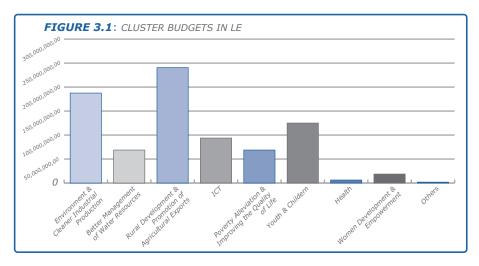
According to article 2 of IEDS, the GOE was mandated to deposit into the Counterpart Fund (CPF) the equivalent, in Egyptian Pounds, of each installment of ODA debt (principal and interest) due to the Italian government at its maturity date, in the period between the entry into force of the agreement and July 8th, 2006. The mechanism of the transfer of funds into the CPF was directly linked to the process of projects selection since the outstanding amount of the CPF should not exceed the total budget of selected projects. It is important to note that every six months the applicant had to submit to TSU a technical and financial progress report. Moreover, a yearly budget of each selected project was allocated and disbursed according to the relevant annual financial plan. Three months before the end of each financial year, the beneficiary was required to submit to the management committee a financial report of the current year and a proposed working plan for the following year as well as the relevant updated annual financial plan.

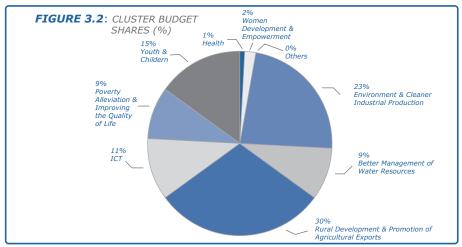
In December 2007, the total amount credited by the government of Egypt in the CPF of the debt swap program was 820,088,864 Egyptian pounds equivalent to US dollars 149,097,996 which indicated that 100% of the total debt object of the Agreement (July 2001-July 2006) was converted. As for projects' expenditure, in December 2007 the projects reported a total disbursement amounting to US dollars 107,393,291 representing around 73% of the related funds transferred to those projects. The Program has been extended to December 31st 2008 to allow some of the projects to complete activities related to the last semester, which were delayed for a number of technical reasons.

First: Background on IEDS Sectors

Given the relatively large number of projects implemented under the IEDS, (some 53 projects), individual projects are grouped –for the purpose of this study- into clusters comprising those projects that pertain to particular themes. As such, eight clusters are chosen, covering the areas of environment, water resources, rural development, ICT, poverty, youth and children, health, and women development. This is notwithstanding the existing overlap between themes, as well as the fact that many projects classified under one theme may in fact cover more than one theme.

The following figures present the cluster breakdown according to the absolute amounts transferred, and their relative distribution.





Second: Alignment of the IEDS Model with the Paris Declaration Indicators

An attempt is made here to assess the consistency of the IEDS model through a comparison with the Indicators of the Paris Declaration. This comparison provides an insight into the program's performance to both the donor and the recipient.

Indicator 1:	Alignment
Partners have operational development strategies	The funds transferred to the various projects of the program represent approximately 98% of the total amounts allocated for the program budget. The Projects were mainly selected by the Egyptian counterpart and the fact that the residual is minimal is indicative of the effectiveness of the country's operational development strategies.
Indicator 2:	Alignment
Reliable Country Systems	Egypt is an economy characterized by reliable banking and procurement systems. International Banks and International Companies operate comfortably in Egypt.
Indicator 3:	Alignment
Aid flows aligned on national priorities	The selected projects were mainly selected by the Egyptian Counterpart ensuring alignment with national Priorities. Furthermore, as illustrated below the majority of project implementers are Egyptian Government entities. The Amounts transferred are reported in full on the national budgets exceeding the 85% target of the Paris Declaration.
Indicator 4:	Alignment
Strengthen Capacity by Coordinated Support.	Based on the specific needs of each project in the program; a separate budget is allocated for technical assistance during project implementation.
Indicator 5a:	Alignment
Use of Public Financial Management Systems	The amounts allocated to the swap are placed in a counterpart fund (CPF) in the Central Bank of Egypt. Each project has its own account. Unutilized funds are returned to the CPF account.
Indicator 5b:	Alignment
Use of Country Procurement Systems	With a few exceptions, the projects in the program purchase all required material from the Egyptian market.
Indicator 6:	Alignment
Strengthen Capacity by Avoiding Parallel Implementation	All funds allocated to IEDS have to be coordinated through the Ministry of International Cooperation. The Ministry is the monitoring body for all international aid funds. Accordingly, the project selection process ensures that parallel implementation does not occur.

Indicator 7:	Alignment
Aid is more Predictable	The amount to be swapped is known to both parties. The release of the funds for the projects is based on preset installments due to Italy during five years.
Indicator 8:	Alignment
Aid is untied	The IEDS has no attached conditionality.
Indicator 9:	Alignment
Use of common arrangements or procedures- Aid provided as program based	This kind of aid is considered program based as it simultaneously tackles several projects in each sector, while addressing various sectors of the economy.
Indicator 10:	Alignment
Encourage shared analysis	The two sides shared together monitoring IEDS implementation (project selection, technical and financial evaluation and field visits) through the MC, the TSU, and Italian and Egyptian evaluation missions.
Indicator 11:	Alignment
Result- Oriented Framework	So far the issue of performance assessment has not been allocated an appropriate budget by the program. The monitoring roles are therefore very limited.
Indicator 12:	Alignment
Mutual Accountability	Both partners are held accountable for their signed obligations.

It may be concluded from Figure 3.2 that rural development and the environment had the greater share of fund allocation, followed by project targeting youth and children, and ICT. It is also noteworthy that the share of Egyptian entities in implementation was overwhelming (74% of the total).

A Rich and Varied Program

This chapter provides the results of the evaluation exercise. For the purpose of this evaluation, it has been decided, as mentioned earlier, to group the 53 IEDS projects into eight clusters, each covering a related theme. The clusters are summarized in the following table, with reference to the relevant MDG:

(1) Environment and Cleaner Industrial Production

- 39. Robaiki Leather and Tanneries City
- 22. Environmental Cooperation Program
- 23. Inventory of National Biodiversity
- 41. Environmental Development Awareness
- 52. Protecting Dolphin Habitat

(2) Better Management of Water Resources

- 14. Wetland Treatment of Drain Water
- 15. Assessment of Hand-pump systems
- 24. Flash Floods Protection Works (South Sinai)
- 30. Assessment of Water User Associations
- 31. Food Security Model (study on how water availability could achieve food security)
- 34. Brackish Water Desalination
- 42. Rehabilitation of Water Supply System Beheira

(3) Rural Development and Promotion of Agricultural Exports

- West Nubaria Rural Development Project (crop production + housing)
- Sustainable Rural Development (Wadi El Rayan-Fayoum)
- 11. Support to Agricultural Cooperatives
- 25. Agricultural Protection in Southern Valley
- *37.* Traceability of Agro-industrial products (to promote their exports)
- 53. Green Corridor Pilot Project: aiming to promote agricultural exports

ERADICATE EXTREME POVERTY AND HUNGER



(4) Information and Communication Technology

- 10. ICT for Sustainable Human Development
- 36. Rural Development Communication Network
- 3. Family Health Database
- *51.* Support to External Employment Dept. of the Ministry of Manpower





(5) Poverty Alleviation and Improving the Quality of Life

- 2. Poverty Alleviation & Employment
- 7. Marketing Link Program (for vulnerable groups in craft & agro-processing sectors)
- 9. Completion of Pottery Village (Al-Fustat, Cairo): preserve pottery profession + improve crafters' econ. conditions
- 27. Participatory Slum-Upgrading
- 29. Food For Work Program
- 32. Community-based Waste Management
- 46. Improving Quality of Life in Old Cairo
- 49. Improvement of Job Opportunities

(6) Youth and Children

- 12. Protection of Working Children
- 13. School Feeding
- 18. Campaign to Reduce Drug Abuse
- 19. Schools Construction
- 20. Think Twice Special Campaign for Youth
- 21. School Health Program
- 35. Improving Health of Working Children
- 38. Street children Protection
- 44. Literacy and vocational Training for Children
- 47. Enhancement of Kindergarten's Services
- 48. Improvement of Education
- 50. Children with Special Needs

(7) Health

- 6. Prevention of Chemical Poisoning
- 16. Directory for Special Needs Services
- 26. Leprosy Elimination Program
- 28. Extension of Medical Research Institute (Alex)
- 33. HIV/AIDS Prevention

(8) Women Development & Empowerment

- 8. Multi-faceted Micro-credit for Women
- 17. FGM Free Village Model
- 40. Empowerment of Female Heads of households
- 45. Women entrepreneurship



ERADICATE EXTREME POVERTY AND HUNGER









To start with, project clusters are briefly presented from the perspective of their consistency with the priorities of the GOE, as well as their contribution to the fulfillment of the objectives of MDGs. Project-achievements are then highlighted under the respective themes, with focus on the impact on project beneficiaries and/or target groups.

The effect on the two partner countries is analyzed with regard to impact on public administration, civil society, private sector, and public-private partnerships. Impact on bilateral relations is also addressed, where relevant. Points of strength and weakness, as well as the obstacles encountered during project implementation, are highlighted.

The Partners' Views

The Supervisor of the European Cooperation Sector of MOIC praised the excellent IEDS mechanism in terms of its effect on alleviating the burden on government budget in its developmental efforts, and noted that IEDS is currently a major representation of the Italian aid to Egypt. "The Egyptian-Italian partnership has been actually achieved in the real sense of the word, she noted, insofar as project selection, management, and technical and financial follow-up". Considerable technical assistance has been provided from the Italian side, and know-how transferred, in the industrial, agricultural, environmental and cultural sectors. The Egyptian and Italian civil society got the opportunity to realize their objectives, under a variety of social and economic development projects. Many IEDS projects aimed to provide demonstrations and 'road-paving' whose viability justifies the continuation through other source of funding, which was not always followed up due to the limited availability of resources. Some export increases were realized under such interventions as the 'Traceability' and the 'Green Trade' projects, and further increases are envisaged, especially with the Green Trade larger project under IEDS Phase Two.

The projects represented seed investments. The Supervisor of the Italian Cooperation Desk at MOIC pointed out that the Robaiki new industrial leather cluster will designate a number of workshops for joint Egyptian-Italian businesses. Increases in investments would be associated with the immense on-the-ground experience of IEDS Phase One, as noted by the Executive Director of PEMA, MOIC. Investors are usually attracted to countries on which considerable knowledge has been accumulated and pilot interventions implemented. A platform has been formed where views are exchanged, and problems and solutions discussed. Also noting that, Italian tourism has a high share in total tourism to Egypt. "The affinity between Egyptian and Italian people can strengthen economic relations, he said, the two partners have not yet taken full advantage of the similarity in political visions at all levels".

Things were not always rosy; there were challenges too. The Supervisor of the European Cooperation Sector referred to delays in transfer of IEDS installments, but said this was addressed through an amendment of procedures in the new agreement whereby the bank account was opened in the name of IEDS Management Committee, hence the approval of the Ministry of Finance is no longer required pre-fact; rather, they are notified post-fact. The local implementing agencies often lacked the necessary capacities in addition to incurring delays in association with bureaucratic procedures. "It has been difficult to coordinate, she said, between the various ministries and governmental bodies involved in the same project, and between various departments in the same body". Incidents like a change of Governor while a project is mid-way entail delays and complications. On the Italian side, there was at times excessive involvement in administrative aspects.

The Supervisor of the Italian Cooperation Desk at MOIC suggested the establishment of a Unit at MOIC totally devoted for addressing any problems under IEDS, noting that the TSU is a Monitoring and Supporting Unit. On

another front, she pointed out to the fact that IEDS has been 'spread thin' under numerous projects hence the difficulty to follow-up, especially with the limited number of both MOIC and TSU-staff, notwithstanding that they have done their best.

The Italian Embassy's Cooperation Attach_ pointed out that on Italy's side, the IEDS pioneered the debt-for-development swap approach, and has been followed by several similar programs with other countries. The approach had been envisaged by the Government of Italy, and then supported by the IEDS experience and outcomes; IEDS opened the way to concretely utilize this instrument in development cooperation and in strengthening the relations between countries. The Italian side acquired a strong presence in Egypt insofar as territory and institutions. It is now known that the Italian presence has the capability to operate in Egypt; the encountered unforeseen results helped the Italian system interact with the Egyptian system, hence a capacity to provide support to Italian institutions and entrepreneurs coming to Egypt. "We facilitated the contacts and the dialog, he said, promoted the interaction and provided information on targeted areas in Egypt, not only as a facilitator but as an institution that has credibility. We are proud to be partners with very important Egyptian institutions; we work together as one entity and jointly look at problems. This was possible through the IEDS flexibility, while not offered under traditional bilateral implementation".

IEDS-projects in a certain geographic area or with a certain an institution constituted a core base as described by the Attach , to which participations can be attracted from other donors, from Egypt, and from Italy. The impact of the funds is therefore maximized. While each IEDS-project remains valuable in itself, the surrounding linkages that were created constituted a value added insofar as involving Italian public and private institutions. Most interventions from Italy now come through the Italian Development Cooperation (IC) in view of their accumulated information and the advantage of having partnerships and friendships with Egyptian institutions. This is a by-product of IEDS. IC now has a role and a position that is much more important than before, and than its role in other countries. About 50% of the work of IC Office is now dedicated to supporting the Italian system coming to Egypt, rather than mere project execution and monitoring. "This is a process of maturity that the Italian system went through; IEDS provided the foundation. It is by no chance that the Italian Minister of Foreign Affairs is now personally involved with IC rather than through delegates. The proximity between Italy and Egypt creates a great deal of movement which if not supported would turn into foregone opportunities".

IEDS's presence in numerous sectors meant that most Italian innovations could be channeled to Egypt and benefit both sides. The Attach_ noted that IEDS Phase Two will have fewer sectors, selected on the basis of success stories in the first phase and lessons learnt, GOE priorities, as well as on comparative advantage on the Italian side, and potential for attracting Italian institutions and strengthening a mutual-benefit cooperation. The GOE is now laying more emphasis on projects that constitute models for success rather than those with large field impact. Vocational training is one of the examples of an area that is strongly needed by Egypt and where Italy is competent. Systems are to be imported from Italy, locally tested, adjusted to the local setting, and then provided to Egypt as a replicable package. Test-cases will be financed, e.g. the

efficacy of WFP's model of balanced food rations (supplemented with vitamins and micro-nutrients) for vulnerable groups.

Highlighting Achievements and Challenges: What were the Successes and the Downsides?

In what follows, we shall present a balanced view of both with reference to each cluster of projects.

First: Environment and Cleaner Industrial Production

"Ensure Environmental Sustainability" MDG 7 (Target 1: Integrate principles of sustainable development into country policies and programs; reverse loss of sustainable resources)

Environmental issues did not receive adequate attention among other GOE-priorities in the past; IEDS had a major role in attracting in the attention to the environment sector in Egypt. **UNDP's Environment Specialist** pointed out that apart from the Italian Cooperation (IC) and UNDP, very few donor agencies address the issue of Protected Areas. "There were no government budget allocations thereto, but it has evolved now to be much more 'on the map' of the Ministry of State of Environmental Affairs (MOEA)". The policies of DAC member countries incorporated a strong commitment, over the last two decades, to using development cooperation to address environmental issues.

Major areas addressed under this cluster of projects were the Protected Areas (PAs) and the biodiversity, cleaner industrial production and solid waste management.

- Capacities of EEAA's Nature Conservation Sector (NCS) were strengthened to enhance the management of the PAs' national network. PAs have been developed through establishing/ upgrading visitor centers, enhancing the monitoring activities, penalizing visitor violations or misuse, and training local people. This was in Wadi El Rayan and Gabal Elba PAs, Fayoum and Red Sea governorates respectively. This resulted in a doubling of the number of annual visitors to reach about 200,000 per annum. In the words of the NCS Director "We were honored by Egypt's First Lady's inauguration of Wadi El Hitan that has 40 million years' whale fossils, and we created a new community that depends on eco-tourism and conservation of natural wealth". EIECP Coordinator noted that the open-air museum established in Wadi El Hitan, and nominated by UNESCO as a World Heritage Natural Site, is the one and only in Egypt. Management plans were formulated for Qarun and Ras Mohamed PAs, and Gulf Kebir was declared as a new PA. Environment courts were established and judges were trained on environmental issues, under the **Legal and Institutional Framework project** of EIECP.
- Biodiversity research, monitoring and assessment all over Egypt were strengthened by UNDP, and capacities of the Biodiversity Department of NCS were enhanced, including the creation of a database that had high access -as reported by EIECP Coordinator. This was by the National Biodiversity and Natural Heritage Inventory and Monitoring project (BIOMAP). NCS Director noted that the project website had about one million records of biodiversity and about 100,000 users in only four months. Due to stricter regulations against visitor-violations, the number of species monitored and reported significantly increased. Biodiversity awareness was enhanced through the creation of publications for adults and children. A study was conducted for the establishment of a Natural History Museum.
- A plan was developed for sustainable area management and monitoring for tourist purposes, based on acquired knowledge on dolphins' environment, and awareness was enhanced on dolphins and marine biodiversity among stakeholders, local operators and tourists, through dissemination of brochures and snorkel books, and the creation of a website. Rangers/

field guides were trained to guide visitors and monitor visitor-violations. This was in Marsa Alam in the Red Sea governorate, implemented through the local NGO 'Abu Salama' under the **Dolphins Habitat Conservation project. NCS Director** explained that ship-routes were amended to protect the dolphins, and IDs were developed for dolphins and photographs taken. Hence, a rise in number of dolphins that justified a system of entry-tickets. Significant income was realized, and an agreement was concluded with the Governorate to share revenues.

- Contribution to cleaner industrial production through relocation of tanneries
 to outside Cairo, while simultaneously supporting the creation of a modern
 industrial leather cluster, was achieved in 'Robaiki Industrial Leather
 and Tanneries City'. The project implemented civil works and all studies
 for the new cluster.
- A plan was prepared providing the basics for an integrated approach to solid waste management, including the design of a waste collection and transport system and a plan for a sanitary landfill, and support to a compost production plant. This was achieved by a pilot project in Minya under the Egyptian-Italian Environmental Cooperation Program (EIECP). It can serve as a model for rural governorates, as described by EIECP's Coordinator.
- Youths were empowered to become 'environment guards' in their communities. Neighborhood leaders were trained to create environmental, social and health awareness, training sessions were organized for 160 school teachers, and Environmental Camps were organized to train about 2,000 students -where they participated in tree-planting, cleaning-up, paper recycling, and artistic, cultural and sports activities. A green belt surrounding Northern Cairo with 1,900 trees was completed. This was implemented by NCCM and AMA Arab Co. for Environment Development, through the 'Northern Cairo Public Awareness Campaign for Environmental Development' project.
- A system was designed to support decision making vis-_-vis water resource allocation, under the **Decision Support System (DSS)** project. The **Co-Manager of NWRC's Strategic Research Unit** clarified that this involves theoretical testing of the effects of certain decisions on water requirements, and on indicators including the quality of life.
- Enhanced bilateral cooperation and transfer of Italian know-how was achieved. Major examples were the twinning with Italian clusters in Campania and Toscana regions for **Robaiki leather project**, the technical assistance (TA) provided by the association of Italian manufacturers of leather equipment and technologies, ASSOMAC, for the same project, the twinning-agreement with the Italian Gran Sasso National Park under Wadi El Rayan project, and cooperation with the Italian NGO COSPE. Increased Italian tourism to Egypt is envisaged due to eco-tourism enhancement under such projects as Wadi El Hitan. Siwa's project led to exportation of traditional Siwa products to Italy. Linkages to the Fair Trade network would allow for more exports to Italy, while Italian consumers would also benefit from reduced prices. EIECP's activities in general, including solid waste related activities, were implemented with Italian TA. Italian Consultants were recruited by MAIBARI for TA under the DSS project; the project's Co-Manager referred to the Strategic Mediterranean Partnership signed in June 2008 between the Presidents of the two countries, and the initial agreement to establish an Italian-Egyptian university.

- Civil society benefited through training and financial support provided to local NGOs that were partners in Wadi El Rayan project, in order to engage in pottery production (in ten villages) and women-training on handicrafts for sale in VCs' galleries. The project constituted an opportunity for local NGOs to sell their handicrafts, as noted by EIECP Coordinator. The Association of 'Friends of Wadi El Hitan' was established by the project to ensure sustainability of activities after project-completion. Siwa's project partnered with an existing NGO 'SCDEC' and created a new one among young graduates; these were supported in order to manage a micro-credit scheme for women. Under the Environmental Awareness project, 200 neighborhood leaders from civil society and religious institutions were trained to create environmental and health awareness and two CDAs were supported to provide micro-credit: they disbursed 1,440 loans, with almost full loan-repayment.
- EIECP had significant impact on *public administration* institutional capacity building. Three technical Units were established at EEAA's NCS, and now undertake environmental impact assessments, licensing and marketing. NCS Director reported that the upgrading in staff-skills now allows him to delegate planning, implementation and evaluation functions. EEAA's rangers acquired training, in Wadi El Rayan and Wadi El Hitan in Fayoum, Gabal Elba and Siwa in the Red Sea governorate. Fayoum Governorate was provided with equipment; this is now replicated in Wadi El Gedid project. In Minya, the localities acquired training under the solid waste project. A reorientation task-plan was developed, for NCS Biodiversity Department and new staff hired, training on biodiversity monitoring was delivered to rangers whose performance in biodiversity monitoring and reporting improved as observed by NCS Director, and a kit was prepared on techniques of recording biodiversity
- The private sector benefited as leather manufacturing SMEs will be reorganized into the new Robaiki industrial cluster where they would receive support to produce in a marketable and competitive manner; financial incentives have been provided for the purchase of new machinery. Private tour operators were trained under EIECP Wadi El Rayan and Gabal Elba projects on nature-conservation and enhancement of tourist activities performance. Private-public partnerships were created whereby the businesses established in the upgraded-VCs were outsourced to private operators e.g. cafeterias and gallery shops.
- On the other hand, some lessons could be learnt here:
 - a. The Mid-term Evaluation reported a low level of implementation of most projects (except for Gabal Elba and NCS capacity building), EEAA could not provide NCS with adequate human and financial resources, the Project Steering Committee met only once, UNDP's administrative-software suffered delays and service inefficiencies due to its complexities and the need for continuous on-job-training thereon while there was high staff-turnover. The PCU faced constraints in undertaking its commitments due to lacking common strategy between the two Comanagers, limited PCU staff number, and lack of information system to support monitoring and evaluation based on verifiable indicators.

- EIECP Coordinator noted that a disagreement occurred in Siwa where the Governor preferred that funds be used for establishing a huge Health Center rather than the planned PA, MOEA did not resolve the issue, and the project was cancelled by the MC after two years of suspension. Environmental training was provided to 200 judges and prosecutors as proposed by MOEA and the Ministry of Justice, but the ministries did not mention the project's role, and the same weakness occurred with Wadi El Hitan project, hence affecting the visibility of Italian financial support and TA. The budget did not allow hiring qualified people to operate the website. The fund-management regulations had loopholes: after the Project Committee decided on a work-plan, the local ministry at times changed the plan on its own. Sometimes the local implementing institutions paid more attention to tangible fixed assets e.g. provision of vehicles, than to TA, which reflected inadequate knowledge of development cooperation. UNDP sometimes referred to the national institution only in spite of the joint-management system. Delays occurred at institutional level in release of IEDS installments.
- c. NCS Director and UNDP Environment Officer noted that the assessment of existing legislations on PAs, and the development of a draft for the reform of the Law on PAs, did not have satisfactory impact. NCS is by law an executive body, while EEAA is a coordination body; NCS is proposed to be independent from EEAA to operate on the basis of financial autonomy, generate revenues and achieve financial sustainability, thus alleviating the burden on state budget. This would help increase PAs' revenues, which in turn allows for increasing its expenditure and efficiency. The Cabinet did not give any approval or disapproval of the proposal, the matter is suspended. EIECP consisted of several projects in diversified sectors but was treated as one project, thus a huge administrative burden and coordination difficulties. DSS project's Co-Manager reported that the major weakness was in the discrepancies between data obtained from various government bodies.

Second: Better Management of Water Resources

"Ensure Environmental Sustainability" MDG 7 (Target 2: Reduce by half the proportion of people without sustainable access to safe drinking water)

The development of irrigation methods was addressed by GOE's Fifth Five-Year Plan of 2002-07, and increasing the agricultural land was addressed by both the Sixth Five-Year Plan and the President's electoral program. DAC member countries consider access to safe drinking as one of the fundamental cornerstones for achieving good development results.

The major objectives under this theme were the demonstration of innovative simple methods for water treatment and availing clean drinking water, as well as using the dam-detained water to charge aquifers for drinking purposes.

- The possibility of treating agricultural drainage water 'in-place', using low-cost technology and using the surrounding environment (existing water plants), was demonstrated by the National Water Research Center (NWRC) in two pilot village sites in Daqahleya and Gharbeya governorates. This was by the Passive In-Stream Wetland Treatment of Drain Water project (PSWT), that was the first of its kind in Egypt as noted by the President of NWRC. Local people were trained and temporarily hired by the project. Manuals were published on system operation and management and on appropriate irrigation practices.
- Better drinking water was provided, by digging deep wells so that rural people refrain from using shallow water that is polluted by drainage, in two pilot sites in Qalyubeya and Gharbeya, under the 'Environmental Impact Assessment of Drinking Water Using Hand-Pump Systems' project. Ground water quality assessment and a geophysical survey were conducted pre-fact. Awareness was enhanced on effects of water quality on health, necessary measures to prevent pollution, and operation and maintenance of the new wells. People were responsive and very keen to attend the awareness sessions.
- Highly visible demonstration-impact was achieved by 'PSWT' and the 'Handpump system' projects highlighted above, as noted by NWRC President, that people from other areas asked to have similar projects.
- Detention dams were constructed in South Sinai, and TA provided in collaboration with the University of Palermo and the Mediterranean Agronomic Institute of Bari (MAIBARI).
- A database was created at Alexandria University's Faculty of Engineering, a national task force trained, and sustained achieved through important contributions to national research in the field of desalination, under Brackish Water Desalination project. The team of national expertise were considered to be a model for the Middle East region.
- NWRC President noted that the Italian youths who joined the projects, including university students, acquired on-the-ground knowledge from this cooperation. Meanwhile, NWRC's researchers got the opportunity to conduct studies in relevant topics. Local public administration institutional capacity was enhanced through training and provision of computers and lab equipment, also noting that Governorate Departments often participated

in implementation and supervision. Beheira Water and Drainage Co.'s staff capacities were enhanced in operation, maintenance, planning and design, through cooperation with Societ_ Generale di Ingegneria SpA that provided training, TA and transfer of know-how.

- Positive impact on *civil society* was achieved through a performance assessment of Water User Associations (WUAs) and recommendations on proper water management. Training was provided to large numbers of WUAmembers who showed great interest in participation, as noted by **NWRC President.** The training was replicated by the Ministry of Water Resources and Irrigation (MWRI) in eight governorates other than the ones covered by the project. Due to the perceived impact, MWRI expanded on WUAestablishment and sought funding for it.
- NWRC considered that one of the major points of strength of IEDS-projects is that funds were in local currency, and all necessary equipment was purchased locally; there was no conditionality as to purchase equipment or supplies from the donor country. Experts were mostly Egyptian; and in case of Italian experts, their fees were not fully charged to IEDS. But weaknesses were mostly in delays in payment of IEDS installments, also the reporting systems have undergone several amendments which were time-consuming.

Third: Rural Development and Promotion of Agricultural Exports

"Eradicate Extreme Poverty and Hunger" MDG 1 "Develop a global Partnership for Development" MDG 8

Rural interventions are in direct consistency with GOE-priorities. Rural development has constantly been addressed under government's strategies as reflected in the Fifth and Sixth Five-Year Plans, and the President's electoral program. The stated measures were increasing investment in the agricultural sector, providing farmers with TA to improve productivity, and encouraging production for exports. The DAC report of 2007 noted that many developing countries lack the capacities to take advantage of the trade openings. This is in terms of policies, institutions and infrastructure. The WTO's Hong Kong Ministerial Conference thus called for the expansion of 'Aid for Trade' to help developing countries expand their trade.

IEDS rural development projects mainly aimed to increasing productivity and income through extension services, organic agriculture, and the enhancement of agro-products' access to export markets.

- The provision of agricultural / animal extension services, promotion of organic agriculture, enhanced access to veterinary services, technology transfer for the production of buffalo mozzarella, enhancement of about 3,000 houses, improved infrastructure, establishment of schools and health units, and training and technology transfer for improved irrigation systems, all led to a strong positive impact by West Nubaria Rural Development project, jointly financed by IEDS, IFAD and GOE. As reported by IC's **Agricultural Consultant,** soil management activities qualified the land for cash-crop cultivation, grape productivity almost doubled to reach 10 tons per feddan, and for the first time, 900 feddans have been registered as export organic potatoes. About 30% savings in irrigation water resulted from network rehabilitation and shifting from sprinkler- to drip-irrigation; animal wealth increased from 2,000 to about 3,500 heads in 2003 - 2008, milk production increased by 15%, and preliminary production of mozzarella already sold to local market. People's settlement ratio increased from 20% to about 75%. Producer-associations were established, and linkages created between farmers and private companies.
- Awareness was enhanced on environmental issues, on benefits of organic agriculture and raising more / healthier animals for manure production. This was through the Sustainable Rural Development project in Wadi El Rayan / Fayoum new-land settlements, implemented by MALR and COSPE Italian NGO. Training was provided on manure collection; about 160 farms were certified by the Egyptian Center for Organic Agriculture, hence a positive impact vis-à-vis access to export markets, as noted by IC's Agricultural Consultant. Marketing training and field tours served to familiarize farmers with basic principles of 'the Fair Trade'.
- Assistance was provided to exporters to comply with European Community Regulations on food safety and circulation, thus supporting Egyptian agroindustrial exports to Europe, by both the 'Traceability of Agro-Industrial Products' project implemented by the Ministry of Trade and Industry (MOTI) and UNIDO, and the 'Green Corridor' project managed by MOTI and MALR.

- Experimentation with different crops and methods of irrigation to identify what is most suitable for Toshka was conducted by NWRC and MALR. Italian experts provided TA, introduced new seeds suitable for such sandy lands, drip-irrigation system, agricultural and lab equipment. The Agricultural Sustainable Development project in the Southern Valley thus achieved significant impact as reported by the **President of NWRC:** greater yield, high quality crop due to using pure water and no chemicals, larger cultivated area, eagerness among beneficiaries to attend the training, and new experiences gained by NWRC's specialists -including training in Italy. NWRC President described Toshka project as an excellent case of bilateral cooperation between the two countries, that has in turn allowed for a cooperation between 'research' on one side and 'application with farmers' on the other side. The Director of PEMA noted that "Italy is interested to develop agriculture in countries like Egypt whose climate allows for cropproduction at earlier seasons than Italy's, in a way to be complementary to Italy's production rather than be competing with it".
- Capacity building provided to the *public administration* through Training of Trainers for MALR's extension agents, coordination among the ministries involved in the Green Trade project through a 'coordination system' designed by Bari Institute, supporting the functions of the General Authority for Supervision of Exports and Imports by providing them with the abovementioned 'Traceability Manual', designing special training for MOTI's Plant Quarantine Department to upgrade the experts and update them with recognized international practices for food safety requirements, and TA in organic agriculture promotion.
- A positive impact on *civil society* was associated with the strengthening of agricultural cooperatives, such as in West Nubaria project, and upgrading their administrative and financial systems as reported by the Head of MALR's Foreign Relations Sector. WUAs were set up and provided with training and financial support, the establishment of seven producerassociations has been promoted, and marketing-training was delivered on such topics as crop export-specifications and publicity. MALR implemented a project fully devoted to enhancing the role of 13 agricultural cooperatives in Fayoum, Beni Suef, Assiut, Sohag and Aswan, aiming to provide a model for replication. They were empowered to provide credit, a small packing unit and two small marketing stations were established in Aswan, and necessary means of transportation provided. Medical/veterinary campaigns were organized in collaboration with MOHP, and awareness sessions on environmental and hygiene issues. This was implemented along with capacity building for cooperative managers, aiming to achieve a sustained impact. The Country Representative of the Italian NGO COSPE considered that COSPE gained from getting a new experience in the field of organic agriculture in Egypt. They got to know the Egyptian Center for Organic Agriculture and the experts working in this field. They now make use of this acquired experience in other projects.
- The private sector indirectly benefited as noted by the President of NWRC, whereby NWRC's specialists who worked with the Italian experts in Toshka's project relayed their experiences to large exporters' farms in Toshka.
- A major point of strength under the rural development cluster is Italy's immense experience in the agricultural sector, as pointed out by the

Executive Director of MOIC's PEMA. NWRC's President considered that the Italian advanced experience with agricultural mechanization was an asset to their project in Toshka. MALR's Foreign Relations Sector Head referred to the culture-similarity between Egypt and Italy which made possible the creation of a smooth relationship and mutual understanding between the Italian experts on-site and West Nubaria's local small farmers. On another front, PEMA's Executive Director considered that the fact that the Green Trade project is 'integrated' -in the sense of supervising the entire supply chain from cultivation to foreign-market entry- is in itself a point of strength of the project. The comprehensiveness worked to enhance project's impact.

Meanwhile, delays in receipt of EIDS installments represented a weakness to almost all projects as noted earlier. MALR's Foreign Relations Sector Head explained that this is particularly a problem with rural development projects, noting the seasonal aspect of agriculture, hence the loss of season of a particular crop due to lack of timeliness. Ministerial bureaucratic procedures caused work-delays in many number of projects. COSPE's Country Representative mentioned Wadi El Rayan project as an example.

Fourth: Information and Communication Technology

"Develop a Global Partnership for Development" MDG 8 (Target 7: In cooperation with the private sector, make available the benefits of new technologies, especially Information and Communication Technology)

Information and communication technology (ICT) serves as a strong and effective vehicle for building an information society and playing a vital role in a variety of elements including but not limited to poverty reduction, social inclusion, healthcare services improvement, trade facilitation, universal access to education, knowledge dissemination and human capacity development. In the 21st century such sectors will be addressed using innovative ICT that offer a diversity of platforms and opportunities for more effective and efficient macrolevel socioeconomic development, especially in the context of developing nations as Egypt.

From that perspective, GOE recognized the ICT sector as a vehicle to diversify the economy, with a potential to have a broader role in providing enabling technologies, products and services that underpin the development of Egypt as a knowledge economy in the global market. Egypt formulated an ICT master plan in 2000 to ensure ICT effective use and deployment; and comprehensive assessment and review mechanisms were established to analyze ICT policy challenges and opportunities.

The national ICT strategy was formulated to encourage social inclusion in the information age. The use of ICT to minimize the creation of communities of "haves" and "have-nots" was a key-targeted outcome. The government's electronic access (eAccess) policy seeks to harness the power of ICT in the development of traditional and older industries in Egypt. The promotion of ICT literacy and an entrepreneurial culture, particularly to young people and in academic circles, is essential for the sustainable development of one of Egypt's initiatives namely the Egyptian Educational Initiative (EEI) that capitalizes on supporting education and minimizing illiteracy through deploying ICT in the education sector. EEI has managed to establish the ICT infrastructure in 2,000 schools and provide high-speed connectivity to many other institutions and its capacity building programs have benefited more than 80,000 trainees at different levels.

Among the innovative models that were deployed by GOE in its efforts towards achieving development was the concluded bilateral debt-swap program with Italy. The projects under this cluster aimed to introduce ICT to such variety of sectors as education, illiteracy, health care and rural development.

• Innovative and pedagogical teaching-learning methods were introduced in 38 public and experimental schools in 16 governorates; through the deployment of the Customized School Management Systems under the **Smart Schools Network (SSN)** project. Over 18,000 students and 2,400 teachers have been successfully trained to enhance their ICT skills. From those trained, 40 students became finalists in the Fekrzad competition of the Community Knowledge Generation and eLibrary. Furthermore, there were cases from the Siwa region, where locals managed to capitalize on their acquired ICT knowledge in promoting tourism in the area. The initiation came from the youngsters that were taught computing skills through the project's channels.

The project aims at expanding to 50 public schools and hopefully become a standard model for preparatory school education. It also enhanced the use of ICT in the Ministry of Education and is inspiring a change in the whole educational system. The SSN project is part of "ICT to foster Egypt's Sustainable Human Development" program.

The following table summarizes the statistics of the SSN Project:

Table 4.1: Smart Schools Network Project Statistics										
Provinces	Schools	Students	Teachers	Staff	Labs	PCs	CCS			
Phase I Education Service Provider (ESP) Model										
Giza, Alexandria, Beheira, Marsa Matrouh	11	5,006	405	90	28	789	1,510			
Phase II Education Service Provider (ESP) Model										
Cairo, Menofeya Gharbeya, Dakahleya, Kafr El-Sheikh, Minya Assiut, Sohag, Aswan, Qena	24	12,214	1,955	211	66	1,788	5,905			
	Phase III NGO Model									
Siwa	3	1,128	41	6	4	100	776			
Total (16)	38	18,348	2,401	307	98	2,677	8,191			

- Approximately 200,000 citizens have been able to access to the services of the Mobile Information Technology Unit (MITU) established in order to reduce the prevailing digital divide that obstructs ICT diffusion in Egypt. The MITU uses remote buses and caravans fully-equipped with functioning ICT-enabled and media labs to provide ICT-based services through stopping at various locations to cater to the needs of the different communities for a period of nearly two weeks across Egypt's different provinces. A success story that catered to much needed community assistance was in El-Max region in the north of Egypt, whereby the nearest IT club to the local community was almost 10 miles away prior to the arrival of the MITU. The most recent major development in the area took place 40 years ago. By the end of the visit, locals indicated that the MITU opened a window of opportunities that could have positive socioeconomic development implications on the community. The great impact that was noticed was that people got attached to the usage of ICT, and in most of the cases people in the remote areas started searching for the nearest access place to practice what they already started in the MITU. This serves the objective of spreading the awareness not just introducing ICT during the visit. Furthermore, MITU is currently collaborating with the National Council for Childhood and Motherhood (NCCM) and the Ministry of Health and Population (MOHP) in constructing and operating children and women healthcare mobile units. The main objective of these units is to cater for the needs of mothers and children including the early detection of dome diseases.
- Three illiteracy eradication books were produced in the first phase of the ICT for Illiteracy Eradication (ICT4IE) Project. The prevalence of illiteracy among women, particularly in very conservative rural and remote

area, and the demonstrated discomfort among many older students in traditional illiteracy eradication classrooms, gave rise to the idea of mobilizing multimedia technology in the effort to produce an educational content CD-ROM to eradicate illiteracy. A training kit was developed and is currently used all over the nation allowing even illiterate people to use PCs. A pilot project was successfully implemented at first in the provinces of Fayoum and El Kalioubeya due to their high illiteracy rates. It was found out that the project's techniques helped achieve better results than the traditional methods and encouraged illiterate people to use ICT as a tool. The ICT for Illiteracy Eradication CD aimed to communicate with the society to reach people who used to face difficulties in the traditional learning channels, especially women. The project encouraged slow learners to use the CD without any problems. As a result of the project success, more than 2,000 people succeeded in the examination of the General Authority for Literacy and Adult Education (GALAE). The project concluded an agreement with GALAE to continue using CD-ROMs for a target of 10,000 beneficiaries every year. Project's achievements indicators are summarized in the table:

Table 4.2: ICT4IE Project Statistics					
Details	Indicator				
Number of NGOs and IT Clubs	150				
Number of Participants Enrolled	4,802				
Number of Graduates	2,301				
Number of Governorates Served	15				
Number of Instructors Trained	300				
Number of CD-ROMs Distributed	1,792				

ICT4IE relates to the society through NGOs across Egypt's different governorates. The project worked successfully with its partners such as Resala Association and made huge communication channels with 150 NGOs and IT clubs in 15 governorates. The project's main partnerships are with GALAE and the NCCM; the collaborative agreement with them helped gain the communities trust.

- More than 55,000 web pages are currently included in the **Community Development Portal (CDP);** visited monthly by 140,000 users per month. A partnership was established with project IDS/36 (Rural Development Communication Network) with the objective of creating a sub-portal "Kenana Online", specialized in agriculture and managed with the technical support of the Agricultural Research Centre of the MALR. From January to June 2007, Kenana Online got over 15 million searches and over 700,000 visits. This illustrates the CDP ability to serve its user base by adding content according to their needs. Currently, CDP has over 10,000 registered users. Pages have remained healthy throughout the project's history with over 1,190,000 pages a month in 2005. During the current year this number has increased to above 4,000,000. On average, the number of visitors has grown by 900% rising from 20,000 in 2005 to 180,000 in 2007. Furthermore, the substantial number of overseas users emphasizes how far CDP has reached beyond national borders.
- More than 3,261 articles from all 27 governorates are currently posted on the eLibrary website created under the **Community Knowledge Generation** and eLibrary (CKGel) project. Furthermore, the successful marketing of

- the concept of that project; enabled it to obtain additional funds through sponsorships from the private sector.
- The development of a complete Information System that will allow rural families to improve their agricultural production was created under the Rural Development Communications Network in Egypt (RADCON). The project created a website containing all the relevant linkages to various institutions, universities, research centers, NGOs and rural communities. Its management structure was established and linked to a network for research and extension. This network includes: 8 research institutes, 8 regional research stations, 31 specific research stations, 3 central administrations, 12 agricultural directorates, 96 extension centers, 7 universities and 3 NGOs. Five modules were embedded in the content of RADCON, namely: small projects for youth, rural women related activities, environment, marketing and NGOs. The project is now working in testing the system and the transmission of its information to a pilot group of beneficiaries among 50 selected rural communities from the most vulnerable areas of the country. To this regard, the project developed a communication plan and started a training program for 115 facilitators in the selected villages, who will be responsible for transmitting information from RADCON to final beneficiaries. RADCON is working in cooperation with the ICT to Foster Egypt's Sustainable Human Development Project with the final objective of supporting the establishment of a sub-portal specialized in agriculture under Kenana Online. In addition, the project will offer its ICT Mobile Units to support transmission of information from RADCON to beneficiaries in the villages.
- A number of **points of strengths** may be highlighted. As part of the transformation process introduced by the SSN project, school classes were made available after working hours to provide training services to the community acting as community learning centers (CLC) especially for women and local learning hubs for the community at large. The project introduced ICT in preparatory schools to ensure that all students are computer literate through qualifying students and teachers to obtain the International Computer Driving License (ICDL). Massive developments in communications infrastructure were also made, enabling students to open up their horizons beyond local boundaries. The SSN project however faced a number of **challenges** such as determining how to mobilize the capital investments required replicating the smart schools model to a larger number of schools and identifying a revenue generation mechanism and a sound business model for the operation and the sustainability of CLCs.
- Through the MITU, ICT access for all citizens especially youth in rural and underprivileged areas were much easier. This assisted the government's policy to integrate ICT in government and public services. Projects such as MITU have supported the extension of community technology centres across Egypt; they are expected to address the needs of adults lacking ICT skills and digital literacy. MITU is one of the best examples for societal inclusion and enabling a communication platform as it aimed at bringing IT to rural and remote communities where people would not otherwise have been exposed to it. MITU spreads awareness of computer technologies, introduces people to basic IT, and prepares communities to accept computers as part of their daily private and commercial lives. MITU evolved to serve other purposes as well as a mobile computer room for conferences, in public relations exercises, and as training centres for another important application

is the use of MITU for public sector employees' training for instance. MITU communicates with the society in all its aspects and it facilitates their access to ICT and encourages them to search for the nearest IT club to enhance their ICT capabilities.

- The software used in the ICT4IE is a simple, self-based, interactive computer tutorial that requires minimal input from the student to promote basic literacy. The Software is designed so that learning activities are embedded into the familiar contexts of everyday life and are dramatized using sound and music. Students' understanding of the content is thus optimized.
- The two portals, CDP and Community Knowledge Generation eLibrary project (CKGeL) are currently merged. They aim to promote the use of ICT in the development of Arabic content, and to promote sustainable development. Kenanaonline.com aims to act as repository of locally current, pertinent and valuable information that can assist in the amelioration of viewers' standard of living. The CDP and CKGeL played a great role in communicating with the civil society, the portal partners especially the research centres like the National Research Centre (NRC) and the Agriculture Research Centre (ARC), have provided invaluable content in agriculture, farming, small industries, and SMME skills. Partners like WHO, WBDC and others have also provided content which usually exists in their periodicals but is not published online. The community subject matter experts also provided the portal with a continuous feed of content in various fields.
- One of the main pros in the CKGeL project; is that it offers machine translation that would increase access to English information on the internet through English-Arabic translation. In addition to this, the project is planning to provide text-to-speech tools to enable the illiterate and blind youth to access the information available on the Community Knowledge Generation and E-Library website Fekrzad. Also a project point of strength is that it intends to provide a wealth of locally relevant knowledge, encourage citizens to gather, develop and share knowledge, improve research abilities of students and teachers alike, utilize ICT to document and exchange local experiences, and encourage active participation from communities.

Fifth: Poverty Alleviation and Improving the Quality of Life

"Eradicate Extreme Poverty and Hunger" MDG 1
"Ensure environmental sustainability" MDG 7
(Target 3: Achieve significant improvement in lives of at least 100 million slum dwellers)

Poverty alleviation is a main GOE-priority as per the Sixth Five-Year Plan and the President's Electoral program. The Fifth Plan, although did not have explicit reference to poverty alleviation, yet it addressed such related issues as education, health, access to potable water and sanitation –all related to human development and the improvement of quality of life.

The main objectives under this cluster were the support of crafts and agroprocessing industries, job creation, improving work-conditions for child labor, demonstrating how slum upgrading can be achieved using a participatory approach, and supporting garbage collectors.

- Craft and agro-processing sectors were supported by Marketing Link national program of COSPE and North South Consultants Exchange. New producer-groups were integrated into the Egypt Craft Center network in Fayoum, Sharqeya, Beheira and Siwa, and new groups selected in embroidery, olive soap production and paper production in Fayoum, Marsa Alam and Siwa. Marketing-assistance was provided in association with product development and skill enhancement, provision of equipment, business training and marketing training, and production of commercial catalogs and a website. Linkages were created with exporters through the Fair Trade movement concerned with equal marketing opportunities, which would not have been possible without the achieved product enhancement.
- The creation of new sustainable jobs was supported by financial and non-financial services to vulnerable groups in Minya, under a project of COSPE and the Egyptian 'New Vision Association for Development (NVAD). A major positive impact lies in enhanced knowledge of Minya's labor market through a Labor Market Study identifying the 10 most promising vocations, developing the training standards, and delivering the training at the project-established Professional and Basic Vocational Training Center. Credit was availed to groups that otherwise would not have this access as noted by COSPE's Country Representative, e.g. the disabled. An Employment and Information Center (EIC) was set up and provided with a database, to serve as orientation desk for seekers of jobs, training or credit. The project provided workshop/factory owners with funding to cover the costs of on-job-training of youths at their facilities, some of which actually hired those youths after the training.
- In an attempt to gradually fight child-labor, upgrading activities in Old Cairo aimed to improve children job-prospects following the relocation of tanneries that used to represent the main source of income. This was by Movimento per l'Autosviluppo, l'Interscambio e la Solidarieta (Italian Movement for Empowerment of Children and Women) 'MAIS' and the Egyptian NGO Abul Seoud Social Development Association 'ASSDA'. Community needs were assessed, and vocational training was provided to over 1,000 children and adults, after which a number of children found jobs in safer environments than the initial hazardous jobs. Number of literacy and vocational training

program participants exceeded target, and the local NGO continued the programs after project-end, hence a positive community-perceived impact, of sustained nature. Women who attended health awareness sessions asked for more topics to be covered.

- Community was mobilized and directly involved in upgrading two Ismailia districts, in UNDP's Participatory Slum Upgrading project. In addition to the physical upgrading, social upgrading was through renovating schools and youth centers, renovating the Reproductive Health Unit, ID- and voting cards issuing, literacy classes, and awareness raising on public health, environmental protection, child care and girls' rights. The project created the forum for people to meet with the executives and discuss matters. A change in people's attitudes was observed: their sense of ownership improved and their participation in work groups increased. Income generation through credit (mostly for fishermen, who particularly suffered from a two-month fishing ban) and through vocational training was implemented on a small scale. The project generated knowledge on slum upgrading using a participatory approach, and is developing a handbook for practitioners and decision-makers to guide future efforts.
- Technical capabilities of garbage collectors 'zabaleen' were improved, and modern technologies provided under a mixed credit /cost-sharing mechanism to support machinery-upgrading for recycling workshops, by the project entitled **Integrating Community-based Waste Management.** The aim was to integrate this target group into the new process of international contracting. By project-end, about 270 new jobs were created in association with machine operation. The establishment of a small zabaleen cooperative was fully supported.
- A positive impact on the *public administration* was manifested in the capacity building for local executives at Governorate and Municipality levels by comprehensive training on Strategic Urban Planning and Development through the expertise of UN Habitat. This was, under Ismailia slum upgrading project. The experiences acquired by the General Organization for Physical Planning fed into drafting the legislation for urban development.
- The impact on civil society was such that a) Egyptian NGOs got equipment and capacity building under Marketing Link program, and integration in Egypt's Crafts Center as noted earlier, and b) Minya's NVAD NGO built capacities for project management, planning and reporting, presently continues to perform networking activities with private enterprises after project-end and continues to provide credit under full financial sustainability. Yet vocational training is no longer provided due to its high cost.
- The *private sector* benefited from increase in local trade and exports due to networking and product enhancement under Marketing Link program. Minya's project organized Job Fairs as an innovative initiative with private companies, the University of Minya and 2,000 youths, hence a direct link between labor market needs and job demand. This project also supported the private owners of factories/workshops increase their employment by bearing the cost of on-job-training of youths at those premises, to encourage them to hire these trainees later.
- COSPE considers the existence of an Italian Cooperation office as a point of strength, ensuring close contact with IEDS and immediate assistance with problem-solving. The responsiveness of Egyptian NGOs was also an asset.

- **MAIS Country Representative** reported that Old Cairo project's points of strengths mostly lied in a very strong community participation in project activities, due to the selection of grass-root partner NGOs.
- On the other hand, Marketing Link project could not support crafts workshops where major changes were needed such as relocating the workshop altogether for being in a dark and humid underground place. Other points of weakness were the inability to rectify such phenomena as child labor and/ or wage gender-imbalances that cannot be solved during project lifetime. Similarly, the need for close interaction with government bodies, such as in slum upgrading projects, was very time consuming due to bureaucracies and inadequate coordination between government bodies. Ismailia's project was due to last from 2003 to 2006 but was extended till 2008 in view of such delays. On another front, the training provided to government bodies has no major positive impact when the trainees were not the ones authorized to act. This could be associated with inadequate delegation.

Sixth: Youth and Children

"Achieve Universal Primary Education" MDG 2
"Ensure environmental sustainability" MDG 7
(Target 5: In cooperation with the developing countries, develop decent and productive work for youth)

The priority given by GOE to youth and children is indicated by the Sixth Five-Year Plan committing to establish/modernize vocational centers, enhance SMEs' capacities, operate one-class schools and reduce class-density. Job creation is a major theme under the President's Electoral program, with a target of creating 4.5 million jobs for youths over six years. The NCCM works tirelessly in these areas.

The projects under this theme mainly aimed to address such problems as child labor, drug abuse, advocacy for youth rights, improving the quality of life for disadvantaged segments, upgrading the school feeding project and the quality of education.

- Transformational training helped working children move from hazardous to safe jobs, and vocational training for the unskilled helped them improve their working conditions, through NCCM's **Working Children project** in Cairo's Manshiet Nasser district. Over 300 child laborers obtained direct training by private companies and have been actually placed in jobs. Awareness sessions on safety measures and child labor hazards were attended by about 2,000 residents, including workshop-owners and working children. Micro credit was provided to the parents for income generation, and social services were provided such as the rehabilitation of a medical center, provision of medical care, literacy classes and setting up a Children and Environmental Club. A socio-economic impact survey for the Working Children project, using a sample of over 750 family beneficiaries, reported that¹:
 - Credit and/or sewing skills were followed by increases in family income (100% of the sample).
 - The children who got the vocational and/or transformational training moved to better jobs (100%).
 - 47% applied for loans after they issued IDs, and 31% applied for schoolenrollment for their children.
 - The families reported that they noticed a positive change in their children's behavior after the latter joined the Child and Environment Club (100%).
 - Beneficiaries started to avoid work-related hazards (73%), started to use safe equipment (41%), and paid attention to personal cleanliness (27%).
- A National Strategy for Protecting Youth from Drugs was compiled with participation of all relevant ministries and institutions, launched by Egypt's First Lady in the 'Arab Conference for Protecting Youth from Drugs' organized by the **Drug Abuse** project of NCCM and the United Nations Office for Drugs and Crime Prevention. Awareness was raised in 200 schools and 120 youth

Based on project papers and a previous interview with the Project Manager under a study on IEDS's projects with NCCM.

centers/ camps; and a nucleus of 12,000 students was trained to act as youth leaders and train others on prevention-methods. Positive feedback led to signing a Protocol with the Ministry of Education to merge a youth-manual in school activities nationwide. Equipment, training material and manuals were provided to 100 youth centers. Families were trained on addict early detection. A national campaign included TV-spots aired on stations and subway screens, and awareness-posters in public transportation.

- An integrated media national campaign was launched to advocate on such youth-related issues as school drop-outs, street children, girls' political participation, and disabled children. This was through TV-spots aired in subway and cinema screens, radio programs, outdoor billboards, and printed materials, through 'Think Twice' project, implemented by NCCM and UNDP. Youths in the age bracket 14-25 were trained on children's rights and on how to develop media messages, as explained by UNDP Program Officer; and survey-results indicated that messages had reached large numbers of people.
- Poor female household heads in Sohag were provided with through awareness enhancement and micro-credit, through a project by MAIS and the Egyptian Women Association for Health Improvement 'WAHI', 'Improving Living Conditions of Low Income Families':
 - a. About 600 children and youths attended a two-year literacy program,
 - b. Vocational training was organized on the basis of a Labor Market needs survey; by project-end over 1,000 trainees, 14-22 years old, had acquired skills for sewing, electrics, plumbing, painting, etc.,
 - c. Over 500 youths got six-months computer courses and training on secretarial work and accountancy.

Even after project-end, WAHI still generates income from computer services and uses the revenues to pay for trainers and other administrative expenses. This was therefore replicated in other CDAs, some of which expanded their labs by buying more computers on their own.

- School snack-production centers were upgraded and a quality control system introduced by the School Feeding project of MALR and the UN World Food Program in Fayoum, Beni Suef and Minya governorates. Pupil attendance rates improved and teachers noticed better pupil performance due to reduced short-term hunger. Over 1,000 women were employed in the snack-production centers and gained skills that can help them set up their own businesses.
- The General Authority for Educational Buildings built and equipped 23 schools in Sharqeya, Minya and Sohag, under the School Construction project. Capacity building was provided to teachers and principals in 13 schools in Siwa, special support classes organized, and a computer club and a Health and Environment Club established in each school, through the project 'Improving the Quality of Education', where environmental awareness was also provided by COSPE. In the Delta governorates, as well as Fayoum and Beni Suef, medicines were purchased and distributed covering an area with 30 million inhabitants, medical treatment was provided, and hygienetraining for health-staff and school teachers, under MOHP's School Health Program. By project-end, certain disease prevalence rates decreased.

- As to bilateral cooperation, **NCCM's Secretary General** described the relationship with the Italian partner as one that she has always cherished, back since the relationship with IC even before IEDS, where IC took the initiative to support NCCM. "IC has been observing NCCM's work beforehand, she said, then approached us for a joint collaboration, that has grown into a valuable and fruitful partnership". In such innovative projects as Think Twice, where media has been used to relay developmental messages, with participation from the youths themselves, Italian TA was essential. UNDP's Program Officer referred to the fact that the Italian partner has pioneered such initiatives that were a value-added to NCCM. The project was very successful in addressing policymakers while passing the Child Law.
- For sustainability purposes, there was extensive support to/ collaboration with *civil society*, (5 CDAs in Manshiet Nasser, 24 CDAs in 14 governorates, and 10 NGOs in seven governorates, under the Working Children, Drug Abuse and 'Think-Twice' projects respectively). For the first time in Egypt, a National Union of drug-prevention NGOs was set up. Think-Twice project created Communication Centers in each NGO, with computers and cameras, as points of gathering/ work for youth to use creative methods to advocate for human rights. For each NGO, 10 youths were selected as 'UN Volunteers' and trained on human rights, communication within family, using such tools as photography, animation and media messages -hence acting as leaders in implementation of community initiatives.
- Strengthening was provided to NGOs working in child support: 540 NGOs in Cairo, Assiut and Menoufeya attended seminars on workshop safety measures under the **Support and Development Health Project for Working Children.** 'Tofulty' NGO of Cairo's Helwan district was supported in a **Street Children Protection Project,** where a Mobile Unit reached out to 500 street children to invite them to join Drop-in Centers serving as shelter and providing recreational activities and health and psychological support. Capacity building was also provided to NGOs that offer kindergarten services in vulnerable communities under a project implemented by the Central Kindergarten Supervisors League, in the New Valley, Fayoum, Assiut and Siwa. There were 713 trainees in 243 kindergartens; the project's final evaluation noted a significant impact in terms of improvements in teachers' performance, health and hygiene conditions, children's sense of participation and support from the parents.
- Movimondo and the Egyptian NGO Seti-Caritas set-up vocational centers for CDAs that provide services for children with special needs (CSN) in two Gizadistricts having 250,000 CSNs, established linkages with local authorities and raised awareness on disability issues. Sohag's project by MAIS and Upper Egypt Association established 20 classrooms, five computer labs and 15 vocational training labs in over 20 partner CDAs. MAIS and the Egyptian Association 'WAHI' are resuming the women activities after project-end. Siwa's education project by COSPE and the Association for Advancement of Education created collaborations for the first time between this local NGO and the Archaeology and Protectorate Directorates in Siwa, in organizing day-trips to tourist destinations for students and parents.
- For sustainability at the *public administration*, Think Twice project set up a Social Communication Unit in NCCM with staff trained on using media and communication tools for advocacy. **UNDP's Program Officer** noted that this reinforces NCCM's communication strategies under any other

projects. The project partnered with the Ministry of Information and the Egyptian Radio and Television Union, built innovative capacities for 100 media professionals to include development messages in children programs, and prepared the necessary manuals. MALR and the Ministry of Education benefited from WFP's TA for the National School Feeding Program that WFP evaluated and provided recommendations. The Ministry of Social Solidarity (MOSS) local departments' staff in four governorates got training on Early Childhood Development; the positive impact led MOSS to officially recognize the project's training program for kindergartens' staff.

- MOHP's capacity to provide health assistance to working children, in Cairo, Menoufeya and Assiut governorates, was enhanced through:
 - a. physical rehabilitation and supply of medical equipment for 10 clinics,
 - b. training for 320, 900 and 880 sanitarians, physicians and nurses respectively,
 - c. attendance health cards for 5,000 children produced, and medical examinations for 3,000 children,
 - d. assessment of 1,950 workplaces to identify risks and corrective measures, and,
 - e. a database established at MOHP with all the information collected during workplace assessment and medical examination of working children, thus supporting future MOHP interventions.
- **The private sector** benefited from hiring over 300 youths that were trained in their factories under the Working Children project, i.e. the project supported costs of on-job-training. About 540 employers in Cairo, Menoufeya and Assiut attended seminars about safety measures at workplaces, under the Support and Development Health Project for Working Children.
- The Working Children, Drug-Abuse and Think-Twice projects partnered with NCCM, the national highest authority in charge of childhood and motherhood issues, hence a *point of strength* that helped compile the National Strategy on drugs with ministerial participation, and hold an Arab Conference on the issue. The structure of NCCM allows it to coordinate the work of NGOs, hence convenient for wide-coverage projects e.g. Drug Abuse and Think Twice, as noted by the Development Cooperation Advisor. The Secretary General of NCCM explained that as NGOs are part of the local target communities, NCCM empowers them to implement activities as partners rather than mere beneficiaries. MAIS Country Representative stated that designing Sohag project in light of the needs expressed by poor female heads of households was a major strength.
- UNDP was a partner in Think Twice project and actually initiated its idea. In addition to providing finance and TA, UNDP mobilized resources, linked the volunteer youths with the UN Volunteer program, facilitated cooperation between NCCM and MCIT where the latter provided literacy-CDs, a youth portal, and strengthened the child rescue-line under the Working Children project. UNDP Program Officer noted that inter-project partnerships and synergies also constituted points of strengths. Think Twice project reached an agreement with another IEDS project, 'ICT to Foster Egypt's Sustainable Human Development', whereby the latter devoted two ICT-mobile units to spread Think Twice themes in remote areas.

Meanwhile, weaknesses were in TV broadcasting-time for Think Twice project as noted by UNDP's Program Officer. She also said there was a need for better coordination between work on the ground and work at national level, i.e. more youth-participation in the national campaign and for better collaboration with other UN-agencies noting that collaboration was only on ad-hoc basis. MAIS Country Representative said the women literacy courses were successful but not self-sustained as the poor women could not afford the costs after project-end. But this was overcome through the revenues generated from computer services as noted above, hence a sort of subsidizing for the literacy program by the computer program.

Seventh: Health

"Combat HIV/AIDS, malaria and other diseases" MDG 6

GOE's Sixth Five-Year Plan targeted expanding the health insurance and achieving 100% rate of coverage. The President's Electoral Program objectives also included hospital upgrading and the installation of new hygiene standards. DAC report of 2007 emphasized the importance of improving partnerships to strengthen the responses to AIDS.

The objective under the health theme was mainly to control the risk of poisoning, leprosy, and HIV/AIDS.

- The establishment of Poison Information Centers (PICs) in Cairo, Daqahleya and Minya was supported through equipping, providing antidotes, and using a special software to identify sources of poisoning, under 'Prevention and Control of the Risk of Chemical Poisoning' project. In 2004-2007, 1,500 cases of chemical poisoning were successfully treated, and the center got 700 calls from health units asking for TA for specific treatment. MOHP Minister's Assistant noted that awareness activities had a strong impact on:
 - a. direct communication with people,
 - b. people's awareness of PIC's location and role,
 - c. people's awareness of the importance of immediately calling on the PIC as soon as exposed to poison.
- The National AIDS Control program was supported by establishment of five Voluntary Counseling and Testing (VCT) centers, with trained staff, in five governorates. The project pioneered the provision of 'anonymous unlinked testing' where visitors do not state their names, to avoid embarrassment from mal-behavior. Awareness on HIV/AIDS prevention was enhanced through workshops, posters and booklets. UN-Fund for Population provided project vehicles. In collaboration with UNICEF, the project supported a) setting up 'support groups' to improve quality of life of the infected (and the impact of 'support groups' was so positive, and sustained, that beneficiaries continue to attend while no longer getting any incentives), and b) the purchase of anti retro viral medications and its provision to infected persons. This was very effective as a demonstration that served to negotiate additional funding with the Ministry of Finance and with MOHP's financial sector. Project's impact was reflected in:
 - a. Almost 1,000 persons visited the centers for counseling, of which 80% were tested.
 - b. There were increases in numbers of hotline calls.
 - c. In addition to the project's five centers, 15 others were later established in Egypt by other projects.
 - d. In view of this experience, a number of Arab countries introduced 'anonymous' AIDS services.
- As regards public administration, MOHP's Minister Assistant reported a very positive impact of the poison prevention project, as over 800 MOHP physicians, nurses and sanitarians were trained, while there was no poisonspecialization in MOHP. Under the leprosy elimination program, 6,000

health staff operators were trained, in Kafr El Sheikh, Sharqeya, Qalyubeya, Menoufeya, Beheira, Beni Suef, Fayoum, Minya, Assiut, Sohag, Qena and Aswan. HIV/AIDS treatment and training guidelines were established, and Training of trainers (TOT) provided in Tenth of Ramadan, Shobra El Kheima, Sixth of October, Mehalla, Kafr El Dawwar, Kafr El Zayyat and Damanhour, and resumed by the governorate's administration after project-end, hence a sustained TOT impact.

- Civil society gained experiences by working with the leprosy elimination and HIV/AIDS projects. Similarly, Seti-Caritas worked on collection/ updating of information on services in Greater Cairo for people with special needs, under a project aiming to publish a Directory of services. The Italian Cultural Institute hosted the Directory's launching ceremony.
- Enhancing an existing primary care service, and upgrading a team that is actually existing, is a point of strength noted by MOHP's Minister's Assistant. No usage of outside experts was needed. In particular, leprosy dispensaries were existent. Weaknesses are related to a system whereby physicians' continuous work at health units does not entail promotion, hence a high staff turnover at VCT centers. Another weakness was the delay in IEDS funds.

Eighth: Women Development and Empowerment

"Promote Gender Equality and Empower Women" MDG 3

The electoral program of President Mubarak has a theme devoted to women empowerment. The DAC report referred to the importance of including monitorable objectives linked to gender equality in the national and sub-national systems of data collection, monitoring, and performance assessment.

The projects under the Women Development theme aimed to enhance the position of women from the social, economic, health and legal aspects.

- Literacy, micro-credit and legal assistance were provided to female beneficiaries in five villages in Minya, under a project of the National Council for Women (NCW), the 'Multi Faceted Women Development'. A gender-disaggregated database was set-up on a sample of 9,740 households, by the Central Agency for Public Mobilization and Statistics (CAPMAS). Literacy classes through Caritas NGO were attended by 230 women, of which 160 passed GALAE's test. Class-attendance was high and extra space had to be allocated as reported by NCW Director General. Official documents were issued for about 2,000 women. A survey of 393 credit beneficiaries indicated the following impact:
 - a. 94% and 57% reported an improvement in living conditions and health conditions respectively,
 - b. 21% and 28% reported decreases in child labor and in school drop-out respectively,
 - c. Generation of job opportunities was reported by 51%,
 - d. Those whose family monthly income was LE 100-499 decreased from 74% to 42% of the sample, while those in the LE 500-999 income bracket increased from 20% to 39% of the sample,
 - e. Female participation in the household budget increased to constitute 89% of the sample after obtaining the credit versus 42% before.
- An anti-FGM advocacy network was built, under NCCM/UNDP's FGM project, as follows:
 - Youth UN-Volunteers were selected at governorate level, especially university students, to create a network of well-trained persuasive agents of change,
 - b. After the 2003 Afro-Arab Conference on Legal Tools and FGM, a taskforce was set up in NCCM to identify policy gaps and assess Egyptian legislation, and training workshops were organized with judges and district attorneys aiming to standardize legal sentences on FGM and lobby for a clear law,
 - c. Doctors attended training workshops and organized a Civic Movement of Doctors against FGM,
 - Media personnel were empowered to raise direct and effective dialog on FGM detriments,
 - e. Egyptian Law schools were supported in order to introduce legal aspects of FGM, thus creating a new generation of lawyers that call for the abandonment of the practice; in fact FGM as a key "child's rights" issue

- was integrated into the UNDP Human Rights' Training curriculum for judges,
- f. A focal person was appointed at governorate-level to receive information on FGM incidences and report them to MOHP; and legal society's initiatives to manage FGM court-cases were supported.

A tangible impact of the FGM project is that it managed to break the long prevailing silence on an issue previously considered as a taboo, thanks to an integrated social communication campaign with unified messages disseminated through TV and radio programs, and a toolkit of booklets, posters and training material. After extensive communication and training targeting families, community leaders, health workers and religious leaders, Benban village of Aswan and Abu Qorqas El Balad village of Minya overcame peer pressure, convinced families to stop FGM, and their leaders were the first to sign a Public Declaration calling for an end of FGM-practice. This was publicly announced and celebrated in the Village-Free FGM model, hence a tremendous change of attitude due to project's comprehensive approach that simultaneously addressed the medical, religious, social and human rights dimensions.

- Insofar as bilateral cooperation, **NCW's Director** described the IEDS partnership as an excellent experience, and noted that the mutual understanding between the two sides facilitated significant project achievements. As noted earlier, under the theme on 'Youth and Children', the **Secretary General of NCCM** expressed a similar opinion, noting that IEDS partnerships with NCCM were in projects under more than one theme.
- As to impact on *civil society*, the Multi Faceted project trained five NGOs to implement public awareness for 3,400 persons under social, economic and political components. The project prepared a Manual for Micro-credit Procedures to be used by the NGOs. The FGM project empowered 12 focal NGOs in Upper Egypt and eight in Lower Egypt to organize awareness initiatives and provide services to 120 target villages. Meanwhile, a mechanism to coordinate a National Movement against FGM was established under the umbrella of NCCM bringing together different donors like UNICEF and UNFPA, as well as national partners like judges and doctors. In light of profiles prepared for the target villages, community initiatives were launched by the NGOs: literacy classes, computer classes, cultural and sports initiatives, IDcard issuing, and seminars on children's rights.
- Capacities of four CDAs were strengthened in design and delivery of Business Development Services for women entrepreneurs (literacy, vocational training, computer training and health awareness) under a project in Giza by the Italian NGO Movimondo and Al Mobadra NGO, building on a previous pilot initiative by the Italian Ministry of Foreign Affairs.
- As regards public administration, the CAPMAS survey in Minya's project was beneficial to the Governorate departments as the set up database was used to create a geographical information system (GIS) with all demographic and socio-economic data. The Governorate can in future build on the survey tools to establish databases for other villages, as pointed out by NCW Director General. Further, NCW's office in Minya was provided with a newly established local branch of NCW's Office for Complaints, as a response from the Secretary General to a request of the beneficiaries of the project's legal and human rights component.

- NCW Director General considered the holistic approach of the Multi Faceted project as a point of strength; she said the project benefited from the cooperation with the Italian partner in this regard. Another strength was in cooperating with CAPMAS, given their experience with the local community through their Minya office. In the FGM project, NCCM's political weight endorsed the communication with governmental bodies. UNDP's Program Officer also pointed out that the Project Unit set up at NCCM allows for direct contact between field activities and policymaking, and that Egypt's First Lady's announcing NCCM as the national body in charge of coordinating all anti-FGM activities indicated that the project moved from a pilot to a national level. Points of strengths also lie in the fact that the Minister of Health issued a decree that criminalizes FGM, and the highest religious authority in Egypt, Al Azhar Supreme Council for Islamic Research, stated that FGM has no basis in Islam and is a harmful practice that should be avoided. UNDP played the role of 'Resident Coordinator' among UN agencies that have parallel activities e.g. UNICEF, UNFPA.
- But one of the weaknesses reported under the Multi Faceted project in Minya was the small size of the budget that led to confining the socioeconomic survey to a limited target area. The size of the project-granted loan capital could have enabled the expansion to more NGOs in more districts, if it had not been for the limited area covered by the survey, as explained by NCW Director General. Major challenges to the FGM project were the deep rooted cultural habits, strengthened by mistaken religious beliefs.

What Have We Learnt?

On the whole, and as indicated by the evaluation undertaken in this report, the IEDS program constituted an evidently successful experience. This success was manifested in a number of aspects, first of which was the achievement of desired impact on targeted beneficiaries, and secondly the positive impact on the Egyptian civil society, public administration and private sector. The Italian civil society that participated in implementation benefited from increased experience on the ground, and improved knowledge of local communities, hence better capacity to implement other interventions. The strengthened Egyptian-Italian cooperation enhances mutual interests and compatibility between the two countries. The relatively large number of projects implemented under IEDS Phase One, and their diversity as to areas and sectors, resulted in a wealth of knowledge and accumulated lessons of experience pertaining to various developmental fields.

The lessons learnt and recommendations summarized here were not a desk job, but were based on interviews conducted with the implementing agencies and review of project reports. They should be of significant value to local and international development efforts alike. This will be of particular value to IEDS Phase Two. Lessons and recommendations are grouped into two categories: those that are general pertaining to the program as a whole, and those that are particular to specific projects.

First: General Lessons Recommendations

1. Governmental Implementing Institutions

Project implementation by, or in partnership with, a ministerial body or some other body of similar political weight, constitutes a factor of success insofar as political support is concerned. IEDS partnerships with NCCM in five projects present a good example, especially with such effects as passing the Child Law, compiling the National Strategy for Protecting Youths from Drugs, and the coordination with MOHP that culminated in issuing a ministerial decree criminalizing FGM.

However, talking to interviewees with regard to the experience with ministerial bodies, pointed out to a number of suggested improvements:

- There is a need to work on streamlining governmental procedures in a way to reduce bureaucratic delays, enhance flexibility, and save costs.
- In some cases, data inconsistencies between governmental bodies, especially the different departments under the same Ministry, was a serious problem that has to be addressed, (an example was under the DSS project where input-output models could not be developed due to data discrepancies on cropping patterns and water requirements).
- For institutional capacity building activities, it is important that high-level officials in governmental bodies, with different backgrounds, be familiarized with the concept of development cooperation, the importance of technical assistance, and the usefulness of such 'seemingly non-tangible' results as plans, studies, new regulations, etc.

- The Project Manager appointed by the governmental body ought to be qualified in the particular field in concern, and full-time committed to the project. This is also true for the team of officers assigned to work on project activities (e.g. environmental rangers are to be selected in a way to ensure their efficiency and provide them with required motivation).
- For enhanced effectiveness of the project training-component, the selected training-participants from government bodies ought to have some authority to implement what they learned, and/or be delegated to take action.

2. IEDS Procedures and Priorities

The experience from IEDS Phase One has shown a need for an amendment of the modality of transfer of installments in a way to reduce delays. Some interviewees recommended to change installment periodicity to be annual –similar to EU programs- rather than semi-annual, to minimize the frequency of waiting periods, while reporting on work progress can continue to be performed on semi-annual basis.

More frequent monitoring by the TSU IEDS has been recommended, to be informed of work progress and share with the implementers what they do. Some suggested that the meetings should be at least semi-annual. Others, e.g. the HIV/AIDS project, proposed that quarterly follow-up meetings were needed.

Sometimes, the administrative burden was excessive. Such was the case when eight or nine projects were merged under one environment-related program, the EIECP, and treated as a single project. The administrative burden of reporting and follow-up was huge, especially as several agencies were involved. It has been recommended to separate Protected Areas activities from other activities such as solid waste, to allow for better monitoring and coordination between implementing agencies.

Insofar as priority areas are concerned, notwithstanding the fact that IEDS interventions were in line with the GOE's strategies, there have been calls for a review of priorities in light of the changing circumstances. The world food crisis is a major case in point, and GOE's attention thereto has recently been augmented. The President's speech at the FAO Summit of June 2008 in Rome called for international dialog between importers and exporters of food and energy, an increase in world production of food, and a slowdown in bio-fuel production. Some interviewees recommended that IEDS Phase Two devote special attention to such areas as water resource management, and the rural and environmental sectors. These themes are directly related to the food crisis issue.

3. Project Approach and Strategy

Projects are more likely to succeed when they pursue an approach that is decentralized, participatory, integrated, as well as addressing the root causes of the problem. Decentralization of project's activities to local levels, and ensuring good governance, is one of the IC's guiding principles, and was the main theme of EHDR 2004 that was devoted to the issue of decentralization. The closeness of NGOs and CDAs to local communities, especially in rural areas, and people's trust in these associations, underscore the importance of partnerships with civil society, which is usually more flexible and less costly. Civil society is now recognized to have a complementary role to the government rather than a competitor. In the case of Protected Areas for example, the projects proved that natural wealth can actually be preserved, through partnerships with local NGOs (as well as some partnerships with the private sector insofar as outsourcing certain economic activities). The importance of capacity-strengthening for partner institutions was emphasized by interviewees, especially for the civil society, to ensure the sustainability of project's activities. This is particularly true of activities that are revenue-generating and that can achieve cost-recovery (e.g. micro-credit, computer classes).

The participatory approach has been a major cause of success in various projects e.g. slum upgrading, community development, youth-rights campaigns, etc. It is therefore recommended that local communities be involved as early as the project-design stage. During the project lifetime, it is important to involve the people in the design of the messages that the projects aims to relay to the community; including the design of promotional material. Under Think Twice project for instance, youth-participation in developing the national campaign contributed to success, and stronger participation would have further enhanced the impact.

The integrated and comprehensive approach is also a major factor of success. A good example in this respect is the FGM-project, where the issue was simultaneously tackled from the medical, social, legal, religious and human rights dimensions. Meanwhile, the number of issues addressed should be kept to a minimum, especially in campaign-related projects, to help people to get the central message. Finally, laws and decrees can better be enforced by addressing the root causes of the problem, and providing the target groups with alternatives to replace the prohibited practice. For example, the Working Children project launched income generation activities to alleviate poverty of the children's families (in combat of child-labor), helped employers improve safety measures at workplace, while also upgrading the children's skills to help them to move to jobs with better working conditions.

4. Project Design and Preparation

A number of IEDS Phase One projects were in the form of pilot interventions, and some of these may be elaborated on a larger scale under Phase Two. In so doing, the lessons learnt related to the project-design and preparation stage, and that have been stated by some interviewees, may be of value:

- a. Monitoring and coordination can be enhanced through a clearer identification of roles and division of responsibilities. (This was particularly true under EIECP environmental program covering several projects and implementers).
- b. It is important that the project objectives be clearly stated and the action plan precisely defined.
- c. Beneficiaries can be better targeted if specifically identified. For example, the evaluation of the Green Corridor pilot initiative revealed that beneficiaries were broadly defined as the small farmers having 2-5 feddans of land, additional criteria such as those cultivating specific types of crops, and/or those with a certain number of years of experience, etc., could have helped narrow down the target group.
- d. Introducing a "research component" to the project under preparation proved to be very beneficial in view of the necessity of continuous needs-assessment, as well as periodical impact assessment. The latter allows for review, if needed, of project strategies.

5. Selection of the Type of Interventions

Smaller budgets were not a deterrent of success. The experience acquired under IEDS Phase One demonstrated that certain types of interventions can be very effective regardless of the size of funds involved. Examples are:

- a. Sustained-impact interventions such as the opened-export-markets through assistance with export-standards compliance, and provision of contacts, as under the Green Corridor pilot.
- b. Interventions that take into account local culture and beneficiaries' morale can be very successful, as in the case of people's responsiveness to the introduction of the 'anonymous unlinked testing' system for HIV/ AIDS, thus removal of any embarrassment.
- c. Easily replicable interventions, especially those of a type that can be replicated by charity organizations using the collected donations, as in the case of NWRC's Hand-Pump systems that were replicated in several villages by Inner Wheels Club, and awarded to the same contractor at a lower cost than that of the initial implementation.
- d. Interventions that can serve as incentives or can attract the community, such as building social infrastructure that is needed and appreciated (e.g. a school, a health unit, etc.) under rural development projects whose main objective is to enhance agricultural productivity, and/or such projects as those aiming to eliminate FGM practice in rural areas. It is also useful to link a campaign to an activity for which people have a passion e.g. football.

Second: Lessons and Recommendations Gained from Specific Projects

- 1. The environmental projects have shown that proper development and guarding of the Protected Areas resulted in preservation of the biodiversity, and proved that income can be generated from such Areas. There is a need for the NCS to become an independent body that can generate income, operate in an efficient and flexible manner, and provide its governorate-branches with financial autonomy. Interventions under Protected Areas are recommended to continue given that additional work is needed for the existing ones, in addition to the existence of new Areas such as that on the Egyptian-Sudanese frontiers.
- 2. Rural development /export promotion projects would benefit from more emphasis on marketing, in both domestic and foreign markets, and to provide further strengthening to the agricultural cooperatives in this regard. Crop-purchase contracts also need to be reviewed in a way to incorporate penalty-clauses for non-fulfillment of the purchase, as it happened that some buyers did not fulfill the deal. As regards compliance with export standards, there seems to be a continuous, rather than one-shot, need for technical assistance, given the constant changes/ updating of standards and regulations in export markets.
- 3. The DSS water-resource project was recommended to create a stand-alone database to be used by any stakeholder, and to disseminate the DSS to the academia and other stakeholders.
- 4. Under national communication campaigns, as in Think Twice project for advocacy of youth rights: a) insofar as ideal broadcasting time, it is recommended to have regulations vis-_-vis using TV to support developmental projects, b) while TV is an important tool, its cost cannot be totally borne by donors, the call for private sector contributions is recommended, and c) partnerships with other UN agencies ought to start since project planning phase. Think Twice is also recommended to evolve as a program rather than a project, and to be part of NCCM's Communication Department established by the project.
- 5. As regards activities that are expensive and usually do not achieve financial sustainability, as in the case of vocational training, it is recommended to find resources of continued finance for the activity after project-end.
- 6. ICT projects may deserve a special emphasis. The experience illustrated through using ICT for development (ICT4D) in the Egypt-Italy case shows that using debt swaps to achieve developmental goals is both reasonable and feasible. It is important to note that it is vital to focus on sectors and industries that yield immediate returns to communities; therefore, ICT projects were selected to enhance economic growth due to their efficacy that has been repeatedly observed in different locations over the past three decades. The use of debt swap fund for development at various social levels has many positive implications that are reflected in the society at large. Being part of development and implementation of projects that directly affect the way the community lives engages people in the process and contributes of the development of the sectors. The digital and technology

gap is minimized. The new economic and social opportunities offered by the fund were initiated for various groups such as women, underprivileged, rural communities and low wage and low skilled workers.

Specific lessons learnt and recommendations from the implementation of ICT as a platform contributing to socioeconomic development in different projects could be summarized as follows:

- Smart Schools Network Project: To establish a management unit in the Ministry of Education to follow-up the Smart Schools Network project using its own policies and legislation to be able to enforce the implementation of ICT in the education process through teaching and administration; to introduce ICT supervisors at the middle management level in the Ministry of Education to supervise ICT deployment in different schools; to select schools with low class density to be able to realize positive impact; to introduce ICT as an integral element within the teacher development and preparation curriculum; to avail interaction with international schools to provide a platform for knowledge and experience exchange; and to motivate teachers to integrate ICT within the educational process
- Community Development Portal (CDP and CKGeL): To avail alternative in software development through outsourcing in order to meet the development requirements of the community development portal; and to develop and enhance the local and in-house capacities in software development to cater for the changing needs to redesign the portal whenever required.
- ICT for Illiteracy Eradication Project: To identify financing mechanisms and resources due to the considerably high cost of the initial investment needed: to avail books and documents in a way to suit fresh literates to prevent fresh literates from falling into illiteracy again; and to leverage the capacities of human resources which is improved based on confronting modern technology as a mean of education by reducing their fears towards PCs.
- Mobile Information Technology Units Project: The best practice was formulated in the manufacturing phase of the bus through the classification of the manufacturing processes into 4 sub-processes whereas each process had to be assigned to the specialized vendor through an alliance with one main contractor. The lessons learnt could be identified that the smooth implementation of MITU project needed a smart-partnership model, capital expenditure, start-up cost for building and equipping the bus which is relatively high, resulting in the finding that it is usually difficult for a single organization to implement the project respectively the use of collaborative efforts by different partners are much needed. It is important to note that the smart-partnership model helps share the costs, expertise and resources. Multidiscipline/multitasking team members since MITU are more than just technology, computers and the bus. Therefore, a good team consisting of a variety of dedicated and committed members with varying skills and experiences, preferably with the ability to multitask, is essential. Additionally, an effective methodology to involve the top management at MITU is to have constant feedback/dialogue sessions to discuss the achievements and challenges faced by the team during the project implementation and operation. Finally, a comprehensive and regularly updated website would

be a good way of providing information on the progress and status of the project. The website not only provides information on the project to the general public but also serves as an effective platform for communications with our partners and stakeholders.

SAMIR RADWAN

- A graduate of Cairo University, Economics (1963), and obtained an M. Sc. (1967) and a Ph.D. (1973) in Economics from the University of London.
- A Lecturer at the Institute of Economics and Statistics, and Senior Fellow of St. Antony's College, Oxford (1970-1976).
- A long career at the International Labor Organization (ILO) in Geneva (1976-2003) ending up as Advisor to the Director General for Development Issues, and Councilor for Arab states.
- Managing Director of the Economic Research Forum (ERF) for Arab countries, Iran and Turkey (2003-2006).
- Executive Director and Lead Author of Egypt's Competitiveness Report.
- Presently a Member of the board and Advisor to the General Authority for Investment and Free Zones (GAFI) since 2004.
- Published widely on issues of development, employment policies and labor markets, poverty, competitiveness, industrial policies and problems of transition economies.
- Author of "Exchanging Debt for Development: Lessons from the Egyptian Debt-for-Development Swap Experience", Cairo, 2005, presented at the World Summit on Information Society, Tunis, 2005.

SHERIF KAMEL

- A graduate of London School of Economics and Political Science, UK (1994) and the American University in Cairo, Egypt (1987, 1990); and an Eisenhower Fellow (2005)
- Associate Dean for Executive Education and Professor of MIS in the School of Business, Economics and Communication at the American University in Cairo
- Management of Information Systems Unit Head at the Department of Management (2003-2006).
- Director of the Regional IT Institute (1992-2001)
- Co-established and managed the training department of the Cabinet of Egypt Information and Decision Support Centre (1987-1992)
- Co-founding member of the Internet Society of Egypt (1996)
- Published in ICT transfer to developing nations, electronic business, human resources development, and decision support applications
- Associate editor of the Journal of Cases on Information Technology, Journal of IT for Development and the Electronic Journal of IS in Developing Countries
- Member of the Executive Council and VP for Communications of the Information Resources Management Association, USA (2000-2007)
- Member of the board of trustees of the Information Technology Institute and Sadat Academy for Management Sciences
- Chairman of the Chevening Association in Egypt since 2004

bout the Authors

NIVINE EL ORABY

- Has a B.A. and M.A. in Economics from the American University in Cairo (1978 and 1981), and a Ph. D. in Economics from the University of Exeter, UK (2001).
- Worked for the Egyptian American Bank in areas of Credit and Marketing (1981-1993); last position held Marketing Manager.
- Worked for US Chemonics as Credit and Marketing Advisor (1994-1996), on a USAID project with the Principal Bank for Development and Agricultural Credit (PBDAC).
- Rural Women Development Advisor (1996-1998), on a project of PBDAC with the German Bank for Reconstruction KfW, in North Sinai and Canal governorates.
- Conducted evaluations, and initial business-plans, for a number of microcredit programs in different governorates (2000-2008) for the Egyptian Swiss Development Fund, International Consulting Bureau, and Planet Finance French Rating firm.
- Participated in studies and programs in areas of poverty, human development, micro-credit, SME export finance, crop-exports, employment, child labor and Arab Reform, for the Economic Research Forum, North South Consultants Exchange, National Council for Childhood and Motherhood, and Bibliotheca Alexandrina.

DINA SHAABAN

- Graduate of the American University in Cairo (AUC), Economics, "honors", 2003.
- M.A. "Economics in International Development", AUC 2008.
- Investment Analyst, Gas & Energy Group (GENCO), 2003-2005.
- Economic Researcher, Ministry of International Cooperation, Centre for Project Evaluation & Macroeconomic Analysis (PEMA), 2005-2006.
- Currently, a free lance economist.

GHADA NADI

- Has a B.A. and M.A. in Economics from the American University in Cairo (2004 and 2007); the M.A. is in International Development.
- Worked as Research Assistant in the Economic Research Forum (2004-2006), where she contributed to research policy-papers on the following topics: Poverty Reduction Strategies in Egypt, Economic diversification, Youth Employment and Global Public Goods.
- Currently works as Program Assistant in the United Nations World Food Program (WFP).

Eng. Abdallah El Shafei MALR, Advisor, Foreign Relations Sector Dr. Fadia Nosseir MALR, Head of the Foreign Relations Sector

Dr. Francesco Manzo NWRC, Strategic Research Unit (SRU), Co-Manager Eng. Guido Benevento Italian Embassy, Development Cooperation Advisor*

Ms. Heba Wafa

UNDP, Environment Officer

Eng. Ismail Faramawi

IC, Agricultural Consultant

Dr. Marco Marchetti EIECP, Italian Coordinator, Program Coordination

Unit

Ms. Maria D. Rinaldi COSPE, Country Representative

Ms. Marwa Salah NCW, Program Officer

Mr. Mohamed Bayoumi UNDP, Environment Specialist, Asst. Resident

Representative

Dr. Mostafa Fouda EEAA, Director, Nature Conservation Sector

Amb. Moushira Khattab NCCM, Secretary General *
Ms. Nada Ziwawi MAIS, Country Representative

Ms. Nadia Fatthallah MOIC, Supervisor of the Italian Cooperation Desk

Ms. Naglaa Arafa UNDP, Program Analyst

Dr. Nasr El Sayed MOHP, Minister's Assistant for Prevention Affairs/

Primary Care

Mr. Nino Merola Cooperation Attaché, Embassy of Italy in Cairo

Ms. Omneya Helmy
Ms. Perryhan Sultan
Dr. Shaden A. Gawwad
Ms. Simona Galbiati
NCW, Director General
NCW, Project Officer
NWRC, President
UNDP, Program Officer

Dr. Talaat Abdel Malek MOIC, Executive Director of PEMA

Eng. Yossreya Qassem MALR, Manager, European Cooperation, Foreign

Relations

Ms. Zahia Abu Zeid MOIC, Supervisor of the European Cooperation

Sector

NB. The names marked (*) represent interviews conducted in 2007 under a study on IEDS projects with NCCM only, whose collected data was used for this study. The interviews had also included a number of sessions with NCCM Project Managers.

- American Chamber of Commerce in Egypt . "Information Technology in Egypt." May 2007.
- Carey, Richard. "Real or Phantom Aid." <u>DAC News</u> (2005).
- Central Bank of Egypt (CBE), External Position of the Egyptian Economy, Quarterly Report, Volume No. 21, July-March 2007-2008. CBE website consulted in September 2008.
- Deacon, R.T., and P Murphy. "The structure of an environmental transaction: the debt-for-nature swap." <u>Land Economics</u> 1 .73 (n.d.): 1-24.
- Economic and Social Commission for Western Asia-ESCWA . "Measuring the Information Society." 2005.
- —. "The Information Society from Declaration to Implementation." 21 May, 2007.
- Economic Research Forum (ERF). <u>Exchanging Debt for Development:</u> <u>Lessons from the Egyptian Debt for Development Swap Experience</u>". Egypt, 2005.
- El-Sherif H and Omar El-Sawy t. "Issue-based decision support systems for the cabinet of Egyp." MIS Quarterly 1988: pp 551-569.
- Greenhill, Romilly,. "Real Aid: An Agenda for Making Aid Work." <u>ActionAid International UK</u> (2005).
- Information and Decision Support Center. "Annual Report on Egypt." 2005.
- Information and Decision Support Center (2008) . 10 May 2008. <www.idsc.gov.eg>.
- Italian Egyptian Debt for Development Swap Program. "Annual Report."
 2007.
- Kamel, S. ""Information Technology Transfer to Egypt"." <u>The Portland International Conference on Management of Engineering and Technology (PICMET) Technology and Innovation Management: Setting the Pace for the Third Millennium.</u> n.d.
- Kamel, S. and Wahba. "From an Information Island to a Knowledge Society - The Case of Egypt in New Perspective on Information Systems Development - Theory, Methods and Practice." (2002).
- Kamel, S. "Building An Information Highway." <u>The 31st Hawaii</u> <u>International Conference on Systems Science</u>. Big Island of Hawaii, 1998. pp 31-41.
- —. "DSS for Strategic Decision-Making in Khosrowpour ." <u>Information Technology Management in Modern Organizations</u> (1997): pp. 168-182.

- —. "Information Superhighways, a Potential for Socio-economic and Cultural Development inManaging Information and Communications in a Changing Global Environment." <u>The 6th International IRMA Conference.</u> Ed. Mehdi Khosrowpour. 1995.
- —. "The Evolution of Information and Communication Technology Infrastructure in Egypt in Information Systems in an e-World." <u>The Information Institute</u> (2005): pp. 117-135.
- —. "The Evolution of the ICT Industry in Egypt, in Science, Technology and Sustainability in the Middle East and North Africa." (2007): pp. 65-79.
- Larrain, Felipe and Velasco Andres. "Can swaps solve the debt Crises? Lessons from the Chilean Experience." <u>Princeton Studies in International Finance</u> No. 69 (1990).
- Ministry of Communication and Information Technology. <u>Egypt's ICT Annual</u> Book. 2007.
- MCIT . 27 February 2008. < www.mcit.gov.eg >.
- MCIT (2005a) Egypt Information Society Initiative, 4th edition
- MCIT (2005b) Building Digital Bridges: Egypt's Vision of the Information Society
- MCIT (2008) The Future of the Internet Economy in Egypt Statistical Profile,
 May
- Mid-Term Evaluation of EIECP, February-March 2007
- Ministry of State for Administrative Development-MSAD . 5 June 2008.
 <www.ad.gov.eg >.
- Moron, Dominic. "Debt Swaps for Hot Spots." <u>Biodiversity Letters</u> 2.3 (1994).
- OECD. "The DAC Journal: Development Assistance Report." 2007.
- "President Mubarak's Electoral Platform ." <u>National Democratic Party</u>. June 2008 http://www.ndp.org.eg/English/sixth%20five%20year.html.
- R, Heeks. "ICTs and the MDGs: on the Wrong Track ." <u>Information for Development Magazine</u> February 2005: pp 9-12.
- Rosen, Sydney, Jonathan Simon, Donald Thea and Paul Zeitz. "Exchanging Debt for Health in Africa: Lessons from Ten Years of Debt-for-Development Swaps." <u>Development Discussion Paper</u> No. 732 (1999).
- Shaaban, Adel. "Impact Assessment of the Micro-Credit Component of the Multi Faceted Women's Development Project in Minya implemented during 2003-2007, NCW and IC, (draft version)." n.d.
- The Ministry of Economic Development. <u>The Sixth Five-Year Plan 2007 2012.</u> June 2008 http://www.mop.gov.eg/English/sixth%20five%20year.html.
- Tooma, Kamel S and E. "Exchanging Debt for Development: Lessons from the Egyptian Debt-for-Development Swap Experience." <u>World Summit on the Information Society</u> (2005).
- United Nations Development Program (UNDP). "Guide for DFES for National Desertification Funds." 1998.

- —. "International Cooperation at a crossroads. Aid trade and security in an unequal world." Human Development Report. 2005.
- United Nations Development Program (UNDP), and the Institute for National Planning. <u>Egypt Human Development Report</u>. Egypt, 2008.
- World Bank . <u>Information and Communication Technology for Development</u>

 Global Trends and Policies.
 Washington D.C: World Bank Publications,

 2006.
- World Summit on the Information Society . 2008. <www.wsis-online.net >.
- <www.oecd.org/document/3/0,3343,fr_2649_34335_35165443_1_1_1_1, 00.html - 20k>.
- <www.unctad.org/TEMPLATES/Page.asp?intItemID=4245&lang=1 22k ->.