

Government of the Arab Republic of Egypt

Ministry of Finance (MOF)

and

United Nations Development Programme (UNDP)

The cooperation between the Ministry of Finance and UNDP takes a new direction with this project, which is supporting MoF as an economic actor in Egypt's development. MOF's traditional role of being the government's financial arm and controller of income and expenditure was extended to being the source of macro-fiscal policy advice to the government during the last cooperation phase with UNDP furthermore, by focusing on the restructuring and automation of the Authority for Social Insurance. The MOF is further increasing its social and economic impact, in line with the role of financial ministries in developed countries.

The project will support the following:-

1. Social Insurance system modernization and automation of procedures, and introduction of a new parallel system.
2. Monitoring the PPP (Public Private Partnerships) approach to government investment projects. The first trials are taking place in 2009.
3. The Macro Fiscal Policy Unit continues to receive support as it provides technical advice to the Minister in formulating/amending policies. The Unit is a leader in transparency, publishing monthly statistical reports and results of its research and analysis. Thus building trust & confidence among the donor community and international investors.

PROJECT DOCUMENT

Supporting Fiscal and Social Policy - Support to Pension Fund and Fiscal Policy Reform

(SPFFPR)

Award 00057704

SIGNATURE PAGE

Country: Egypt

UNDAF Outcome: UNDAF Outcome 1: By 2011 State's performance and accountability in programming, implementing and coordinating actions, especially those that reduce exclusion, vulnerabilities and gender disparities are improved.

Expected CP Outcome: Improved national capacity to design, apply and monitor pro-poor policies with addressing geographical disparities.

Expected CP Output: Regulatory environment including mechanisms facilitating development of pro-poor policies and services improved.

Implementing partner: Ministry of Finance (MOF)

Programme Period: 2007-2011
 Programme Component: Achieving the MDGs and reducing Human Poverty
 Project Title: Supporting Fiscal & Social policy
 Award ID: 00057704
 Project ID: 00071399
 Project Duration: 2.5 Years (July 2009- Dec 2011)
 Management Arrangement: NEX
 PAC meeting date: 2 July, 2009

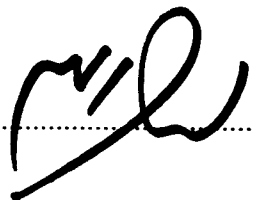
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| Budget (including GMS) US \$ Total: 2,807,881 | |
| (MOF) | US\$ 2,507,881 |
| UNDP | US\$ 300,000 |
| Carry-over (<u>any funds remaining from Award 00012349 to be added to the budget</u>). | |

In kind contribution from MOF US\$ 2,000,000

Signature

Date

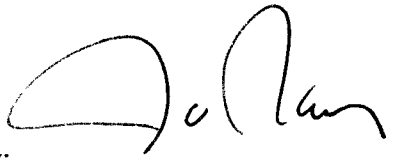
Name

Agreed by: 

**H.E. Dr. Youssef Boutros Ghali,
 Minister of Finance
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Agreed by:  16-07-2009

**H.E. Ambassador Menha Bakhom,
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Agreed by:  19-07-2009

**Mr. James W. Rawley,
 Resident Representative
 United Nations Development Programme**

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SECTION ONE

SITUATION ANALYSIS

The success of any reform process, particularly economic reform programs, depends to a considerable extent on their proper implementation. Some developing countries especially in Sub-Saharan Africa have not been able to reap the benefits of economic reform programs due to improper or partial implementation of the reform programs.

Positive macroeconomic developments have been closely synchronized with structural and legal reforms. This has contributed to a heightened sense of expectations regarding the outcomes such reforms will have on the overall economic performance and their long-run sustainability. The ongoing reform process has increased the conviction that Egypt will be able to address domestic and international challenges.

Egypt's economy is currently undergoing a new phase of economic reforms that is unprecedented in terms of quality, coverage, and implementation pace. Reform measures now adopt a new philosophy aimed at formulating innovative and international best practice solutions in tackling economic challenges, with special attention to preserving the social dimension. Important considerations regarding the success of these economic reforms are related to the structure, implementation and viability of such programs.

The Ministry of Finance (MoF) is a leading entity in Egypt's reform process. Its vision for Egypt's development is to raise the rate of sustainable growth that promotes economic and employment opportunities for all Egyptians and that supports raising standards of living and improved quality of life for all.

Under the leadership of the Minister of Finance there have been significant improvements in the economic policy framework and in the institutional capabilities of the Ministry of Finance. The contribution of the Macro Fiscal Policy Support Unit created under the previous project between UNDP and the MoF takes credit for capacity building, support and improvement of high-level policy advice which are key components of the project.

A further proof of the centrality of the role of the Ministry was the nomination and acceptance of His Excellency Dr. Youssef Boutros-Ghali, the Egyptian Minister of Finance, as Chairman of the International and Financial Committee (IMFC), by the members of the Committee (IMFC) as well as the policy steering committee of the International Monetary Fund (IMF).

Egypt realised the need to reform its socio-economic as well as fiscal policies when the socialist model couldn't achieve its objectives. All sectors in the country became aware that the economy would be able to perform better if there is a transition to an economy which is market oriented. Under the previous economic system, the role played by the public sector was more prominent. Under the market economy the private sector has an important role to play hand in hand with the public sector.

Egypt has completed many reforms aimed at: dismantling restrictive price control mechanisms, relaxing investment licensing procedures, promoting private sector investment,

both domestically and internationally, fostering economic growth and facilitating Egypt's accelerated integration into world economy.

It was reckoned that if the implementation of new economic policies in Egypt's economic reform was positive, the economic set up would be of great benefit. The new policies would not only create new job opportunities but it would also pave the way for a healthy social platform. Some economists believe that Egypt's economic reforms, even if successful should be restructured frequently depending on the conditions and need of the economy. They also feel that the introduction of the afore-mentioned reforms will lead the country to better performance

If Egypt's economic reform results in equal benefits to all strata of the population, it may, to some extent counter the ill effects of inequality, which certain economic reforms usually bring about.

That is why the major focus of this project is to support the reform of the social insurance system of Egypt. This will have major impact on the quality of life of about twenty million citizens.

One of the significant and crucial reforms is the pension system reform. The present Egyptian pension system consists of two pension funds

GEPE: Government Employees Pension Fund which has over 5 million contributors and pays pensions to almost two million persons.

PPEEPF: Public and Private Employers and Employees Pension Fund which has over 11.5 million contributors and pays pensions to 4.3 million persons.

Integration of the two systems is in progress to bring better services through an integrated and automated system. This system will need to run for another 40 or more years. The existing administrative and technical system has been underfinanced for many years; the result was a weak paper based bureaucratic process. In terms of a business model, the current one is not geared toward customer-driven service delivery process. Reengineering of the processes, improving the delivery of services and changing the law to meet the real needs of the next generation are the strategy for acquiring improved quality of life for the targeted population.

A substantive revision of the progress in 2004 added an activity for automation of pension payments; a further extension took the project to June 2009. This support enabled successful implementation of the Egyptian Government National Strategy for Economic Development.

The Ministry of Finance is mandated to: develop fiscal policies, implement comprehensive tax programs (which addresses income and sales taxes), restrict customs and tariffs, design performance measures for efficient public expenditure, integrate the informal sector within the formal economy, and efficiently manage public debt. UNDP has been supporting MoF since 2000, first with a Preparatory Assistance phase and later with Project EGY/01/002 was developed to assist with these tasks under the title: "Fiscal Decision Support Unit, Ministry of Finance" (FPDSU).

PROJECT STRATEGY

Outcome 1 of the United Nations Development Assistance Framework states that: “By 2011 State's performance and accountability in programming, implementing and coordinating actions, especially those that reduce exclusion, vulnerabilities and gender disparities are improved”. In this respect The Ministry of Finance and the UNDP both share the same outlook concerning the leading role of MoF in the design and monitoring of economic and social reforms. They also stressed on the importance of the social dimension which is entirely integrated in the implementation and the conduct of the activities. The attention will also focus on the viability and sustainability of new services provided to facilitate an efficient access for the citizens.

Hence, UNDP will support MoF by providing knowledge sharing, capacity development and technical assistance to successfully achieve the project outputs and contribute to achieving the following Country Program Output: Regulatory environment including mechanisms facilitating development of pro poor policies and services improved.

Social Insurance System

Governments and international partners recognize that prudent macroeconomic policies, better governance, and more efficient regulatory institutions are prerequisites of a global social protection strategy. It is also important to improve the effectiveness of the social protection system while involving the private sector and civil society in developing, implementing, and managing the social protection programs.

The overall goal of improving the quality of life for Egyptians will be greatly assisted by an efficient and well-designed social insurance system, especially as regards to pension payments and contributions to pension entitlements.

Regarding *social insurance*, the focus will be in the area of *pension reform*. The recommendation is to adopt an integrated vision that considers not only the current public schemes but also the role the occupational plans and the insurance sector could play as sources of voluntary savings for retirement. There are many possibilities in terms of design, but in all cases the following principles will need to be respected: (i) providing adequate pensions for retirement; (ii) Financial self-sustainability and security (iii) allowing proper diversification of savings for retirement; (iv) administrative efficiency ; and (v) if redistribution takes place it should be transparent and progressive.

Social Safety Nets need to be better coordinated among institutional providers and should be better targeted, monitored and evaluated. Further improvements in targeting subsidies to the poor are needed, as part of a broad poverty alleviation strategy; and the role of the government in microfinance could be limited to defining the regulatory framework as part of a country's financial sector development strategy.

The Social Insurance Authority is now under the umbrella of the MoF and has been the subject of a thorough international review (headed by the World Bank) to identify

The Social Insurance Authority is now under the umbrella of the MoF and has been the subject of a thorough international review (headed by the World Bank) to identify shortcomings and make recommendations. Some of the E-finance activities supported by the Ministry will contribute to the efficiency of the pension system, as will the automation program funded by MoF. Both e-finance and automation will contribute to ensuring the achievement of social objectives, especially in regards to delivery of an efficient social security system. Providing innovative solutions such as e-payment, call centers will directly impact the efficiency and accessibility of the services for the beneficiaries.

Activity 1: Social Insurance system modernization and automation of procedures, and introduction of a new parallel system.

Regarding the Social Security System, the existing pension system is being modernized and a new one is being introduced to run in parallel. The two Egyptian pension funds (Government Employees Pension Fund – GEPF and Public and Private Employers and Employees Pension Fund – PPEEPF) will be merged to improve the quality of services through an integrated and automated system.

Activity 1.1: Support Nation-wide easy access to social security system.

Studies will be conducted to support the Ministry of Social Security to establish e-access to pension payments and upgrading the pension system at different levels, through the development of technological tools, upgraded software and the introduction of nation-wide e-payment for government services. These measures will improve the efficiency and the accessibility of the government for its citizens. The MoF also expect significant impact on the welfare of people, especially excluded or disadvantaged populations.

Activity 1.2: Integration and Automation of the Pension System

The integration of the two pension funds will be done on the technical level and will facilitate the implementation of a customer for an integrated service. The outcome will be a single Public Social Insurance Fund that will administer the existing social insurance system using best international practice and a modern, sustainable, IT system.

Activity 1.3: Capacity Building of the Social Insurance Authority and Staff Capacity Development.

The project will support the development of a National training programme Plan having as an objective the integration of the public and the governmental social security system. The project aims to improve the quality of services offered by the MoF. Thus, highly qualified IT will be recruited to redesign the business process and train end users; call centers and customers services sites will also be established.

Public-Private Partnerships

Supporting PPP will be significant since it gives advantages in terms of cost, value and quality of the delivered services. In line with the National strategy, this type of partnership promotes and increases private sector involvement in the country's economic and social development plan, particularly in the area of public utility services. It also leads to the introduction of

disciplines and efficiencies of private sector management and methods to the provision of public services.

Thus, Policy-level support to the Minister of Finance on all aspects of the ministry's work will continue, as will monitoring the PPP initiative that is spearheaded by the PPP Central Unit at the MoF.

Activity 2 Monitoring the PPP (Public Private Partnerships) approach to government investment projects.

The Government's strategy is to promote and to increase private sector involvement in the country's economic and social development plan. In this regard, the PPP Central Unit is vested with the MoF to introduce and communicate the Public Private Partnership policy, to develop good practice and to lead to social and economic benefits.

PPP has already allowed execution of different projects of infrastructure and public services, such as schools, Wastewater Treatment Plant, healthcare, utilities and transport.

Among its responsibilities, the PPP Central Unit will articulate a single national PPP policy, develop and sponsor new legislation and regulation for PPP procurement and practice and import experience from other countries for its own capacity building.

Activity 2.1: Capacity Building for Staff Members and Units.

PPPCU staff members will be trained to improve the competence of partner to implement tasks such as Satellite PPP Units in Ministries.

Activity 2.2: PPP Concept Promotion.

An ongoing programme of awareness raising seminars will continue throughout the project. This is designed for sponsors, bankers, contractor and FM companies and identified stakeholder.

Activity 2.3: Legislative Framework for Implementing PPP.

The Draft PPP law will be deliberated in the parliament. When it is passed, the PPP Unit will closely monitor implementation and the results of the new provisions.

Activity 2.4: Pilot PPP Projects.

The Pilot PPP Projects are the design, construction, equipping, furnishing, maintenance, financing and provision of services, in the education, health, utility and transport sectors.

Macro Fiscal Policy Unit

Through projections and monthly reports, the Macro Fiscal Policy Unit shall support the Ministry of Finance in its policies and decisions. Detailed studies will allow the assessment of budgets, including the pension funds.

Output 3. The Macro Fiscal Policy Unit continues to receive support as it provides technical advice to the Minister in formulating/amending policies.

The Macro Fiscal Policy Unit aims to provide Policy and Technical Support to the Ministry of Finance. Thus, its activities will support the Ministry in fiscal policy and macroeconomic analysis.

Activity 3.1: Macro-Fiscal Policy Unit.

The Macro Fiscal Policy Unit supports the Minister of Finance in his endeavor to make economically sound and socially beneficial decisions on matters falling within his mandate.

Macro-Fiscal policy units also have a central role in ensuring that negotiations between different ministry sectors, international organizations and sovereign evaluation bodies are mindful of the economic welfare of the entire nation.

Activity 3.2: Support for International, Regional Events and Legal Advice.

The project will support international and regional events, and will provide technical legal advice.

Activity 3.3: Technical Support from Consultancy Pool.

The Unit will monitor activities concerning the impact of the customs and tax legislative changes. It will also seek consultancy pool.

Activity 4. Establishment of an Effective Project Management

Activity 4.1: Project Management

All project management related activities aim to be reported, monitored and evaluated.

Activity 4.2: Monitoring and Evaluation

Annual quarterly reports, final reports and work plans of previous projects in addition to the progress, financial and quality assurance reports of current projects.

Governments and international partners recognize that prudent macroeconomic policies, better governance, and more efficient regulatory institutions are prerequisites of a global social protection strategy. It is also important to improve the effectiveness of the social protection system while involving the private sector and civil society in developing, implementing, and managing the social protection programs.

The overall goal of improving the quality of life for Egyptians will be greatly assisted by an efficient and well-designed social insurance system, especially as regards to pension payments and contributions to pension entitlements.

Regarding *social insurance*, the focus will be in the area of *pension reform*. The recommendation is to adopt an integrated vision that considers not only the current public schemes but also the role the occupational plans and the insurance sector could play as sources of voluntary savings for retirement. There are many possibilities in terms of design, but in all cases the following principles will need to be respected: (i) providing adequate pensions for retirement; (ii) Financial self-sustainability and security (iii) allowing proper

diversification of savings for retirement; (iv) administrative efficiency ; and (v) if redistribution takes place it should be transparent and progressive.

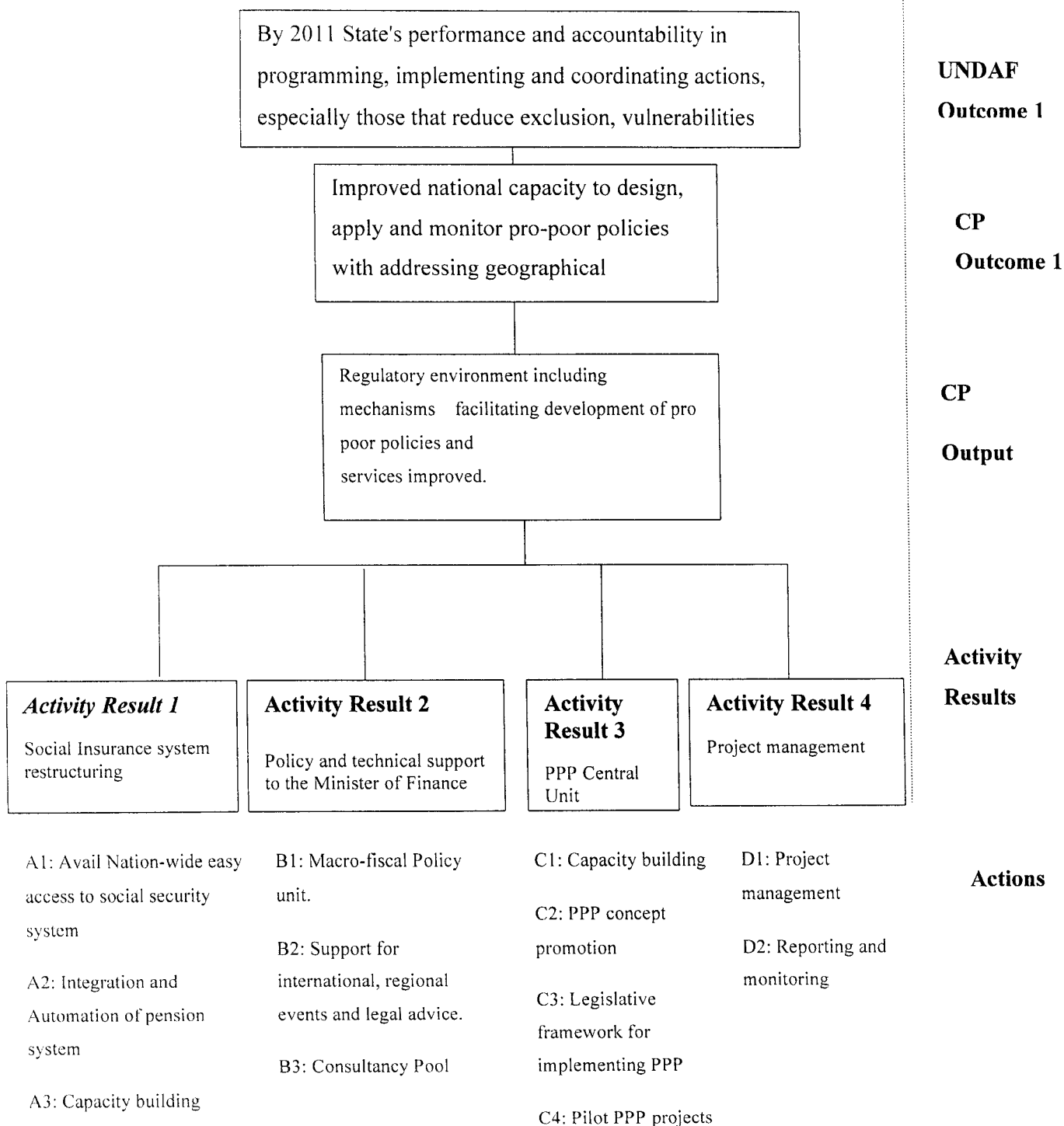
Social Safety Nets need to be better coordinated among institutional providers and should be better targeted, monitored and evaluated. Further improvements in targeting subsidies to the poor are needed, as part of a broad poverty alleviation strategy; and the role of the government in microfinance could be limited to defining the regulatory framework as part of a country's financial sector development strategy.

At the same time, it is necessary to *mainstream vulnerable (including disabled) and disadvantaged women and children* into the broader Human Development agenda. Cross-sector strategies are needed to help achieve Education for All. Gender issues must be integrated into the policy process to ensure that women can participate in the economy and balance family responsibilities.

The Social Insurance Authority is now under the umbrella of the MOF and has been the subject of a thorough international review (headed by the World Bank) to identify shortcomings and make recommendations. Some of the E-finance activities supported by the Ministry will contribute to the efficiency of the pension system, as will the automation program funded by MOF. Both e-finance and automation will contribute to ensuring the achievement of social objectives, especially in regards to delivery of an efficient social security system.

Policy-level support to the Minister of Finance on all aspects of the ministry's work will continue, as will monitoring the PPP initiative that is spearheaded by the PPP Central Unit at the MoF.

PROJECT RELATIONSHIPS TO UNDAF AND UNDP COUNTRY PROGRAMME



DESCRIPTION OF ACTIVITIES

Activity A: Social Security System

The existing pension system is being modernized and a new one is being introduced to run in parallel. The present Egyptian pension system consists of two pension funds

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Integration of the two systems is in progress to bring better services through an integrated and automated system. This system will need to run for another 40 or more years.

Concurrently, the draft of a new Social Security Law is before the Parliament (expected to be passed during the current session i.e. before the start of the project) which will phase out the old pension system. Only existing clients of the old system may continue with the old system – they may also opt out and join the new system, but it will not be an option for young people to join the old pension system.

A1: SUPPORT NATION-WIDE EASY ACCESS TO SOCIAL SECURITY SYSTEM

The first phase of this activity will be to conduct studies on how best to support the Ministry of Social Security to make e-access to pension payments and upgrading the pension system at different levels.

TECHNOLOGY ASPECTS: The Ministry of Finance developed and is implementing an in-house strategic plan to replace ageing mainframes at HQ for both Funds and to upgrade links to each of GEPPF 64 offices around the country and the PPEEPF's 452 offices, as well as to upgrade the offices themselves. The (upgraded) offices in its entirety will have real-time access to the central database to upload/download most information in real-time. This massive effort receives financial support from many donors such as WB and IFC, and the EU.

SOFTWARE UPGRADE: Migrating existing systems from COBOL to modern applications software and training of IT staff on the use of the new technologies is also ongoing.

E-PAYMENT: MoF is introducing nation-wide e-payment for government services. The aspects relevant to this option will be the issuing of smart cards for 2,500 beneficiaries in 3 pilot offices. Through such measures, MOF is both making the government more efficient and more accessible to citizens. The impact on the welfare of people, particularly those in disadvantaged locations, is expected to be fully visible by the end of the project period and documentary transactions widely available.

A2: INTEGRATION AND AUTOMATION OF THE PENSION SYSTEM

The integration of the two pensions funds has been done on the technical level i.e. computers talk to each other. The customer interface for an integrated service has received a trial in

three offices in Cairo. The next phase is another trial in Alexandria and planning for the nation-wide rollout of the system, which will entail both training of staff and awareness raising campaigns for the public. The outcome will be a single Public Social Insurance Fund that will administer the existing social insurance system using best international practice and a modern, sustainable, IT system.

Archiving is another massive task for which the plan is still being developed, with discussions around single or multiple locations for carrying out the work and training plans for the large number of staff that will be required. Technical support on archiving systems and adapting these systems to the current situation will be an ongoing activity during the lifetime of the project.

A3: CAPACITY BUILDING OF THE SOCIAL INSURANCE AUTHORITY AND STAFF CAPACITY DEVELOPMENT

The project will support the development of a plan for a national training programme having as an objective the integration of the public and the governmental social security system. At the same time the project will recruit highly qualified IT staff to redesign the business process and train end users. One of the main activities in this phase of the project and under the same activity is the establishment of call centers and customer service sites. Until present 4 call and customer service centers have been established in Cairo, Alexandria, and Assiut and Suez Canal region. A seminal step will be building a training component for the center's staff. The training will include necessary skills for the performance of their job, such as communication skills training, customer relations and essential IT knowledge.

Activity B: Policy and Technical Support to the Minister of Finance:

The Minister of MoF is responsible both for policy development and for devising plans on how to get to those policy goals: "Where to go and how to get there" and that involves considerable negotiation with other ministries and with international bodies. Policy support to the Minister's office is provided under this heading via long-term consultants (advisors).

B1: MACRO-FISCAL POLICY UNIT

The Macro Fiscal Policy Unit supports the Minister of Finance in his endeavor to make economically sound and socially beneficial decisions on matters falling within his mandate. The Macro Fiscal Policy Unit has defined its functions as follows:

- Supporting the Minister of Finance in fiscal policy formulation.
- Monitoring fiscal situation including developments in revenues, expenditure, and financing, and the national debt; in addition to advising the Minister on the fiscal situation.
- Producing medium term budget projection scenarios, including their impact on the general population.
- Ensuring consistency of the fiscal policy with macroeconomic framework.
- Analyzing macroeconomic framework and main variables.

- Monitoring the budget execution to identify important developments and advise the Minister on appropriate action.
- Developing fiscal targets and other key aggregates of the budget to lead the budget formulation process.
- Monitoring international economic developments to determine their impact on the economy of Egypt.
- Preparing policy statements particularly, the Minister's speeches to the Parliament, giving due regard to wider implications of policies when appropriate.
- Leading the Ministry's side in the technical consultations with the International Financial Institutions (IFIs) on the macroeconomic and fiscal policies; and serving as a focal point for coordination of activities of the MoF with the IFIs. And facilitating surveillance by IFIs.
- Explaining to bilateral and multilateral donors the government's fiscal and macroeconomic policies and participating in negotiations with the donors as instructed by the Minister of Finance.
- Recommending structural reforms to facilitate the implementation of the fiscal and macroeconomic policies.
- Producing the Financial Monthly report publication.
- Producing, and participating in producing, analytical fiscal and economic internal reports.
- Serving as Secretary for the Ministerial Economic Committee (head of the MFP Unit) and participating in the discussions covering economic policy.
- Coordinating the work of consultants hired for specific research assignments.

The Macro Fiscal Unit was established in the Ministry of Finance in 2005 on the recommendation of the International Monetary Fund (IMF) and the above list of functions is explicit about technical aspects. The Macro Fiscal Policy Unit will continue to prepare studies and analyses according to circumstances and requirements of the Minister. Policy recommendations based on the research will be made to the Minister and reviewed and published as required.

Macro-Fiscal policy units also have a central role in ensuring that negotiations between different ministry sectors, international organizations and sovereign evaluation bodies are mindful of the economic welfare of the entire nation.

B2: SUPPORT FOR INTERNATIONAL ,REGIONAL EVENTS AND LEGAL ADVICE

Support for international and regional events will continue on needs basis. The Ministry has a very strong global presence and participates regularly in World Bank, IMF, Euromoney and EU discussions. The preparation of speeches and papers for these activities is done by in house and external consultants. In these events, the Minister is always accompanied by a team of experts who can attend on his behalf in case he is not able to attend .The micro fiscal unit assumes the responsibility of sending appropriate Egyptian representatives in such events.

In addition all necessary laws for the suggested reforms are spearheaded by the MoF. Technical legal advice is provided through this unit.

B3: TECHNICAL SUPPORT FROM CONSULTANCY POOL

The MOF is renowned for its leadership in making Egyptian economic statistics widely available. Key monitoring activities concerning the impact of the customs and tax legislative changes made recently by the Ministry are in place. All MoF policies are reviewed by advisors, who then report the impacts to the Minister of Finance, making recommendations for adjustments and further actions. Consultancy pool activities will continue on needs basis.

Activity C: PPP Central Unit

In line with the Government's strategy to promote and increase private sector involvement in the country's economic and social development plan, particularly in the area of Infrastructure & public services, the Government has introduced the Public Private Partnership program (PPP).

A "centre of expertise" in this regard is vested with the MoF to introduce and communicate the Public Private Partnership policy, to develop good practice and to take a vital role in the delivery of the initial projects. The Public Private Partnership Unit was established at the Ministry of Finance in June 2006 and is expanding. The Unit needs to build up its own staff and capabilities in order to offer training and supervisory support to PPP Stakeholders.

The PPP Central Unit is working closely with various tendering Ministries to ensure a controlled roll-out of a series of significant infrastructure and public services projects. The first batch of Schools Pilot PPP project was tendered out during July 2007 and re-structured in July 2008 for the number of 345 schools for the design, construction, equipping, furnishing, maintenance, financing and provision of non-educational services as the 1st PPP Project in the Social Sector. After the financial crisis and change in Law 89 for public procurement to allow for public companies to bid; the tender was re-opened with 235 schools, and is expected to close by end of July 2009. In addition to the above, The first Utilities Pilot Project was tendered out during May 2009 for design, construction, financing, operation and management of a new Wastewater Treatment Plant in New Cairo City with a total capacity of 250,000m³/day.

In the Health Sector; the 1st PPP Pilot project is for Alexandria University Hospitals was tendered out for the design, construction, financing, equipping, furnishing, maintaining and

provision of non-clinical services and provision of 200 new beds in Smouha Maternity University Hospital, blood bank, 230 beds in Mowassat Specialized Hospital.

Other projects in the pipeline relate to healthcare, utilities, and transport. Specialized units are established in the concerned ministries who have plans to implement projects under the PPP program.

The PPP Central Unit has prepared capacity building programmes for the staff of those Ministerial PPP Units, or satellite PPP Units as they are named.

An essential task of the unit is to ensure that PPP project proposals are supported by sound analysis vis- a -vis needs and value, receive the necessary budget approvals and that partner's selection takes place as a result of a rigorous and fair competition. In light of its experience with the schools, wastewater and Alexandria University Hospital project's. The PPP Unit is developing revised guidelines on project selection, appraisal and tendering.

Lead responsibilities

- Articulating a single national PPP policy so that its objectives and mechanisms are understood by Ministries and State agencies, funding agencies, investors, contractors, the press and the general public. (A central PPP policy statement);
- Developing and sponsoring new legislation and regulation for PPP procurement and practice which must be observed by all ministries submitting PPP proposals;
- Importing experience from other countries and developing guidance "Tool Kit" and methodologies that is appropriate to Egypt. The centre should be the recognized authority on the PPP process to standardize PPP practice within the Government;
- Assisting Ministries/public bodies develop/vetting PPP proposals (Business Cases). The MoF must agree that these cases are sound before procurement can proceed and budget be allocated;
- Selection of experienced Lead & Financial Advisors as well as legal, technical and environmental advisors;
- Communicating the process to the professional private sector participants (banks, lawyers etc);
- Helping devise the structure of PPP funding and security packages;
- Identifying issues that may impede the programme and orchestrating their resolution;
- Shepherding and advising on project tenders, being a supervisor for good practice, building on lessons learned from pilot exercises. This should involve active participation in all aspects of early projects tenders (process, documentation, negotiation, evaluation and review);
- To develop and enforce the use of generic commercial terms for PPP contracts (standardized contract model);

- Being the “intelligence compiler” to appreciate the development of concession/PPP practice in other countries, and build up its own databank and to access the wealth of PPP material available on the WEB;
- Being a “public face” to the initiative with a newsletter and a bilingual website;
- Promoting the development of concession/PPP/Project finance advisory skills for export to the Eastern Mediterranean and Gulf regions;

It must be the guardian and promoter of the new methods and a proactive agent for change. In short, in matters of PPP development and practice, In order to deliver consistent messages and to gather and focus views and concerns, the PPP Central Unit established a small number of panels that meet periodically on a consultative basis to discuss and take forward current issues that affect the various groups of PPP participants.

C1: CAPACITY BUILDING FOR STAFF MEMBERS AND UNITS

Capacity building continues to be a strong component because the field is new, hence there are no experienced personnel to hire – all PPPCU staff members must receive training, much of it overseas. A new component is the training of PPPCU staff to Satellite PPP Units in Ministries. The initial phase of introducing PPP proved the incompetence of partner ministries to implement such task.

C2: PPP CONCEPT PROMOTION

PPP will remain a mystery to many people for some years to come. Therefore, an ongoing programme of awareness raising seminars will continue throughout the project. The target population will be mainly sponsors, bankers, contractor and FM companies as well as any identified stakeholder.

C3: LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PPP

The Draft PPP law will be deliberated in the parliament. When it is passed, the PPP Unit will closely monitor implementation and the results of the new provisions.

C4: PILOT PPP PROJECTS

C.4.1. SCHOOLS PROJECT

The new restructured schools project is for the design, construction, equipping, furnishing, maintenance, financing and provision of non-educational services for 235 schools. The final amended Tender Documents including contract and annexes will be issued during Q3/2009 including the notification of Award announcement. The construction phase is scheduled to commence during Q2/2010 and schools shall be operational during Q2/2011. All other activities will follow to replicate the experience.

C.4.2. HEALTH SECTOR

The Alexandria University Hospitals is the first pilot project in the Health Sector whereby the project is for the design, construction, financing, equipping, furnishing, maintaining and provision of non-clinical services for new 200 bed in Smouha Maternity University Hospital and a Blood Bank as well as 230 bed in Mowassat Specialized University Hospital with

Centers of Excellence for the provision of highly specialized services in Neurology and Urology/Nephrology (including Kidney transplant). Invitation to Bid will be issued followed by individual meeting with qualified bidders in which Final Tender documents will be submitted. By end of 2009 contract signature will follow, whereas financial closure is expected to be during 2010 and commencement of services will start during 2012.

C.4.3. UTILITY SECTOR

6th of October WWTP, aims to raise the capacity of the plant to 600,000 m³/day; out of which the contract duration of financing, designing, constructing, operating and maintaining will be 20 years. Expected date of contract closure is December 2009.

Abou Rawash WWTP, aims to upgrade the level of treatment from primary treatment to secondary treatment in Giza Governorate for the plant with a capacity of 1.2 million m³/day; out of which the contract duration is 20 years and expected closure date of the contract is February 2010.

C.4.4. TRANSPORT PROJECTS

Pilot project in the transport sector is the Shubra/Banha High way project. In addition Rod El Farag Access is under due diligence and international transaction and technical advisors are under procurement.

Activity D Project management

D1: PROJECT MANAGEMENT

All project management related activities will be reported, monitored and evaluated by this unit. The unit will help in the preparation of the project's budget for 2010 for the project. The oversight of the UNDP project falls under this heading. For activities (see Management arrangements).

Role of the Ministry: The Ministry of Finance is the Executor of the project. The Minister will appoint a Project Director and provide suitable office space and equipment for the project management unit.

D2: MONITORING AND EVALUATION

One of the multiple tasks of the unit is the writing of the annual quarterly reports, final reports and work plans of previous projects in addition to the progress, financial and quality assurance reports of current projects. The Unit will work closely with the UNDP officer in charge of the project. And will act as a liaison between the different units, the project management and UNDP (see Management arrangements).

SECTION TWO

MANAGEMENT ARRANGEMENTS

The project will be nationally executed by the Ministry of Finance.

To ensure accountability for the project activities and use of resources, appropriate management arrangements and oversight need to be established. This involves the existence of an organization structure that facilitates the decision-making process and includes the assignment of roles to govern, manage and monitor the project. This should include:

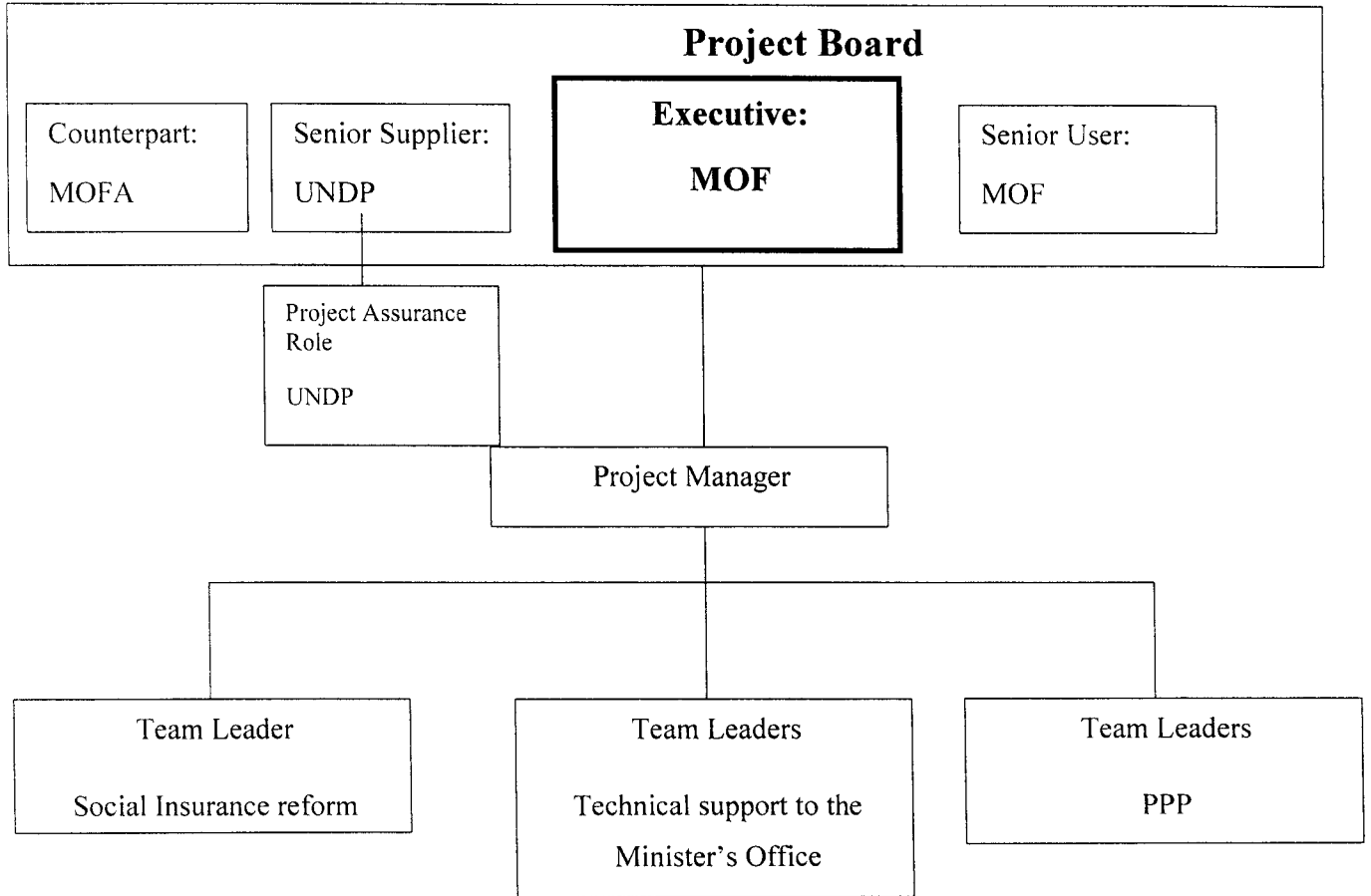
- *Project Implementation:* responsible for the successful running of the project, overseeing the production of deliverables, leading the team and notifying the Project Board of decisions accordingly. This role is played by a **Project Manager** assisted by a support staff.

The Project manager will be responsible for coordinating the implementation of all the above mentioned activities, developing action plans and reporting progress to UNDP. He/she will also be responsible for coordinating, networking and soliciting the participation of all concerned partners. The Project Manager will be responsible for regular progress reports, identifying bottlenecks and suggesting corrective measures when necessary. The Project Manager is responsible for the day-to-day implementation of the project. This includes ensuring the quality and punctuality of all project activities and outputs and supervising the team leaders; requesting the advancement of project funds; preparing Quarterly and Annual Progress Reports; liaising with the Project Assurance role and requesting changes in directions from the Project Board when required.

- *Project assurance and oversight:* The Project Assurance provides independent and objective oversight to ensure the project is “doing the right things” and “in the right way” and provide required information on the project progress to the project. This role is played by a UNDP representative who will be providing oversight and monitoring functions to the Project Manager within the project context. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore, the Project Board cannot delegate any of its assurance responsibilities to the Project Manager.
- *Project monitoring:* assumes the responsibility to review project plans and changes, including project revisions and issues raised to them by the Project Manager. This role is played by a project board that reviews and approves project details, schedule, deliverables and budget as articulated in the Annual Work. The activities supported will be supervised through a Project Board comprised of members from the implementing agency (Ministry of Finance), representatives of the UNDP office and representatives of the Ministry of Foreign Affairs. The activity is under the overall supervision of UNDP in support of the UN Resident Coordinator in Egypt. The

Project Board will meet regularly to analyse progress in the implementation of the activities and plan the future activities with due adjustments.

Project Structure



Project assurance

The monitoring and evaluation of the project is based on dialogue and regular meetings between the Project Manager, Team Leaders, and the Project Assurance role. The monitoring tools are the documents listed below, with the primary mechanism being the detailed management annual work plan and the quarterly progress reports which detail actual activities. The Quality Assurance Reports to the Board and compares the actual activities to what was stated in the annual work plan and provides and updates the risk log for each of the teams. The Project Manager is responsible for producing the following documentation to be submitted to UNDP:

- Detailed management annual work plan
- Annual budget

- Quarterly progress reports
- Annual progress report
- Annual financial report
- Semi-annual Quality Assurance Reports, including risk log updates, for Board meetings
- Minutes of Board meetings.

MONITORING FRAMEWORK AND EVALUATION

The project will be monitored through the following:

- An Issue Log shall be activated and regularly updated by reviewing the external environment that may affect the project implementation;
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format annexed to the project document, providing information on project performance and progress towards targeted results;
- An Annual Review Report will be prepared by the Project Manager and shared with the Project Board, reporting on the project achievements progress towards targeted outputs and activities.
- A Project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the project, and to facilitate the preparation of the Lessons-learned Report submitted by the end of the project;
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events
- A **Final Project Review** shall be conducted during the fourth quarter of the last year of the project by the Project Board as basis for assessing performance, contribution to related outcomes, and determining lessons for broader application. Using the final Project Review Report, the Lessons Learned Report and other documentation as appropriate, the Project Board should assess in this meeting the performance and success of the project, and its contribution to related outcomes.

Project Evaluation:

During the evaluation, both quantitative and qualitative indicators shall be used in the process of monitoring and evaluation.

Due to the innovativeness of the project, it should be evaluated through the course of an independent evaluation during the project cycle or within the Outcome Evaluation commissioned by UNDP.

Financial Arrangements:

The cost-sharing payment (when mobilized) will be deposited in UNDP bank account as specified in the cost-sharing agreement annexed to the project document.

The value of the payment, if made in a currency other than United States Dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

The schedules of cost sharing payments (indicated in the cost sharing agreements) will take into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

All financial accounts and statements shall be expressed in United States Dollars.

If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary.

If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 4% (for government cost-sharing) and 7% (for other cost-sharing) cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. The financial management arrangements for the project are through OUDA

The total project budget is **2,807,881** US dollars, divided as follows:

- (a) **2,507,881** US dollars, (from government cost-sharing) and **300,000** US dollars, (from UNDP resources) including cost recovery for the provision of general management support (GMS) by UNDP country office.
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
- (c) Any funds that remained from previous project award ID 00012349 EGY 01002 /FPDSU(ended June 30, 2009).

Audit Arrangements:

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP and Government funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by a legally recognized independent auditor.

LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via

<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

SECTION 3

ANNEX 1. PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results Action Plan (CPAP) and Resource Framework (CPAP):

Improved national capacity to design, apply and monitor pro-poor policies with addressing geographical disparities.

Outcome indicators as stated in the Country Programme Action Plan (CPAP) Results and Resources Framework, including baseline and targets:

1. Social Insurance system :

- (1) Integrated system.
- (2) Four functioning call centers.
- (3) A website for the social insurance authority.
- (4) E-archiving system established.
- (5) Several training courses implemented for the staff.
- (6) Issuing 2000,000 e-payment cards and 2000,000 smart cards.

2. PPP (Public Private Partnerships):

- (1) Capacity building training for the staff.
- (2) Issuing of PPP law and executive regulations.
- (3) Commencement of construction of New Cairo waste water treatment plan, 2 to 3 plants executed.
- (4) Tendering 2nd batch of school projects.
- (5) Financial closure of Alexandria University hospitals.
- (6) Bid award for road Al Farag access project.
- (7) Upgraded and updated PPP bilingual web site.

- (8) Creation of IPDF.
 - (9) Establishment of infrastructure of IFFC.
- 3. The Macro Fiscal Policy Unit:**
- (1) 10 fiscal reports.
 - (2) 30 monthly reports.
 - (3) Several studies identified by the unit.
- 4. The project Management:**
- (1) 10 quarter reports: financial and activities.
 - (2) 3 Annual reports: financial and activities.
 - (3) 5 Quality assurance reports
 - (4) 30 monthly financial reports

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| <p>Applicable Strategic Plan Focus Area: UNDP assists countries in formulating, implementing and monitoring national development strategies based on internationally agreed development goals, including the MDGs, centred on inclusive growth and gender equality. That includes technical support for participatory planning, reviewing existing strategies, and conducting needs assessments. Based on national requests, UNDP will help identify policy options, undertake diagnostic studies and conduct training to build local and national capacity. Emphasis will also be placed on supporting planning processes to achieve national strategies based on the goals at the sub-national level</p> |
| <p>Project title and ID (ATLAS Award ID): Supporting Fiscal & Social Policy Project ID: 00071399 Award ID: 00057704</p> |
| <p>Intended output: Regulatory environment including mechanisms facilitating development of pro poor policies and services improved.</p> <p>Baseline: MOF is an economic actor in Egypt's development, but it has played so far a traditional role as a controller of income and expenditures only.</p> <p>Activity Results: Social Insurance system restructuring. Policy and technical support to the minister of Finance. Establishing PPP central unit. Management unit</p> |

| OUTPUT FOR 2009-2011 | ACTIVITY RESULTS | ACTIONS | RESPONSIBLE PARTIES | INPUTS \$ | |
|---|---|--|---|--|------------------|
| <p>I. Social Insurance system restructuring</p> <p>Baseline:</p> <p>a) New social insurance law drafted. For discussion b) Phase one of Website www.nosi.gov.eg is launched. c) 1 call center established. d) Primary study regarding issuing smart cards started. e) Finalized implementation plans of smart cards. f) Pilot trial of issuance of 100000 e-payment pension cards done. g) Preparation of the primary study regarding transforming the current archiving system started. h) Training programs for all divisions planned (Call center, IT and top management)</p> <p>Targets:</p> <p>(1) Establish a new social insurance system and submitting the relevant law to the parliament for approval. (2) Integration of both systems GEFF and PPEEPF. (3) Launching phase 2 of the website & Preparation and launching for phase 3. (4) 3 Additional Call centers (Alexandria, upper Egypt & Delta) established. (5) Issue around 2,000,000 e-payment pension cards , and 2,000,000 smart cards all over Egypt (6) Starting the e-archiving process in both (private/public and government)pension funds.</p> | <p>A1.Support nationwide easy access to social security system</p> | <p>A.1.1 Pilot e-payment system and Evaluation</p> | <p>MOF/ UNDP</p> | <p>Expenses: 734,500</p> <p>OU DA Fees: 22,035</p> <p>UNDP Fees: 26,661</p> | |
| | | <p>A.1.2.Rolling out of the e-payment system all over Egypt.</p> | <p>MOF/UNDP</p> | | |
| | | | <p>A.1.3 Training for technical offices working on e-payment.</p> | <p>MOF/UNDP</p> | |
| | | | <p>A.1.4 Launching the Website www.nosi.gov.eg</p> | <p>MOF</p> | <p>In-kind</p> |
| | | | <p>A1.5 Establishing 4 call centers.</p> | <p>MOF</p> | <p>In - kind</p> |
| | <p>A2.Intergration and automation of the pension system</p> | <p>A.2.1.Train staff on new integrated system (Private/public and government) of social pension.</p> | <p>MOF/UNDP</p> | | |

MOF Project Document 2009-2011

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|---|--|--|---|---|
| <p>(7) Implementing the New organizational structure for NOSI on all levels.</p> <p>Indicators:</p> <ol style="list-style-type: none"> (1) Integrated system. (2) Four functioning call centers. (3) A website for the social insurance authority. (4) E-archiving system established. (5) Several training courses implemented for the staff. (6) Issuing 2000,000 e-payment cards and 2000,000 smart cards | | <p>A.2.2. Develop archiving and create electronic files.</p> | MOF/EU | In-kind |
| <p>A3. Social Insurance staff capacity Development</p> | <p>A3.1.1. Develop human resource plan to implement the organizational framework.</p> <p>A3.2. Carry out management training</p> <p>A.3.3. Start call center staff training.</p> | MoAD | In-kind | |
| <p>B. Policy and technical support for the Minister of finance</p> <p>Baseline:</p> <ol style="list-style-type: none"> a) Approval of PPP Law from Cabinet and follow-up on transferring law to Parliament b) New Cairo Wastewater Treatment Plant tender closed and awarded c) Tendering out schools project and Alexandria University Hospitals Project d) Preparation for 6th October, Abu Rawash Wastewater Treatment Plants projects and the Road Al Farag Access Project. <p>Targets:</p> <ol style="list-style-type: none"> (1) On Going capacity building for PPPCU staff members in addition to Satellite Units at respective ministries (2) Issuance of the PPP Law and executive regulations (3) Financial closure of New Cairo Wastewater Treatment Plant | <p>B.1. Macro Fiscal policy unit</p> | <p>B.1.1. Preparing policy papers and reports as required by the Minister</p> <p>B1.2. Prepare monthly and quarterly Fiscal reports.</p> <p>B.1.3. Prepare occasional technical and macroeconomic reports.</p> <p>B.1.4. Fiscal year Budget preparation.</p> | <p>MOF/ UNDP</p> <p>MOF/ UNDP</p> <p>MOF/ UNDP</p> <p>MOF/ UNDP</p> | <p>Expenses: 800,833</p> <p>OUDA Fees: 24,280</p> <p>UNDP Fees: 31,545</p> |
| <p>B.2. Support for International and regional event and legal advice to the minister.</p> | <p>B.2.1. Carry out tasks as required by calendar of international events</p> <p>B.2.2. Represent the ministry in national and international committees.</p> | MOF/ UNDP | MOF/ UNDP | |

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|---|------------------------------------|--|--|---|
| <p>as well as construction commencement</p> <p>(4) Awarding of 1st batch of schools and tendering out 2nd batch</p> <p>(5) Contract signature and financial closure of Alexandria University Hospitals project as well as construction commencement</p> <p>(6) Start construction process of 6th of October and Abu Rawash Wastewater Treatment Plants projects.</p> <p>(7) Bid award for Road Al Farag access project.</p> <p>(8) Creation of Infrastructure project Development fund (IPDF).</p> <p>(9) Establishment of Infrastructure Finance Facility Company (IFFC).</p> <p>(10) Updated website.</p> <p>Indicators:</p> <p>(1) Capacity building training for the staff.</p> <p>(2) Issuing of PPP law and executive regulations.</p> <p>(3) Commencement of construction of New Cairo waste water treatment plant, 2 to 3 plants executed.</p> <p>(4) Tendering 2nd batch of school projects.</p> <p>(5) Financial closure of Alexandria University hospitals.</p> <p>(6) Bid award for road Al Farag access project.</p> <p>(7) Upgraded and updated PPP bilingual web site.</p> <p>(8) Creation of IPDF.</p> <p>(9) Establishment of infrastructure of IFFC.</p> | <p>B.3.Consultancy pool</p> | <p>B.3.1.Prepare TOR and hire according to needs.</p> | <p>W.B/USAID/EU &IMF</p> | <p>In kind</p> |
| <p>C.PPP central Unit</p> <p>Baseline:</p> <p>a) Draft and provide policy papers. Producing financial reports.</p> <p>b) Prepare monthly and quarterly reports</p> <p>Targets:</p> <p>(1) Production of technical reports. (2) Availability of information to the public and transparency</p> | <p>C1.Capacity building</p> | <p>C.1.1 Ongoing training for PPPCU staff members</p> <p>C.1.2 Training of satellite units upon request from ministries that are implementing PPP.</p> <p>C.1.3 Capacity building for stakeholders</p> | <p>USAID</p> <p>MOF/ UNDP</p> <p>MOF/ UNDP</p> | <p>Expenses: 599,000</p> <p>OUDA Fees: 17,070</p> <p>UNDP Fees: 21,843</p> |

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| <p>Indicators: (1) 10 fiscal reports. (2) 30 monthly reports. (3) Several studies identified by the unit.</p> | C2. PPP concept promotion | C.2.1 Market awareness campaigns. | MOF | |
| | | C.2.2. Upgrading and updating PPP bilingual website | MOF | |
| | C3.legislative framework for implementing PPP | C3.1 Follow up on approval for PPP law | MOF/UNDP | |
| | | C3.2.Issuance of Executive regulations of the PPP law. | MOF/UNDP | |
| | | C.3.3 Creation of Infrastructure Project Development Fund (IPDF) | MOF/UNDP | |
| | | C3.4..Establishment of Infrastructure finance facility company. (IFFC) | MOF/UNDP | |
| | C.4 PPP projects | C.4.1.Schools project | MOF/ UNDP | |
| | | C4.2. Health Sector | MOF/UNDP | |
| | | C.4.3.Utility Sector | MOF/UNDP | |

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| <p>D. Project Management</p> <p>Baseline:</p> <p>a) Starting up the new project. b) This unit will be established with the start of the project.</p> <p>Targets:</p> <p>(1) Managing day to day project activities. (2) Monitoring and evaluation. (3) Provide details activity reports and quality assurance reports.</p> <p>Indicator:</p> <p>1) 10 quarter reports: financial and activities. 2) 3 Annual reports: financial and activities. 3) 5 Quality assurance reports 4) 30 monthly financial reports</p> | <p>D.1.1 Project management</p> <p>D.2. Monitoring and evaluation</p> | <p>C.4.4 Transport projects</p> <p>D.1.1 Following day to day implementation of the projects.</p> <p>D.2.1 Prepare quality assurance report and annual auditing activity.</p> | <p>MOF/UNDP</p> <p>MOF/ UNDP</p> <p>MOF/ UNDP</p> | <p>Expenses: 490,040</p> <p>OU DA Fees: 13,051</p> <p>UNDP Fees: 18,524</p> |
|---|---|---|---|---|

TOTAL:

Expenses: \$ 2,624,373

OU DA Fees: \$ 76,436

UNDP Fees: \$ 98,573

ANNEX 2. WORK PLAN BUDGET SHEET

Expected output: Regulatory environment including mechanisms facilitating development of pro poor policies and services improved.

Baseline: MOF is an economic actor in Egypt's development, but it has played so far a traditional role as a controller of income and expenditures only

Related CP Outcome: Improved national capacity to design, apply and monitor pro-poor policies with addressing geographical disparities.

| ACTIVITY RESULTS | ACTIONS | TIME FRAME | | | | | | | | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | | | | |
|--|--|------------|----|----|----|------|----|----|----|------|----|---|---|-------------------|-----------------|--------------------|------------|--|--|--|
| | | 2009 | | | | 2010 | | | | 2011 | | | | | Source of Funds | Budget Description | Amount USD | | | |
| | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | | | | | | |
| A. Social Insurance system restructuring | A1. Support nationwide easy access to social insurance system: | | | | | | | | | | | | | | | | | | | |
| | 1. Work on developing Stage 2 of web site. | X | X | X | X | | | | | | | | | | | | | | | |
| | 2. Establish 4 call centers. | X | X | X | X | | | | | | | X | X | X | X | | | | | |
| | 3. Establish e-payment options for access to pension system.& train staff. | X | X | X | X | | | | | | | | | | | | | | | |
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|---------------------------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|----------|---------------------|--------------------------|--------------------------|---------|
| | 2. Technical support to the minister to perform his functions in all venues. | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | |
| | 3. Drafting and providing policy papers as required by the minister. | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | |
| | B2.Support of international & regional events and legal advice. | | | | | | | | | | | | | | | | | | | MOE/UNDP | National Consultant | | | |
| | 1. Support of international & regional events and legal advice. | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | International Consultant | | |
| | B3.Consultancy pool: | | | | | | | | | | | | | | | | | | | | | | | |
| | 2. Prepare TORs. | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | |
| | 3. Hire consultants as needed by the minister and activities. | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | |
| C.PPP Central unit | C1.Capacity building of staff members: | | | | | | | | | | | | | | | | | | | | | | | |
| | 1. Training of PPCU staff. | | | | | | | | | | | | | | | | | | | | | USAID | International Consultant | In-kind |
| | 2. Tool kit training for PPP satellite units& | | | | | | | | | | | | | | | | | | | | | | | |

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|--|---|--|--|--|--|--|---|--|---|---|--|--|--|--|---|--|----------|--|---|
| PPCU staff members. | | | | | | | | | | | | | | | | | | | |
| 3. Training for project teams and line managers. | X | | | | | | | | | X | | | | | | | | | |
| 4. Training for contractors bidding for PPP projects. | X | | | | | | | | | | | | | | | | MOF/UNDP | | |
| C2. PPP Concept promotion | | | | | | | | | | | | | | | | | MOF/UNDP | | |
| C2.1. Market promotion campaign | X | | | | | | X | | | X | | | | | | | | | X |
| C2.2. Upgrading and updating of PPP bilingual website. | X | | | | | | X | | | X | | | | | | | | | X |
| C3. Legislative framework for implementing PPP | | | | | | | | | | | | | | | | | | | |
| C3.1. Follow up on approval of PPP law | X | | | | | | | | | | | | | | | | | | |
| C3.2. Issuance of Executive regulations of the PPP law | | | | | | | | | X | | | | | | | | | | |
| C3.3. Creation of Infrastructure Project Development Fund (IPDF) | | | | | | | | | | | | | | | X | | | | |

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|------------------------------|---|--|--|--|--|--|--|--|--|---|---|--|--|--|--|--|-----|--|----------|----------|
| | 4. Contract Signature and financial closure. | | | | | | | | | | | | | | | | | | | |
| | Utilities Sector: | | | | | | | | | | | | | | | | | | | |
| | New Cairo WWTP | | | | | | | | | | | | | | | | | | | |
| | Contract signature & financial closure. | | | | | | | | | | | | | | | | | | | |
| | <u>6th of October WWTP Project</u> | | | | | | | | | | | | | | | | | | | |
| | - Lead & Technical advisors appointed, Legal advisor appointment underway; RFQ by July 2009 and RFP by October 2009 | | | | | | | | | X | | | | | | | | | | |
| | <u>Abu Rawash WWTP Project</u> | | | | | | | | | | | | | | | | | | | |
| | - Lead & Technical advisors appointed, Legal advisor appointment underway; RFQ, Sept. 2009 and RFP December 2009 | | | | | | | | | X | | | | | | | | | | |
| | Transport Sector | | | | | | | | | | | | | | | | | | | |
| | <u>Shubra / Banha transport project as well as Road El Farag Access</u> | | | | | | | | | X | | | | | | | | | | |
| | - Evaluation of tendering process; prepare terms of reference for suitable consultant. | | | | | | | | | | X | | | | | | | | | |
| D. Project Management | D.1. Project management | | | | | | | | | | | | | | | | MOF | | MOF/UNDP | National |

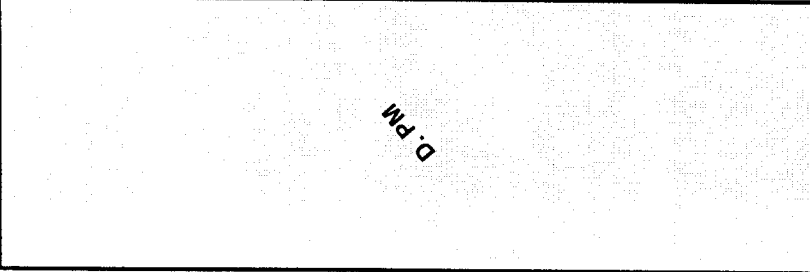
MOF Project Document 2009-2011

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|-----|----------|--|--|--|
| D.1.1 Prepare quarterly reports, annual, financial reports. | X | X | X | X | X | X | X | X | X | X | X | X | | | | | |
| D.1.2.Managing personnel, drafting TORs. | X | X | X | X | X | X | X | X | X | X | X | X | | | | | |
| D.2.Monitoring and evaluation | | | | | | | | | | | | | MOF | MOF/UNDP | | | |
| D.2.1.Preparing biannual quality assurance reports | | X | | | | | X | | | X | | | | | | | |
| D.2.2Contracting an auditing firm or consultant. | | | | | | | | X | | | | | | | | | |

Ministry of Finance: \$2,507,881
 UNDP Contribution: \$300,000

* MOF stands for ministry of finance/ * PPP private public partnership
 *This project attracted many donors, particularly the activities implemented by the Social insurance and Micro-fiscal units.



| | | | | | | | | |
|---|--|-------------------------|-------|------|-------|-----------------------------------|--------|----------------|
|  D. PM | | EGY Ministry Of Finance | 30071 | MOF | 71400 | Contractual Services-Individuals | 35,000 | |
| | | UNDP | 04000 | UNDP | 71400 | Contractual Services-Individuals | 15,000 | |
| | | UNDP | 04000 | UNDP | 71300 | Local Consultants-Short Term-Tech | 10,000 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 74500 | Miscellaneous Expenses | 6,000 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 74100 | Audit | 5,000 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 72400 | Communications & Audio Visual | 0 | |
| | | EGY Ministry Of Finance | 30071 | MOF | | Cars | 11,000 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 71600 | Travel Allowances | 1,000 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 73100 | Facilities & Administration | 1,740 | |
| | | EGY Ministry Of Finance | 30071 | MOF | 75100 | Facilities & Administration | 3,390 | |
| | | Sub total | | | | | | 88,130 |
| | | TOTAL for 2009 | | | | | | 519,637 |

| | | | | | | |
|-----------------------|-------------------------|-------|------|-------|-----------------------------------|------------------|
| D. PM | EGY Ministry Of Finance | 30071 | MOF | 75100 | Facilities & Administration | 8,482 |
| | Sub total | | | | | 250,532 |
| | EGY Ministry Of Finance | 30071 | MOF | 71400 | Contractual Services-Individuals | 100,000 |
| | UNDP | 04000 | UNDP | 71400 | Contractual Services-Individuals | 10,000 |
| | EGY Ministry Of Finance | 30071 | MOF | 71300 | Local Consultants-Short Term-Tech | 10,000 |
| | UNDP | 04000 | UNDP | 71300 | Local Consultants-Short Term-Tech | 10,000 |
| | EGY Ministry Of Finance | 30071 | MOF | 74500 | Miscellaneous Expenses | 20,000 |
| | EGY Ministry Of Finance | 30071 | MOF | | Equipments | 10,000 |
| | EGY Ministry Of Finance | 04000 | UNDP | 74100 | Audit | 10,000 |
| | EGY Ministry Of Finance | 30071 | MOF | 72400 | Communications & Audio Visual | 0 |
| | EGY Ministry Of Finance | 30071 | MOF | | Cars | 24,000 |
| | EGY Ministry Of Finance | 30071 | MOF | 71600 | Travel Allowances | 1,000 |
| | EGY Ministry Of Finance | 30071 | MOF | 73100 | Facilities & Administration | 4,950 |
| | EGY Ministry Of Finance | 30071 | MOF | 75100 | Facilities & Administration | 7,998 |
| | Sub total | | | | | 207,948 |
| TOTAL for 2009 | | | | | | 1,093,658 |

D. PM

| | | | | | |
|-------------------------|-------|------|-------|-----------------------------------|------------------|
| EGY Ministry Of Finance | 30071 | MOF | 71400 | Contractual Services-Individuals | 100,000 |
| UNDP | 04000 | UNDP | 71400 | Contractual Services-Individuals | 20,000 |
| EGY Ministry Of Finance | 30071 | MOF | 71300 | Local Consultants-Short Term-Tech | 10,000 |
| UNDP | 04000 | UNDP | 71300 | Local Consultants-Short Term-Tech | 20,000 |
| EGY Ministry Of Finance | 30071 | MOF | 74500 | Miscellaneous Expenses | 20,000 |
| EGY Ministry Of Finance | 30071 | MOF | 74100 | Audit | 12,000 |
| | | | | Cars | 29,040 |
| EGY Ministry Of Finance | 30071 | MOF | 71600 | Travel Allowances | 1,000 |
| EGY Ministry Of Finance | 30071 | MOF | 73100 | Facilities & Administration | 6,361 |
| EGY Ministry Of Finance | 30071 | MOF | 75100 | Facilities & Administration | 7,136 |
| Sub total | | | | | 225,537 |
| TOTAL for 2009 | | | | | 1,194,586 |

Support to Pension Fund and Fiscal Policy Reform
Award 00057704
Project ID 00071399

Coast sharing schedule

| Year | MOF | UNDP |
|-----------------------|---------------------|-------------------|
| <u>2009</u> | | |
| Total budget | | |
| \$ 519,637 | \$ 459,637 | \$ 60,000 |
| <u>July</u> | \$300,000 | |
| <u>October</u> | \$ 159,637 | |
| | | |
| <u>2010</u> | | |
| Total budget | | |
| \$ 1,093,658 | \$ 973,658 | 120,000 |
| <u>Jan.</u> | \$350,000 | |
| <u>April</u> | \$ 323,658 | |
| <u>August</u> | \$ 300,000 | |
| | | |
| <u>2011</u> | | |
| Total budget | | |
| \$ 1,194,586 | \$ 1,074,586 | \$ 120,000 |
| <u>Jan.</u> | \$ 400,586 | |
| <u>April</u> | \$ 374,000 | |
| <u>August</u> | \$ 300,000 | |

