



Development Associates, Inc.



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EGYPTIAN EXPORTERS ASSOCIATION (EXPOLINK) FINAL EVALUATION

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Environment for Trade and Investment Strengthened**

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LIST OF ACRONYMS

ATUT	Agricultural Utilization and Technology Transfer
CIB	Commercial International Bank
CIDA	Canadian International Development Agency
EEA	Egyptian Exporters Association
EEPC	Egyptian Exporters Promotion Center
EU	European Union
FURNEX	International Furniture & Furnishing Trade Fair
GITEX	Dubai IT/Software Trade Fair
GOE	Government of Egypt
GTG	Growth through Globalization
HEIA	Horticultural Export Improvement Association
IMC	Industrial Modernization Centre
JETRO	Japan Development Agency
MIS	Management Information System
MOFT	Ministry of Foreign Trade
SMEs	Small and Medium Enterprises
TA	Technical Assistance
USAID	United States Agency for International Development
WTO	World Trade Organization

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EVALUATION TEAM

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Samir Makary, Trade Economist

Dr. Makary has over twenty years of experience in market and financial analysis and economic policy issues. He is also a professor of Economics at the American University in Cairo. Dr. Makary has carried out more than 350 studies for almost all sectors and sub-sectors in Egypt, including tourism, textiles, processed food, engineering, chemicals, pharmaceuticals, construction, housing, and agriculture. These assignments were undertaken for international organizations, including the UNDP, PSDP, the American Embassy, GTZ, DANIDA, the World Bank, the African Development Bank, UNIDO, USAID, and the EU Export Development Program. Dr. Makary has also provided consulting services to a number of governmental and non-governmental bodies, such as the Tourism Development Authority (TDA), the Holding Company for Housing, the Ministry of Industry, the Ministry of Agriculture, the Ministry of Tourism, and the Desert Development Center of AUC (DDC).

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Ms. El Toukhy has thirteen years of experience in the fields of socioeconomic and marketing surveys, human resources management (training, recruitment, salary surveys, performance, monitoring & evaluation), and information systems. Her work in the Economic Growth Results Reporting Support Activity (RRSA) involves preparing and carrying out economic studies, cooperating with the project's partners to meet the performance benchmarks, and collecting and analyzing data needed for economic studies.

EXECUTIVE SUMMARY

The overall conclusions are that ExpoLink has achieved its major goals of providing valuable services to private sector companies in promoting Egyptian exports in key sectors. The organization has increased its membership while promoting Egyptian products through trade fairs in new markets. During the last year, the value of new exports by EEA members attributable to ExpoLink's support reached almost \$93 million from the previous year's \$24 million.

The sectors with the largest share are the wooden furniture businesses with 65 percent followed by food stuffs with a 20 percent share. Apparel and made-ups has declined to only about 8 percent and the leather/footwear sector has a 7 percent share. Total membership has increased from 171 to 914 in the three years of USAID support but active members have only increased by 35 percent from 171 in 2001 to 231 in 2004. Most of the active members are in the food sector (28 percent), apparel and made-ups (22 percent), and software (18 percent). Only 27 active members are in the furniture business and 10 in the leather/footwear business. On the other hand, affiliate membership has grown to 683 in three years since inception.

The four overall objectives were achieved through seven core activities that ExpoLink was involved over the past three years. The competitive advantage of Egyptian exporters was increased through technical assistance that increased quality control while demonstrating in trade fairs and trade missions abroad the range of Egyptian products. Market intelligence, market correspondence and policy advocacy activities assisted exporters in increasing their market share. However, work with start-up companies proved difficult without any new companies receiving assistance.

ExpoLink provided assistance in promoting a more positive image of Egyptian products abroad by linking key exporters with trade fairs, trade missions and corporate image building. Over the three years, 20 trade fairs were organized for 422 Egyptian companies in Europe, the Gulf, the United States, and within Egypt. The Furnex trade fair in Cairo during 2004 drew 142 exhibitors and was successful in increasing furniture exports by about \$60 million in contracts with Europe, the Gulf, and the United States.

Two core activities have increased access to reliable market information. The market intelligence unit and market correspondence network in Italy and in the UK have assisted in linking exporters with furniture buyers in Europe and fresh food buyers in the United Kingdom.

Work in the institutional policy advocacy area has been limited. However, key policy reforms have been initiated during the past year in reducing non-tariff customs barriers, new taxation reforms, compliance with WTO regulations, and promotion of the free-trade agreement (FTA) with the United States. The new cabinet has reflected these same initiatives that ExpoLink has been promoting.

Financial sustainability without additional subsidies remains a key issue. Operational costs need to be linked to the real costs of providing the various services. During the past two years, about 16 percent of the costs were actually provided by the membership of ExpoLink. Therefore, the remaining 84 percent of the costs of the services were subsidized by the USAID Cooperative Agreement. Client cost-sharing has continued to be an issue as the USAID Cooperative

Agreement was modified over the past three years that reduced the cost-share ratio from 35 percent to 20 percent. Even this overall reduction failed to meet the target as total expenditures of \$4.5 million were matched by only \$702 thousand by ExpoLink or less than 16 percent.¹

Therefore, these export market subsidies need to be lowered if ExpoLink and its clients hope to reduce market distortion and increase their global competitiveness. Current membership fees are structured in a manner that will not be able to cover any significant overhead costs. In fact, the 663 affiliate members contribute an annual fee of only LE 200 per firm and the 231 active members LE 1,500 per year. Therefore, the annual income from membership dues is only LE 479,084 or about \$77,000. This only covers about 37 percent of the annual overhead expenses of about \$210,000.

Fundraising with donor agencies and government entities provides one avenue for covering overhead costs. ExpoLink management indicated that they already have sub-contracted with the European Union's Industrial Modernization Centre to manage selected trade fairs. However, adjusting services and costs will be a major challenge to ExpoLink in order to remain solvent.

The overall business strategy may include the expansion of business services into both international and local trade fairs. Developing new market-driven business services for Egyptian exporters in other sectors such as software and textiles may generate income. A key goal of ExpoLink may be to compete on a contractual basis to provide business services with private enterprises and public sector agencies such as the Ministry of Foreign Trade and Industry.

¹ This data reflected the financial situation at the end of September, 2004. However, the close-out audit of the cooperative agreement covering the entire period until December 31, 2004 indicated that upon review of the cost sharing contribution, "our audit did not identify any reportable condition related to the recipient's Cost Sharing Contribution. EEA/ExpoLink fulfils the grant obligation and fully contributed the program cost sharing as requested by the cooperative agreement". (Financial audit of United States Agency for International Development (USAID) resources managed by Egyptian Exporters Association –ExpoLink submitted to USAID/Financial Management by Grant Thornton Mohamed Hilal on March 22, 2005)

BACKGROUND AND METHODOLOGY

2.1 Background - EEA/ExpoLink Activities

The Egyptian Exporters' Association (EEA) is a nonprofit local member-based export-development association supporting sustained export growth, intended to increase employment opportunities and achieve equitable economic prosperity for Egypt. ExpoLink is the action arm of EEA for implementing USAID's assistance program to the association. ExpoLink's mandate is to provide Egyptian private export companies with access to global markets, leading to an increase in Egyptian exports and foreign exchange earnings.

On October 16, 1997, USAID/Cairo awarded a grant, under the Growth Through Globalization RP (Grant # 263-264), in the amount of \$18,300,000 for four years to EEA to provide support for a program to promote private sector Egyptian Exports. The completion date for this grant was extended to April 30, 2002. Based on EEA success in increasing Egypt's private sector exports over the life of the grant by \$210,000,000, USAID/Cairo on May 1, 2002, awarded a non competitive follow on grant to EEA in the amount of \$14,370,635 for 32 months, plus a four month option period that was not exercised. A modification took effect October 1, 2003, with the purpose of reducing the total estimated funding amount by \$2,529,936 and reducing EEA's overall cost sharing from 35 percent to 20 percent and from 50 percent to 30 percent for Technical Assistance, Corporate Image Building and Trade Fairs.

The principal goal for the current grant is to increase Egypt's private sector exports by \$250,000,000 over the three years to April 30, 2005, and to strengthen Egyptian exporters' global competitiveness. (With the option period not being exercised, the increase in private sector exports would be pro-rated on a time basis to \$170,000,000. If the level was pro-rated on the amount of USAID funds provided to ExpoLink, the level would be approximately \$90,000,000) To ensure the long-term sustainability of the organization and assure that its efforts truly reflect the needs of the widest range of Egyptian exporters, the agreement required EEA to expand its local services and membership base to 1200 members by December 2004, and increase partnerships with its members.

These aims are intended to contribute to achieving USAID/Egypt's intermediate results under SO16, including sustained private sector export growth. EEA seeks to achieve this goal by meeting the following four objectives, and, under them, eight specific core activities:

<u>Objectives</u>	<u>Core Activities</u>
A Increase Egyptian Exporters Competitive Advantages	Technical Assistance Start-Ups
B Achieve Positive Country-of-Origin Position	Corporate Image Building Trade Fairs, Trade Missions
C Increase Access to Reliable Information	Market Intelligence, Market Correspondences
D Institutionalize Policy Advocacy	Policy Advocacy

2.2 Evaluation Objectives and Methodology

The objectives of the evaluation, as indicated in the scope of work are to provide EEA management and USAID with an external evaluation of EEA's previous, current, and future business strategy, performance, viability of the activities and services provided, and recommend directions of any new proposed initiatives. This assessment will enable EEA to fine-tune its

current strategy, give directions toward sustainability, and guidance for new activities. It will also enable USAID to evaluate possible options and mechanisms that could support EEA in its efforts in achieving sustained private sector export growth. Also, this assessment will recommend how EEA could expand its policy dialogue, awareness campaigns and advocacy initiatives to help alleviate policy and regulatory constraints that inhibit the development and the existence of an effective and transparent business and trade environment in Egypt.

The methodology for this evaluation included a thorough review and analysis of past and current ExpoLink activities, grounded in the wider context of recent Egyptian private sector experience in expanding exports. The evaluation team consisted of two members who conducted the evaluation over a two-week period, from October 2 – 13, 2004. The evaluation team reviewed background documents; interviewed USAID management; interviewed EEA board, management, staff, and clients; reviewed EEA documents and results; reviewed RRSA evaluations and activity status updates; and considered other export promotion models and services provided.

PRINCIPLE FINDINGS FOR EEA OBJECTIVES AND SUB-ACTIVITIES

This section presents principal findings and analysis for ExpoLink's four main objectives and under them, its eight specific core activities.

3.1 Objective A: Increase Egyptian Exporters' Competitive Advantages

To meet this objective, ExpoLink services are intended to enhance and increase the competitive advantages of Egypt's exporters through the development of new and improved products, production processes and management and marketing strategies designed to meet market demand.² Identifying and providing support to small enterprises with untapped exporting potential is considered an important part of this, in order to provide opportunities for small enterprises and previously disadvantaged groups. EEA has implemented two core activities under this objective, providing Technical Assistance and Start Ups assistance. Tasks, targets, and actual activities and results are summarized below:

a. Technical Assistance:

Tasks: The purpose of technical assistance is to generate product and process improvements that can help firms to produce competitively priced products meeting international standards of quality and on-time delivery. This directly increases the competitive advantage of participating firms. ExpoLink tasks include subcontracting with individual consultants and technicians or international specialized firms or to develop and implement TA projects on a 50/50 cost-sharing basis with recipient members. TA projects focus on providing exporters the know-how needed to improve product quality and develop production processes to meet international market demand and standards. Projects focus on members who share the same requirements (multi-client projects) or a single member with unique requirements.

Targets: TA projects are intended to result in improvements in the processes and products of member firms. This activity has one performance indicator, the number of technical assistance projects implemented, which is defined as the cumulative total number of technical assistance projects implemented by ExpoLink, either sectoral, multi-member or single-member projects.

Actual Results: ExpoLink has implemented a total of 27 technical assistance projects among all 6 sectors in its portfolio, compared to a pro-rated target of 98, but it is unclear as to whether this is the number of projects or number of firms to be assisted. In any event, this appears to be an overly-ambitious target, not reflecting previous EEA experience. Still, even the lower work plan targets have not been met, as shown in the table below.

² USAID / EEA Cooperative Agreement, May 1, 2002

Technical Assistance Performance Indicator Targets and Actual Results						
Indicator	Year One May 1, '02 – April 30, '03		Year Two May 1, '03 – April 30, '04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
Number of TA projects implemented	24	5	40	6	34	16
* Year Three Target: May 1, 2004 – December 31, 2004						
** Year Three Actual: May 1, 2004 – September 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 - 2004						

Reasons given by ExpoLink for the lower number of actual TA projects compared to targeted, include delays in fully implementing ExpoLink activities in 2002 due to delayed negotiations and signing of the Cooperative Agreement, which took well over one year, from early 2001 to almost mid-2002. In addition were delays due to the increased difficulty of obtaining qualified technical consultants to travel to Egypt in view of the sensitive political situation in the region. Among ExpoLink portfolios, the Food Sector implemented the largest number of TA projects, with a total of 19 to date, showing steady annual increases, from an initial 3 to 6 to 10 in Year Three. Furniture accounted for 4 projects, leather 2, and apparel and building materials 1 each. Examples of TA projects during the period in ExpoLink's six portfolio sectors include³:

- Apparel: Provided a German garment consultant to assist a local manufacturer of knitwear and woven garments.
- Leather: TA project to assist five leather companies to cooperate on joint production and marketing to increase export sales
- Furniture: Three TA projects providing TA in furniture manufacturing and marketing to three local furniture manufacturers
- Food: Multi client TA project serving 13 members, placed with SGS, an international accreditation entity of Euro Retailer Produce Working Group (EurepGap) certificate, to provide technical assistance to ten firms in order to meet the accreditation requirements. ExpoLink's target was to provide technical assistance to qualify 21 firms for EurepGap.

Multi client TA project assisting the Olive Oil industry, serving three members. An Italian consultant provided TA related to the problems of high production costs, low oil extraction from available olives and export marketing constraints. During two visits the consultant conducted an initial assessment and gathered data on the three companies, and also conducted training sessions on the organoleptic and chemical analysis of virgin olive oil. A third visit was set for October 2004 to assist olive oil mills and to directly oversee the modified processing of olives at the three companies.

Conclusion: ExpoLink's technical assistance projects are among services for which clients have the highest demand despite the unevenness in offering practical, effective, and market-driven technical assistance to members.

³ Detailed descriptions in Annex (ExpoLink Performance Reports)

Start Ups

Tasks: The Start-Ups program is intended to help smaller manufacturers with little or no export experience eventually to become successful exporters. This activity was added to ExpoLink services under the May 2002 Cooperative Agreement, based on recommendations in a previous evaluation.⁴ The reasons for adding it were that many smaller producers are not competitive internationally, or “export-ready” due in part to protectionist measures, allowing them to sell products locally at above-market prices, and due in part to resulting lower quality standards. Also, smaller, less-experienced firms have contributed to negative perceptions abroad by exporting poor quality products or providing poor service. Services to be provided to start-up firms were to focus on improving:

- Organizational resources, such as management, organizational structure, labor standards, skilled and dedicated manpower and strategic planning;
- Financial resources, such as the use of financial leverage, cash flow management, forecasting, budgeting, and direct costing;
- Production resources, such as the analysis and management of spare capacity, production flexibility, purchasing, logistics, and quality assurance and control; and
- Marketing resources, including product/market matching and marketing planning.

Targets: Start-up projects are intended to result in an increase in the number and quality of Egyptian exporters, particularly small- and medium-sized enterprises. This activity has one performance indicator, the number of ‘start-up’ members assisted by ExpoLink, defined as the total number of members assisted by ExpoLink with an anticipated rate of 25 percent becoming exporters in year 3.

Actual Results: No start-up projects have been implemented by ExpoLink during the project period. ExpoLink gives several reasons, including program delays caused by the delay in signing of the EEA Cooperative Agreement. In addition, other donors like Partners for a Competitive Egypt – MDI Phase 2 offer similar services for less cost... MDI provides services at only 10 percent of the actual costs. The IMC program offers services with 15 percent of cost charged to the client, while ExpoLink services with cost contributions require 50 percent.

Start Ups Performance Indicator Targets and Actual Results						
Indicator	Year One May 1, '02 – April 30, '03		Year Two May 1, '03 – Apr 30, '04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
No. of Start Ups Implemented	14	- 0 -	30	- 0 -	26	- 0 -
* Year Three Target: May 1, 2004 – December 31, 2004						
**Year Three Actual: May 1, 2004 – September. 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 - 2004						

ExpoLink has failed to implement any significant start-up assistance since the beginning of the current cooperative agreement. Again, this is due partly to slow initial start-up given contractual delays, to high costs for services compared to other service providers, but also to a lack of focus and effort in implementing this activity.

⁴ EEA/ExpoLink Mid-Term Evaluation, GTG M&E Unit, September 2000

Conclusion: ExpoLink should either drop this activity from its work plan and services offered, to focus on other new or current activities, or re-double its efforts to offer it. This later option is recommended, as helping SMEs to start-up as new exporters are critical both for generating new and increased Egyptian exports, and for building up a base of potential exporters as future clients for ExpoLink business services.

3.2 Achieve Positive Country-of-Origin Position

The purpose of the three activities under this objective is to improve export marketing, product quality, standardization, consistency, customer service and understanding of the market on the part of Egyptian exporters. These improvements are key to changing negative perceptions toward Egyptian products in international markets, and are critical for achieving a positive country of origin position and increasing Egyptian private sector competitiveness. As set out in the Cooperative Agreement, EEA implements three core activities under this objective, by providing assistance for participation in Trade Fairs, Trade Missions and for Corporate Image Building. Expected and actual activities and results are summarized below:

a. Trade Fairs

Tasks: ExpoLink helps companies to attend or participate in trade fairs internationally. This task has several purposes⁵ and benefits. The first is to introduce Egypt and Egyptian exporters to potential buyers in a professional, world-class showcase that creates a positive perception in the market place. In addition, trade fairs provide valuable marketing and market entry opportunities, and help exporters to stay abreast of the latest international developments in their sectors, including new technology and techniques. They serve as focal points where producers and buyers meet and industry trends are set. It is at these fairs that products reach their targeted markets, achieve market entry and increase market share. Trade fairs are also valuable opportunities for collecting market intelligence, helping Egyptian exporters to enter new markets and expand existing market share. ExpoLink supports members' attendance at trade fairs at 3 levels:

- Observers, generally small and medium sized exporters who are new to international markets
- Exhibitors, small and medium members who are ready to export. These members market products directly to international buyers at the appropriate trade fairs
- Graduates, who are EEA Members that are subject to a phase-out scheme through increased cost-sharing.

Targets: This activity is intended to result in improved perceptions of Egyptian products abroad and in the development of new and existing markets for EEA members. Two performance indicators are associated with this activity. First, the number of international specialized trade fairs attended by ExpoLink, defined as the cumulative total number of international specialized trade fairs at which ExpoLink is an exhibitor. Second, the number of members exhibiting at international specialized trade fairs, defined as the total number of EEA members participating in international specialized trade fairs with ExpoLink assistance or as part of ExpoLink's collective presence.

Actual Results: A total of 20 trade fairs was organized by ExpoLink, against a target of 32, and were attended by a total of 422 member companies, compared to a target of 326. The majority were in Europe, several in the Gulf and in Egypt, and one in the US (food). ExpoLink's Food Sector organized the most fairs (9), followed by apparel (4), software (4) furniture (2), building materials (1) and leather (0). The largest number of participants at a single show was at the June 2004 FURNEX trade fair held in Cairo, with 142 exhibitors. The food sector also attracted a large number of Egyptian participants, with over 130 attending 9 fairs.

⁵ USAID / EEA Cooperative Agreement, May 1, 2002

Costs for trade fair participation are high relative to many Egyptian firms' capacities to pay, but are within a standard range for international fairs. The average cost per participant at most fairs is about Euro 6,000 (of which participants pay 50 percent) for standard 12 square meter booths, not including individual travel/accommodation expenses. Most fairs generated export sales, some considerable. For example, an estimated \$60 million in new sales were generated by the FURNEX 2004 fair alone.

ExpoLink has expanded trade fair services it offers by entering into a two year sub-contracting agreement beginning in 2002 with the EU-funded Industrial Modernization Centre (IMC). Under the agreement, ExpoLink agreed to organize attendance at trade fairs selected in consultation with IMC. This appears to have been a sound strategy, which both expands ExpoLink's fair services, and generates additional income that, if expanded, could contribute significantly to future sustainability.

Trade Fairs Performance Indicators Targets and Actual Results May 2002 – September 2004						
Indicators	Year One May 1, '02 – April 30, '03		Year Two May 1, '03 – Apr 30, '04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
Number of fairs attended	9	4	13	6	10	10
Number of members exhibiting	90	28	130	109	106	285
* Year Three Target: May 1, 2004 – December 31, 2004						
**Year Three Actual: May 1, 2004 – September 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 – 2004						

The list below summarizes trade fairs attended over the project period, with further details presented in Annex I.

Trade Fair	Number of members attending	Number and value of contracts signed	Anticipated Sales
SIAL, 2004 Paris	31	n.a.	n.a.
GITEX, 2004 Dubai	22	n.a.	\$12,000,000
Fruit Logistica 2004 Berlin,	n.a.	54, \$2,071,000	\$8,590,000.
ANUGA, 2003 Cologne	45	23, \$5,050,000	\$11,125,000.
INDEX 2003 Dubai		137, \$827,000	\$1,286,457.
World Food, 2003 Moscow	9		
Gulf Food 2003 Dubai	11	25, \$975,000	\$2,050,000.
Coverings 2003 Orlando, Florida	5		\$1,800,000.
Heimtextil 2003 Germany	12		

Conclusion: ExpoLink has performed relatively well in trade fair services, organizing fewer than targeted, but with attendance close to projections. Client satisfaction is particularly high for ExpoLink's trade fair services. Sales generated appear to have been sufficiently strong to contribute significantly to cost-effectiveness.

b. Trade Missions

Tasks: The purpose of trade missions is to generate opportunities to make linkages and matchmaking between Egyptian exporters and international buyers. ExpoLink tasks include organizing both inward and outward trade missions to introduce exporters to targeted segments of the international market. On outward missions, members travel abroad, and participate in meetings, seminars, publicity events, and "road-shows" to promote Egyptian products and introduce prospective buyers to them. For inward missions ExpoLink invites international buyers to Egypt to enable them to better understand the capabilities of Egyptian exporters through factory visits and to develop direct working relationships with EEA members. Trade missions complement ExpoLink's trade fair participation, by promoting to markets where ExpoLink does not participate in trade fairs. Pre-mission orientation is also provided to all participating members.

Targets: Trade missions are expected to result in the development of new and existing markets for EEA members. This activity has two performance indicators: First, the number of trade missions organized by ExpoLink, defined as the cumulative total number of inbound and outbound missions organized; and second, the number of companies participating in trade

missions organized by ExpoLink, defined as the total number of EEA members participating in both in- and outbound trade missions.

Actual Results: ExpoLink organized a total of 41 trade missions against a target of 30 over the full evaluation period. Of the total, 31 were inbound and 10 outbound (targets were not broken down). By sector, the most trade missions were organized in apparel (14); and food (9); followed by furniture (8); leather (5); building materials (3); and software (2).

The total number of participants in trade missions was 278, compared to a target of 183 over the full project period. There were 168 participants in inbound missions, and 110 in outbound missions, possibly reflecting the lower costs of inbound missions, where international buyers bear the cost of visits, compared to the high costs of outbound missions where members and EEA share costs equally. Given the lower costs of inbound missions, and the undivided attention that Egyptian exporters receive while buyers visit them in Egypt, benefits from generating export sales are likely to be considerably higher for in- than for outbound missions.

Trade Missions Performance Indicators Targets and Actual Results May 2002 – September 2004						
Indicators	Year One May 1, '02 – April 30, '03		Year Two May 1, '03 – Apr 30, '04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
Number of missions organized	8	0 outward 9 inward	12	7 outward 12 inward	10	3 outward 10 inward
Number of members participating	40	0 outward 91 inward	60	88 outward 26 inward	83	22 outward 51 inward
* Year Three Target: May 1, 2004 – December 31, 2004						
**Year Three Actual: May 1, 2004 – September 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 - 2004						

The major “inward” trade event of the past two years was ExpoLink’s organization of “FURNEX 2004 - Egypt’s International Furniture and Furnishing Trade Fair”, held June 3-6, 2004, in Cairo. A total of almost \$60 million in anticipated contracts were estimated by ExpoLink to have been arranged during and as a result of the trade fair, making it one of the most successful ExpoLink events during the period.

Given the success of FURNEX, ExpoLink is considering holding a follow-on fair possibly in 2005. Additionally, in view of the income-generating potential of future fairs, ExpoLink may also consider making this fair, or others like it, as an integral component of its activities in order to expand program generated income and contribute toward future financial sustainability

ExpoLink has organized six inward trade missions for Egyptian garments, food and beverages, and ready made clothes for buyers from Italy, Japan, France, U.S. and Canada, Sweden and Serbia.

Outward trade mission examples:

- An outward trade mission to Milan, Italy was organized by Expolink to the “Salon Internazionale Del Mobile Milano” from March 14-19 2004, with ten Egyptian manufacturers participating to showcase the best of Egyptian furniture available to the Italian market. Expolink participated to help promote EU companies’ participation at FURNEX 2004.
- An outward trade mission to Birmingham, UK was organized by Expolink to the “Food and Drink Expo 2004” from March 14 - 17 2004. Expolink contacted 59 importer distributors before the show and an additional 93 companies.
- Outward mission to Dublin, Ireland organized in March 2004, to help promote FURNEX2004 in Cairo
- Expolink organized an outbound trade mission to Italy in cooperation with the “Camera De Commercio Industria Artigianato Agricoltura” in Treviso, Italy on October 9 & 10, 2003, with six Egyptian garments’ manufacturers.
- Expolink participated in the CDP trade fair held in Düsseldorf, Germany in August 2003. Expolink displayed 250 RMG samples representing 20 different manufacturers.

Inward trade mission examples:

- Inbound trade mission for DBM, an Italian company that specialized in manufacturing wardrobes for bedrooms: The director of the company visited 14 factories in Cairo, Damietta and Alexandria.
- Inbound trade mission for Tree of Life Co. Ltd, a Japanese company that imports and trades in herbs, essential oils and cosmetics: The company has 40 stores and around 2,000 outlets throughout Japan. Eight Expolink clients were able to share their information throughout the meetings with the company’s officers.
- Two inward missions for the French construction company “Bouygues” in October and November 2002: The delegation visited 21 Egyptian factories sourcing furniture, building material and upholstery
- Expolink organized another inbound trade mission for “Pillowtex Corporation” which manufactures and distributes in the U.S. and Canada. In January 2003, they visited seven Egyptian factories producing bed sheets and terry towels.
- After 2 years of intensive cooperation, Swedish IKEA placed orders for textiles with a total value of EU 1.5 million with EU 2 million in the pipeline. There are also orders in the pipeline for glass and sinks with a total value EU 2.5 million.

Conclusion: Trade missions have been a particular strong point of ExpoLink, with targets exceeded both in number of missions and in participants. Inbound missions – bringing buyers to Egypt to meet directly with exporters – were especially numerous and successful. This is an important accomplishment, as direct interactions with buyers tend to provide particularly strong opportunities for sales.

c. Corporate Image Building

Tasks: The aim of ExpoLink’s Corporate Image Building (CIB) activity is to ensure that Egyptian products are marketed professionally and in keeping with international standards, creating a positive perception of Egyptian exporters in the marketplace. ExpoLink provides assistance to members to develop marketing and promotional materials, including corporate identity packages, brochures, CD-ROMs, video productions, web sites and multi-media presentations. ExpoLink evaluates the marketing capabilities of members. Qualified design agencies and printers are selected through competition to develop, design and produce promotional materials. Members work directly with the agencies, which provide initial designs and quotes to the member before a tripartite contract is signed. ExpoLink reviews all of the materials before final production to ensure that the final product will be of the best quality. Recipients are required to provide ExpoLink with a project completion report to evaluate the end products and services provided.

Targets: This activity is expected to result in improvements in the quality of Corporate Image Building material distributed by Egyptian firms, and has one indicator, the number of corporate image building transactions implemented, defined as the number of corporate image building projects implemented by ExpoLink.

Actual Results: ExpoLink implemented a total of 61 CIB projects against a target of 103. Actual implementation was considerably below target. According to ExpoLink, the reason for not achieving the target was due to delays in negotiating the cooperative agreement in year one. Another reason may involve costs of full-color, professional brochures and catalogs, which are seen as relatively high by SME members, some of whom indicated in team interviews that they would prefer to produce lower-cost brochures on their own. In addition, ExpoLink cost-sharing of 50 percent is higher than cost contributions of others such as IMC. Many firms interviewed, however, justify the cost of professional brochures and catalogs, as critical to their marketing efforts to present Egyptian exports as high-quality products meeting international standards

By sector, the most CIB projects were implemented by the food sector (25) followed by furniture (13), apparel/made-ups sector (11), software (8), leather (2) and building materials (2). Again, in this activity, ExpoLink provided considerably more support to the food, furniture and apparel sectors, than to leather and building materials.

Corporate Image Building Performance Indicators						
Targets and Actual Results						
May 2002 – September 2004						
Indicators	Year One May 1, '02 – April 30, '03		Year Two May 1, '03 – Apr 30, '04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
No. of projects implemented	25	19	45	26	33	16
* Year Three Target: May 1, 2004 – December 31, 2004						
**Year Three Actual: May 1, 2004 – September. 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 - 2004						

3.3 Increase Access to Reliable Market Information

One of the key problems facing Egyptian exporters in general and small and medium ones in particular, is the lack of reliable information on international markets such as location of potential buyers, products required in terms of quality and specification, seasonality and prices. Removing such a constraint and improving market knowledge would play a significant role in promoting and expanding Egyptian exports. Indeed, high quality market information is an invaluable tool for companies attempting to develop export markets.

This is one of the major objectives of EEA, i.e. increasing access to reliable information, and providing exporters with the strategic knowledge of targeted markets, buyers, prices, competitors and demand structure. In this respect, EEA has implemented two core activities under this objective; to establish a market intelligence unit, and a network of market correspondents.

a. Market Intelligence Unit.

Tasks: Expolink addresses the need for reliable information concerning buyers (demand), competitors (supply), prices, specifications and general market trends, to be used by exporters when planning market entry, development, and implementing a marketing mix. In this respect, Expolink gathers data from different sources, and analyzes and processes this data, to arrive at reliable information to be made available to members.

Targets: The basic target of this activity is to collect and disseminate reliable market intelligence to be translated into access to reliable market information which would result in an understanding of market requirements, and help members implement a successful marketing mix, leading to an effective marketing strategy, exploiting market opportunities and resolving threats. This activity has one performance indicator: the number of information packages distributed to members.

Activities and Actual Results: Perhaps the most successful achievement undertaken by the market intelligence unit is the contribution to attract clients to FURNEX 2004. In this respect, the market intelligence unit succeeded in collecting 250,000 contacts to be used in ExpoLink's market campaign for the FURNEX 2004 Trade Fair and answered clients' requests. Other activities included producing a study on market opportunities for the Egyptian apparel exporters as a result of the enlargement of the European Union in 2004. Expolink also assisted in the establishment of the leather commodity council by providing market research on the leather industry. The information technology market in Saudi Arabia was analyzed and information on marble and granite export laws was provided to potential clients as well as information for all trade fairs organized by Expolink. The market intelligence unit is currently in the process of completing an information matrix covering all sectors supported by Expolink for all aspects of market research.

During 2000-2002, Expolink provided information on Egypt's export values to various countries. Statistics on imports and exports from the United Arab Emirates and Russia were also collected and provided to members. In 2003, ExpoLink produced further data on Egyptian export values, and provided it to members.

However, the number of market information packages offered by Expolink to its members was 19 packages against 56 planned packages, a low level of implementation compared with targets. Comparison between target and actual number of market information packages is shown in the following table:

Market Intelligence Performance Indicators Targets and Actual Results May 2002-September 2004						
Indicators	Year One May 1,02-April 30,03		Year Two May 1,03-Apr 30,04		Year Three	
	Target	Actual	Target	Actual	Target*	Actual**
No. of market information packages to members	15	3	23	12	18	4

* Year Three Target: May 1, 2004 – December 31, 2004

** Year Three Actual: May 1, 2004 – September 30, 2004

Conclusion: In spite of the efforts made by the Market Intelligence Unit to supply members with reliable market information, the achievement was not impressive with only 34 percent of the planned market information packages produced. Nevertheless, most members interviewed expressed satisfaction with the quality of market information made available to them.

It should be noted that larger exporters indicated that they already have access to substantial market information. Instead, they are more in need of contacts and match making. On the other hand, small and medium exporters more strongly expressed their need for market information.

b. Market Correspondents Network

Tasks: Market Correspondents generate export opportunities and arrange for inbound and outbound trade missions. They act as both market openers for Egyptian exporters and qualified sales leads. Their personal networks should be effective in following up actions to be taken by Expolink, such as ensuring that trade missions are attended by interested buyers.

Market Correspondents also provide first-hand market intelligence, including timely information on market access, distribution channels, market barriers, sales prospects, trade promotion opportunities, and key trade contacts. With an in-depth understanding of Egypt's competitive position they can propose sound marketing approaches, and serve as in-market focal points for Egyptian marketing efforts to expand awareness of Egypt as a source of quality products. Market Correspondents should be recognized figures within the industries they represent, with well-established records in market entry and development. Their first-hand knowledge of markets and relationships with main industry players should provide EEA members with information on and access to unexploited markets.

Targets: The aim of developing a network of market correspondents is to create an effective marketing tool, using correspondents as market openers and providers of first hand market intelligence both to ExpoLink and directly to exporters. This activity has one performance indicator: the number of market correspondents in targeted markets.

Actual Results: The results discussed in this section represent opportunities given to ExpoLink's clients that are conducive to final results. ExpoLink has used an Italian market correspondent over the past two years to market Egyptian furniture in the Italian market and assist in marketing efforts related to trade fairs. The Italian Correspondent is also assigned to provide ExpoLink with a short list of the top 100-200 furniture buyers in Italy, as well as a list of 10,000 contacts in Italy and France.

ExpoLink contracted with a UK consultant who is working effectively with ExpoLink's Portfolio Manager in the fresh food sector match making. The correspondent introduced ExpoLink member Juhayna to Sunkist, a U.S.-based company which accounts for 80 percent of U.S. production of

lemons and navel oranges, with worldwide exports. He also introduced Al-Shams Co, Homin and Green to two major importers Redbridge Produce and Planet Produce, which placed orders with Homin for grapes, salad onions, beans and sweet potatoes. Another deal is about to be finalized between Seclam, an Egyptian producer of mineral water, and a buyer from the U.K. There are one or two regulatory issues that are still pending to be resolved. No major difficulties are anticipated. Market correspondents appear to have provided valuable advice to ExpoLink, identifying trade fairs providing the best opportunities for Egyptian products, such as the Food and Drink Expo in Birmingham in March 2004. The fair gave Egypt a good opportunity to increase its market share in the UK market for products like strawberry, guava, mango juices, pickled vegetables, organic table and strawberries, pepper, iceberg lettuce potatoes, onions, ground nuts, peas, green beans and citrus.

Actual contracted market correspondents compared with targets during 2002-2004 are shown below:

Market Correspondents Performance Indicators						
Targets and Actual Results May 2002 – September 2004						
Indicators	Year One		Year Two		Year Three	
	May1, 02-April 30,03		May 1,03 – Apr 30,04			
	Target	Actual	Target	Actual	Target*	Actual**
No. of market correspondents in targeted markets	9	3	4	1	2	0

* Year Three Target: May 1, 2004 – December 31, 2004 ** Year Three Actual: May 1, 2004 – September 30, 2004
 Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002-2004

Again, results are low in terms of number of market correspondents actually contracted. A total of four have been contracted over various periods during the past two years, against a target of 15. However, output from the market correspondents appears to have been positive, with members' surveyed expressing satisfaction, particularly with productive matchmaking.

Conclusion: The Market Correspondents activity appears to be successful in terms of providing members with useful matchmaking services in Italy, France and the U.K., especially in the food and furniture sectors. In several areas, they successfully translated contacts into matchmaking opportunities. Nevertheless, the number of contracted market correspondents is still below targets. Further efforts are needed to expand the network, particularly as many members have found them highly productive.

3.4 Institutional Policy Advocacy

Tasks: ExpoLink's policy advocacy program is divided into three main steps: identification of policy advocacy issues, analysis and research, and advocacy. This program directly contributes to achieving EEA's goal to "institutionalize policy advocacy". In addition, the perception abroad of Egypt as a country that is export-friendly to investors and business will help to develop Egypt's country-of-origin position. Policy, legal and regulatory reforms will have a significant effect on the ability of Egyptian exporters to compete in the global marketplace. Indeed EEA is the among the few Egyptian private sector organizations chartered and approved by the Egyptian government that includes policy advocacy as one of its objectives.

Targets: The key objectives of Expolink's policy advocacy program are to identify policy advocacy issues, analyze them, explain the rationale of policy reform, and encourage actual reform and implementation. This activity has two indicators: the number of policy advocacy events organized, and the number of policy research projects completed. It should be noted that measuring the effectiveness of policy advocacy is more complex than that of other more quantifiable indicators, and the "number of events" organized may not be a meaningful indicator in a culture where other lobbying methods, such as personal contacts, are often more effective.

Actual Results: Several key policy issues have been the focus of ExpoLink advocacy, including custom barriers, tariff reductions, the new taxation law, the Customs temporary release system, the impact of the Egyptian pound devaluation, and efforts to make Egypt’s trade regime compatible with WTO rules and bilateral trade agreements, and the impact on the private sector.

Actual vs. targeted results are indicated below. Although the numbers of events have not met targets, major policy issues have been a strong focus of advocacy efforts, which have resulted in reforms. As many different private sector organizations in Egypt have also conducted policy advocacy it is difficult to assign credit for actual reforms in any precise way.

Policy Advocacy Performance Indicators Targets and Actual Results May 2002 – September 2004						
Indicators	Year One		Year Two		Year Three	
	May 1, '02 – April 30, '03		May 1, '03 – Apr 30, '04			
	Target	Actual	Target	Actual	Target*	Actual**
No. of policy advocacy events organized	6	3	9	2	6	2
No. of policy research projects completed	5	0	6	0	6	0
* Year Three Target: May 1, 2004 – December 31, 2004; **Year Three Actual: May 1, 2004 – September 30, 2004						
Source: Coop. Agreement; EEA Work Plans, Performance Reports, 2002 – 2004						

As part of its policy advocacy efforts, EEA heavily advocated and eventually succeeded in the issuance of the following customs procedures: 1) amended the temporary release system's laws and decrees for custom release of intermediate goods; 2) issuance of the new export law that offered incentives for exporters and facilitated the export process; 3) consolidated the various authorities handling the export process to the least number of authorities. These efforts have resulted in an agreement to set up a joint customs-EEA committee chaired by Head of Customs Authority and EEA Chairman that meets biweekly to investigate, facilitate and resolve export and customs problems.

In March 2003, ExpoLink held an Exceptional General Assembly meeting to reach a consensus for EEA to revise its Charter according to the new Law 84 of the Ministry of Social Affairs. A Policy Advocacy meeting followed the General Assembly as it was crucial to hold the meeting with the export community to discuss the latest developments pertaining to floating the foreign currency and its effects on export and the economy at large. This led the Prime Minister to issue Decree (506/2003) and based on it, the Minister of Foreign Trade issued on March 26, 2003, Ministerial Decree No. 139/2003 that revised applicable Laws and Decrees governing their implementation.

On November 20, 2002, ExpoLink organized a conference on customs under the auspices of Mr. Mahfouz El Aragawy, Head of the Customs Authorities. Almost 450 Egyptian exporters participated in the conference. The participant’s discussions focused on problems and impediments that negatively affect exports in the areas of custom release process, temporary admission system, drawback, cost improvement, tariff, release of samples and sales tax.

On October 27, 2002, ExpoLink held a presentation on new strategic trade factors impacting the successful sourcing on exporting of products from Egypt. The presentation provided a briefing to association members that provided a framework from which individual product sales may be enhanced in light of international trade agreements. The presentation also explored changes in global political and economical trends, as well as the increase in trade initiatives throughout the world, that continue to alter strategic plans for the successful exportation to the U.S. market as Egypt moves to a quota free environment in 2005.

Findings and conclusion: EEA has been active in advocating key policy reforms and acting as a bridge between the GOE and Egyptian exporters through conducting seminars and conferences discussing policy issues and meetings with authorities to discuss key policy issues. However, more efforts are needed not just to meet targets, but to speed actual reforms, in the areas of organizing public advocacy seminars, workshops and related events, as well as in producing policy briefs and reports that can help inform the GOE, ExpoLink members and the public.

MANAGEMENT STRUCTURE ISSUES

This section reviews recent and current management structure issues and recommends enhancements where needed. Overall, management of ExpoLink at the board and management level has proven itself to be generally effective in overseeing ExpoLink functional activities over the project period evaluated. Stronger direction, however, appears needed in setting strategy particularly for long-term sustainability not only in activities and funding, (reviewed in other sections) but also in membership. A key organizational goal for ExpoLink is to transform itself into a member-based organization⁶. Increased membership is an important indicator of the quality of EEA services. EEA has increased its “Affiliate” memberships, but much more needs to be done to expand its “Active” membership which has stagnated over the past three years,

ExpoLink’s organizational structure appears sound and reflects standard practices used worldwide, with operating units organized functionally by sector, and with each providing export promotion services that are commonly offered by comparable, effective, export business associations globally. Internal operating systems such as MIS and accounting procedures appear adequate. Only routine audits and general inspections have been conducted (unlike USAID/Egypt export promotion projects preceding ExpoLink, e.g., the Trade Development Center, which underwent several comprehensive audits from 1994 - 97).

The major management issue now facing ExpoLink is the recently announced departure of both its current board chairman and its executive director, and the issue of their replacement. ExpoLink management expects that a reconstituted board will meet by mid-November 2004, to consider replacements.

4.1 Current Management Structure

Board of Directors: EEA (the association) and ExpoLink (the action arm of the Association) together have a board of nine directors, including a Chairman, Vice Chairman, Secretary General, and Treasurer. Members are elected at the association’s general assembly, and include representatives of top management and ownership of ExpoLink member companies, with deep experience and expertise in Egyptian private sector manufacturing and exporting.

The Board appears to have set a sound overall strategy and direction for ExpoLink management to carry out. It has adopted a specific, concise mission statement or “vision” for ExpoLink, which was a key recommendation of the EEA Mid Term Evaluation.⁷ EEA’s mission is “To become a world class, member-based export development organization that supports sustained export growth, thereby increasing employment opportunities and achieving equitable economic prosperity for Egypt”.

ExpoLink senior management and the board reportedly have sound, good relations. Management reports that the board provides overall direction and oversight effectively, but in a welcome “hands-off” manner without excessive micro-management.

The current Board Chairman, Galal el Zorba, is leaving to accept the position of Chairman of the Federation of Egyptian Industries. The board is expected to hold an association assembly within the next month to consider a replacement.

⁶ USAID / EEA Cooperative Agreement, May 1, 2002

⁷ EEA/ExpoLink Mid-Term Evaluation, GTG M&E Unit, September 2000

Management: Senior management at ExpoLink appears to have performed effectively overall during the evaluation period, achieving progress both on institutional development of ExpoLink, and in meeting most of its functional activity goals, both export generation targets and association membership targets.

Membership is a particularly telling indicator of the soundness of any business association. ExpoLink membership has increased significantly since about 2001, when it expanded from a low base of 171 members, to a current membership of over 914. Of these, 683 are “Affiliate” members, and 231 are “Full” or “Active” members. Most of the membership increase occurred between 2001 and 2002, as a result of ExpoLink’s decision to open ExpoLink to “Affiliate” members at considerably lower membership fee (LE 200 p.a.) than “Full” or “Active” members (LE 1500), which also pay an additional initial fee of LE 3000.

EEA / ExpoLink Membership			
	Full (Active)	Affiliate	Total
2001	171	0	171
2002	228	436	664
2003	230	550	780
2004	231	683	914

While affiliate membership has grown extensively, full or active membership has not grown significantly since 2001/02. Full members totaled 228 in 2002 and just 231 in 2004. Stronger efforts are needed to recruit more active members, perhaps with a targeted recruitment campaign. More should also be “upgraded” from “Affiliate” members. The increase in these members is impressive, and represents a “stable” of Egyptian manufacturers who are at least familiar with and open to ExpoLink services and to taking advantage of services to become more “export ready.”

A related concern is the issues of ExpoLink “graduates”, or members which, under the terms specified by USAID, are not eligible for ExpoLink services on a cost-sharing basis, after they reach a threshold of having received \$70,000 in technical assistance, and \$50,000 in services related to trade fairs participation. Over 120 “graduates” have received \$120 thousand of subsidized services and, therefore, are not eligible for additional subsidized services. According to ExpoLink’s Deputy Director, this represents a considerable amount of “critical mass” in terms of active exporters who are members, and has “hit ExpoLink hard” in terms of limiting membership, and achieving export targets, as exports of members previously assisted are not credited to Expolink.

ExpoLink’s Executive Director, Nagui El Fayoumi, who has been in the position since ExpoLink’s inception in 1997, has also recently announced his intention to leave. The Deputy Director, Amr Abdel Latif, who has also been with ExpoLink for a long period, to date remains at ExpoLink, providing a sense of continuity. It will be important for the Board to promptly select a replacement.

Staffing: ExpoLink suffered considerable staff attrition in 2001/2002, during the period when the Cooperative Agreement was delayed. Uncertainty over ExpoLink’s continuity led to the departure of nearly 40 percent of the staff, from a total professional/administrative staff of about 40 down to about 25. Between 2002 and early 2004, ExpoLink staffing returned to about the same level.

ExpoLink currently has 35 staff members. Staff organization appears effective, with four Portfolio Managers responsible for six sectors, and with account executives under them. The level of training of staff appears to have improved since 2001/02, another recommendation of the

previous evaluation.⁸ However, more ongoing training should be provided for staff to keep current on evolving export promotion techniques, and up-to-date in specific sectoral technical issues and developments, in order to retain credibility with clients.

However, as the end of the current Cooperative Agreement nears at end-December 2004, a sense of uncertainty has again developed, and led to several recent departures. The relatively senior staff position of Client Services Manager has recently been vacated. Most other departures have been among account executives in the various portfolios, of which about four remain of nine since mid-2002. This has led to a heavier burden on remaining staff, although there may have been benefits in gaining experience through “multi-tasking”.

MIS and Performance Monitoring: ExpoLink has implemented technically adequate MIS systems, both in finance/accounting and in performance monitoring, with the use of Oracle software that also monitors export levels attributed to members. However, the MIS system is only as credible as the accuracy of the data entered. ExpoLink still relies on member companies to submit, several times annually, export values they attribute to ExpoLink services. But member data cannot be fully verified in a credible manner, for example, through export values identified in letters of credit or related export financing mechanisms. ExpoLink staff report that their familiarity with members through interaction at trade fairs and missions, gives them a good sense of the accuracy of exports that members report. But until there are significant improvements in financial transparency in Egypt, fully credible, accurate export values attributable to ExpoLink will not be available.

4.2 Conclusions:

Board of Directors: ExpoLink’s Board appears to have set a sound overall direction for ExpoLink management to carry out, and has adopted a concise mission statement or “vision” for ExpoLink, that is line with the objectives of USAID support.

Management: Senior management at ExpoLink appears to have performed effectively overall during the evaluation period, as reflected in membership growth. Among key issues are that while affiliate membership has grown extensively, full or active membership has remains about the same in 2004 (231) as in 2002 (228). Stronger efforts are needed to recruit more active members, perhaps with a targeted recruitment campaign, and more “upgraded” from “Affiliate” members. Additionally, it will be important for the Board to promptly select a replacement for the departing Executive Director.

Staffing: ExpoLink Staff appear to have considerable expertise and are effective. As the end of the year, and the Cooperative Agreement, approaches, ExpoLink needs to ensure that recent and planned staff departures do not interfere with client service efforts. USAID should help in this regard, by minimizing the period of uncertainty about ExpoLink’s next phase.

MIS and Performance Monitoring: While ExpoLink has implemented technically sound MIS systems, due to the lack of transparency on the part of many Egyptian private sector firms who remain unwilling to divulge full financial information, current export values, should be interpreted less as precisely accurate amounts, and more as representing a range and direction of export values and growth.

⁸ EEA/ExpoLink Mid-Term Evaluation, Organization, GTG M&E Unit, September 2000,

FINANCE AND SUSTAINABILITY

ExpoLink management has expressed its sense that many services over the past one or two years have achieved “take-off”, reflected in significantly increased membership and export values generated. Based on achievements, management estimates that ExpoLink may be relatively near to achieving at least an initial sustainability, possibly within the next one to two years. In addition, it has obtained new funding sources, particularly through sub-contracting to other donor agencies, that it feels could be expanded, and has initiated new services in the form of local trade fairs in Egypt (e.g., FURNEX) that it sees potential in duplicating for additional sectors perhaps on an annual basis. As such, sustainability with a 2 year period may be possible. The evaluation team feels, however, that based on recent financial and cost figures, ExpoLink will need to take additional measures to adjust costs and services, in addition to seeking additional donor and other funding sources.

5.1 Finance and Cost Summary

Expenditures: Cumulative expenditures of ExpoLink from May 2002 through September 2004 totaled \$4,507,241, of which USAID provided \$3,805,032, and ExpoLink provided \$702,209 as its cost contribution (about 16 percent of total expenses to date). Among sectors, furniture and food accounted for the largest expenses, of from \$1.1 – 1.2 million each, while the other sectors had considerably lower expenses, averaging about \$280,000 each

ExpoLink Cumulative Expenditures by Sector (May 2002 - September 2004)	
Sectors	Total Cumulative Expenses (\$)
Furniture	1,234,672.84
Food	1,131,025.70
Apparel & Made-ups	361,409.84
Leather & Footwear	278,674.63
Soft ware	277,076.66
Building Materials	260,158.19
Others	262,014.84
Total	3,805,032.70
Source: ExpoLink Finance / Accounting Unit	

5.2 Cost of Services

Estimating actual cost of services is complicated by the need to accurately estimate and allocate indirect costs, including overhead expenses, to actual direct costs of activities, as well as by the difficulty of estimating precise numbers of beneficiaries of activities, e.g., in policy advocacy, TA for groups, etc. For example, costs of policy advocacy are difficult to estimate by member, as successful policy advocacy may provide widely diverse benefits to a significant number of members, while successful policy advocacy is itself difficult to credit to any single organization such as ExpoLink when many players may have contributed in various ways over a considerable time period.

Some costs appear to have decreased in recent years. The EEA Mid-term Evaluation estimated trade fair cost per client (excluding client contribution and overhead) at \$11,352 in 1998 – 2000. Trade fairs cost per client including both client contribution and indirect costs (if estimated accurately) now amount to \$4,314.

ExpoLink Unit Cost of Services (\$) (May 2002 - September 30, 2004)						
Sectors	Direct Expenses	Indirect Expenses (Overhead)	EEA Cost Share	Total	# Units	Unit Cost
Market Intelligence	125,053	94,931		219,985	19	11,578
Market Correspondents	84,740	59,560		144,301	3*	36,075
T.A.	28,420	44,840	12,822	86,084	27	3,188
CIB	63,242	42,895	64,727	170,865	53	3,223
Trade Fairs	947,606	52,129	510,383	1,510,119	16	94,382
Trade Fair Participants				1,510,119	350	4,314
Trade Missions	749,775	32,618		782,394	33	23,708
Trade Mission participants				782,394	278	2,814
Start Ups	- 0 -	39,062			0	39,062
Policy Advocacy	9,316	116,233			6	19,372
* No. of market correspondents varied between 2 and 4 over varying time periods Source: ExpoLink Finance and Accounting Unit						

Conclusion: Unit costs of services for most activities appear to be within a reasonable range based on both direct costs and indirect costs allocated to various ExpoLink services, and including EEA cost sharing. For example, trade fairs have standard costs per square meter for participants that are comparable in many markets. Among services where costs per beneficiary appear high are market intelligence and corporate image building, which a larger number of beneficiaries would reduce.

Conclusion: Total expenditures of \$4.5 million compare to a total estimated budget allocation of \$6,019,189, leaving an “unspent” amount of about \$1,500,000. Making available the remaining unspent balance under a no-cost extension could be an option for USAID to consider following the end of the current Agreement at the end of December, 2004.

5.3 Recommendations for Achieving Sustainability

This section looks at possible options for adjusting funding sources, services and costs to help achieve financial sustainability over the medium (2 years) and long (3-4 years) terms.

Future Funding Sources:

Client cost-sharing: Cost contributions have been a source of contention for several years, both between USAID and ExpoLink management, and among ExpoLink and its clients. In a modification to the Cooperative Agreement, ExpoLink’s overall cost sharing was reduced from 35 percent in the original Agreement to 20 percent, and its cost share amount under three specific line items (TA, CIB and Trade Fairs) was reduced from 50 percent to 30 percent.⁹ ExpoLink management, however, chose not to pass the reduction along to clients, in an effort to avoid

⁹ At the time the final evaluation was written, five months remained in the grant. During these five months, EEA increased its cost sharing contribution so that the draft final financial audit that covered the period through the end of the grant included the following statement. “Our audit did not identify any reportable condition related to the recipient’s Cost Sharing Contribution. EEA/Expolink fulfills the grant obligation and fully contributed the program cost sharing as requested by the cooperative agreement.” Accordingly, the statement above does not reflect the final situation at the end of the agreement which is a total expenditure of \$4,268,293 with an EEA cost share amount of \$ 886,447 = 21% which was confirmed in the close out financial audit.

inconsistency and sending mixed signals about its longer term goal of sustainability and increased client contributions as these are among the key options for achieving sustainability. ExpoLink management did not indicate to the team whether or not the funds were used to pay for fixed or variable costs.

A solid majority of ExpoLink client companies would most likely not be willing to use ExpoLink services if their cost contributions were raised significantly or immediately above the current 50 percent level. Interviews and client surveys indicate that even when potential benefits are point out, such as contracts generated by trade fairs, many are unwilling to recognize their potential value.

ExpoLink Cumulative Expenditures by Program Activity (May 1, '02 -Sep 30, '04, \$)			
Program Activities	USAID Contribution	EEA Cost Share	Total
Market Intelligence	219,985	-	219,985
Market Correspondents	144,301	-	144,301
T.A.	73,262	12,822	86,084
CIB	106,138	64,727	170,865
Trade Fairs	999,735	510,383	1,510,119
Trade Missions	782,394	-	782,394
Start Ups	39,062	-	39,062
Policy Advocacy	116,233	-	116,233
Administrative Cost	1,323,923	114,276	1,438,198
Total	3,805,033	702,209	4,507,241

Nevertheless, the evaluation team feels that cost subsidies will eventually need to be lowered, if ExpoLink, and its clients, hope to reduce market distortion and raise their global competitiveness. A key recommendation is to begin to raise client cost contributions on a gradual basis over the next two to four years to the point where clients are no longer receiving, in effect, export marketing subsidies.

Membership fees: ExpoLink “Affiliate” members now pay a membership fee of LE 200 p.a., while “Full” or “Active” members pay an additional initial fee of LE 3000, as well as annual dues of LE 1500 p.a. Membership fees could probably be raised, particularly for Affiliate members, but without a significant raise, which “non-active” Affiliates will be reluctant to pay, the total additional income raised would not contribute significantly to sustainability. Still, current fees should be raised moderately, over time, such as by 10 percent p.a. over the next few years.

Fund raising: This option usually takes the form of subcontracting with donor agencies or government agencies. The subcontractor often organizes export services on behalf of the agency, such as trade fairs or technical assistance, and earns management fees. ExpoLink management has already taken the initiative in this area by sub-contracting with the EU-funded IMC (Industrial Modernization Centre). Its two-year agreement, from July '03 – July '05, earns ExpoLink management fees of about Euro 350,000 annually to manage selected trade fairs, with income going into ExpoLink’s endowment fund , ExpoLink management did not elaborate to the team how the fund is maintained or used, given that the team was conducting a general performance evaluation rather than a specific financial audit or investigation, but management is likely to respond to any USAID inquiries on the issue, should it consider the fund an issue to pursue.. ExpoLink hopes to extend the EU IMC agreement for a third year.

IMC Sub-Contracting Management Fees for Trade Fairs Organization Year One Status				
No.	Trade Fair Name	Budget	Mgt Fee.	Total Budget
1	GITEX	195,816	44,100	239,916
2	HIEMTEX	133,571	55,000	188,571
3	SDM	160,000	40,000	200,000
4	CPD	97,017	55,000	152,017
5	ISM	79,261	50,000	129,261
6	GITEX,SA	86,612	35,000	121,612
7	Outsource	51,612	30,000	81,612
Total		803,889	309,100	1,112,989

Conclusion: Given its recent positive sub-contracting experience, ExpoLink should aim at negotiating additional sub-contracts possibly with other export-oriented donor agencies. Among potential agencies are Canada's CIDA, or the Egypt's Ministry of Foreign Trade, which reportedly intends to radically restructure its export promotion center and program, and may be open to sub-contracting arrangements with ExpoLink.

In-kind contributions – ExpoLink should also seek additional direct funding from other donors over the next one to two years to bridge the period likely before it can approach sustainability. Agencies to approach with an active interest in promoting export development include the European Union, through the IMC (which has already shown its interest in sub-contracting with ExpoLink), JETRO, and the Egyptian Government's Ministry of Foreign Trade, through its recently reformed EEPC

Recommendations for Achieving Sustainability:

Adjusting Services and Costs:

- Increase the flexibility of services offered, e.g., give clients more choice in selecting their own TA consultants, or corporate image/brochure design contractors
- Expand the number of market agents or representatives in key EU markets, selecting those with proven success in generating effective buyer contacts
- Strengthen services for sectors that have demonstrated solid export growth and strong potential (food, apparel, furniture) and new industries (software/IT)
- Focus on providing assistance for marketing, particularly generating substantive contacts with potential buyers, through both outward trade missions, and increasingly, inward trade missions and buyer visits
- Support more SMEs in order to both generate new Egyptian exporters and potential graduates for its own services
- Develop increased local marketing services, such as organizing local trade fairs in sectors such as apparel and food, building on the success of FURNEX, as management now intends
- Strengthen current services for which demand is strongest: marketing (trade fairs, trade missions, and particularly matchmaking), and TA (specific technical support especially to modernize production processes and improve quality)

- By sector, re-evaluate the viability of continuing to offer Software/IT services. While recent services have been at a relatively low level, with only two trade fairs organized, and competition may be growing, the sector may have positive growth prospects.
- Consider dropping industry portfolios where service and export growth has been negligible (building materials, where activity has been low, and possibly leather, where services have gone mainly to larger finishers rather than small tanners)
- Increase cost-sharing gradually for client companies, based on small indicators of need, such as volume of exports by company, and on a plan to phase-in increases incrementally, such as 10 percent p.a., over a time period of two to four years

Business strategy:

- **Expand business services** such as international and domestic trade fairs through increased sub-contracting with donor-funded agencies as well as Egyptian public-sector export promotion agencies, an area where ExpoLink has already taken the initiative in sub-contracts with the EU-funded IMC. Aim at negotiating additional sub-contracts with other export-oriented donor agencies, such as Canada's CIDA, or the Egyptian Ministry of Foreign Trade, which is restructuring its export promotion center, and may be open to sub-contracting arrangements with ExpoLink.
- **Develop new, market-driven business services** for Egyptian exporters, such as local trade fairs, that can generate income and contribute to sustainability. Follow-through on plans to organize another FURNEX fair in 2005, and possibly thereafter on an annual basis, and consider similar local fairs for other sectors, focusing on Textiles/apparel and Software.
- **Over the medium- to long-term, aim at graduating into a full-fledged "for-profit" commercial organization**, while decreasing dependence on direct donor support. Most export promotion agencies in other successful exporting countries, even if not under government auspices like ExpoLink, receive some government, if not donor, support under various funding mechanisms. However, many receive support indirectly. A key goal of ExpoLink should be to compete on a contractual basis to provide market-driven business services, whether with private enterprises or public sector agencies, as a competitive commercial enterprise.

APPENDIX I: BACKGROUND STATISTICAL TABLES AND CHARTS ON EEA/EXPOLINK ACTIVITIES

A. ExpoLink Performance Indicators, Targets and Actual Achievements

EEA Target Indicators and Actual Achievements by Activity, May 2002 – September 2004						
Core Activities	Year One* Targets	Year One Actual	Year Two** Targets	Year Two Actual	Year Three*** Targets	Year Three Actual
Technical Assistance	Implement 24 new TA projects	- 5 -	Implement 40 new TA projects	6	Implement 34 new TA projects	16
Start Up	Implement 14 start-up projects	- 0 -	Implement 30 start-up projects	- 0 -	Implement 26 start-up projects	- 0 -
Trade Fairs	Attend 9 Fairs 90 participants	4 fairs, 28 participants	Attend 13 Fairs 130 participants	6 fairs 109 part.	Attend 10 fairs 106 participants	10 285 participants
Corporate Image Bldg.	Implement 25 new projects	19	Implement 45 new projects	26	Implement 33 new projects	16
Trade Missions	Organize 8 40 participants	0 outward 9 inward 91 participants	Organize 12 60 participants	7 outward 12 inward 114 participants	Organize 10 83 participants	3 Outward 10 inward 73 participants
Market Intelligence	Produce 15 info packages	3	Produce 23 info packages	12	Produce 18 info packages	4
Market Correspondence	Identify 9 correspondents	3 hired	Identify 4 correspondents	1	Identify 2 correspondents	0
Policy Advocacy	Organize 6 events, 5 research projects	3 events 0 research projects	Organize 9 events,& 6 research projects	2 events 0 research projects	Organize 6 events & 6 research projects	2 events 0 research projects

* Year One: May 1, 2002 – April 30, 2003; ** Year Two: May 1, 2003 – April 30, 2004
 *** Year Three: May 1, 2004 – December 31, 2004
 Source: EEA Work Plans, Performance Reports, 2002 - 2004

**B. Exports of Expolink Members (Active and Affiliate) Compared with Total Exports of Egypt by Sector
US' 000/ Year**

Sector	Year 1 2002			Year 2 2003			Average Annual Rate of Growth	
	Expolink (members' exports)	Total exports of Egypt by Sector	Expolink exports as a % of total exports	Expolink (members' exports)	Total exports of Egypt by Sector	Percent	Expolink (members' exports)	Total exports of Egypt by Sector
Apparel and Made Ups	9,103	1,319,017	0.69%	11,353	1,389,393	0.82%	25%	5%
Food Stuff	13,005	566,559	2.30%	12,449	602,901	2.06%	-4%	6%
Furniture	0	48,843	0.00%	40	47,779	0.08%		-2%
Leather and Footwear	8,300	74890	11.08%	0	71801	0.00%	-100%	-4%

Sources: ExpoLink

C. ExpoLink Membership

**EEA/ ExpoLink Members per year
1997 to 2004, Total Members per year**

Year	Total Members Per Year
1997	44
1998	47
1999	58
2000	156
2001	171
2002	664
2003	780
2004	914

Active Members per year

Year	Total Active
1997	43
1998	47
1999	58
2000	156
2001	171
2002	228
2003	230
2004	231

Affiliate Members per year

Year	Total Affiliate
2002	436
2003	550
2004	683

D. EEA/ ExpoLink Members by sector

Active Members by sector

SECTOR	#
Food Stuff	65
Apparel and Made Ups	51
Software	41
Furniture	27
Others	23
Building Material	14
Leather and Footwear	10
Total	231

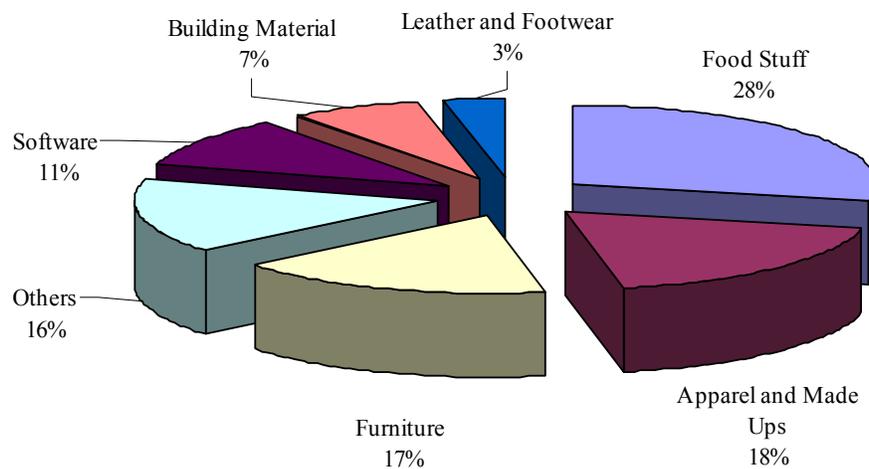
Affiliate Members by Sector

SECTOR	#
Food Stuff	197
Furniture	128
Others	119
Apparel and Made Ups	115
Software	55
Building Material	48
Leather and Footwear	21
Total	683

Total Members by sector

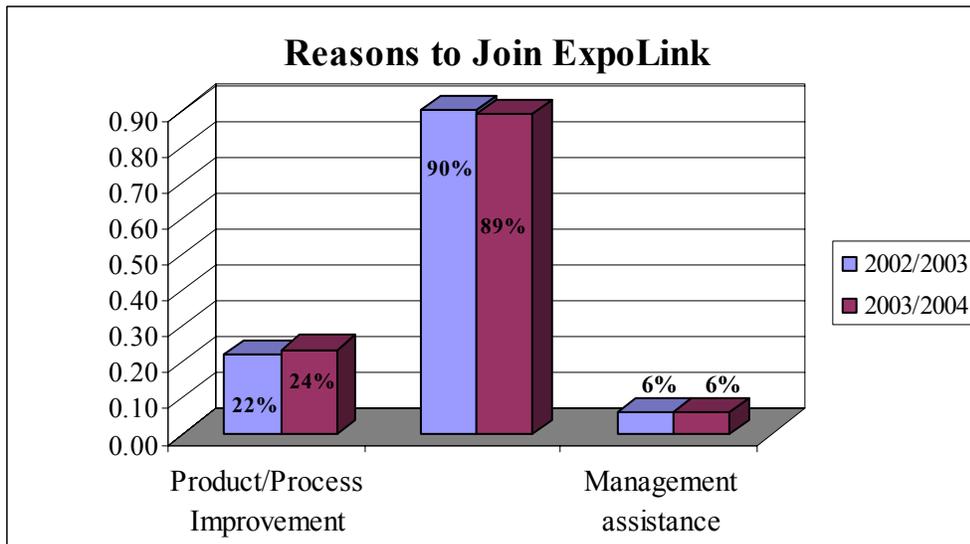
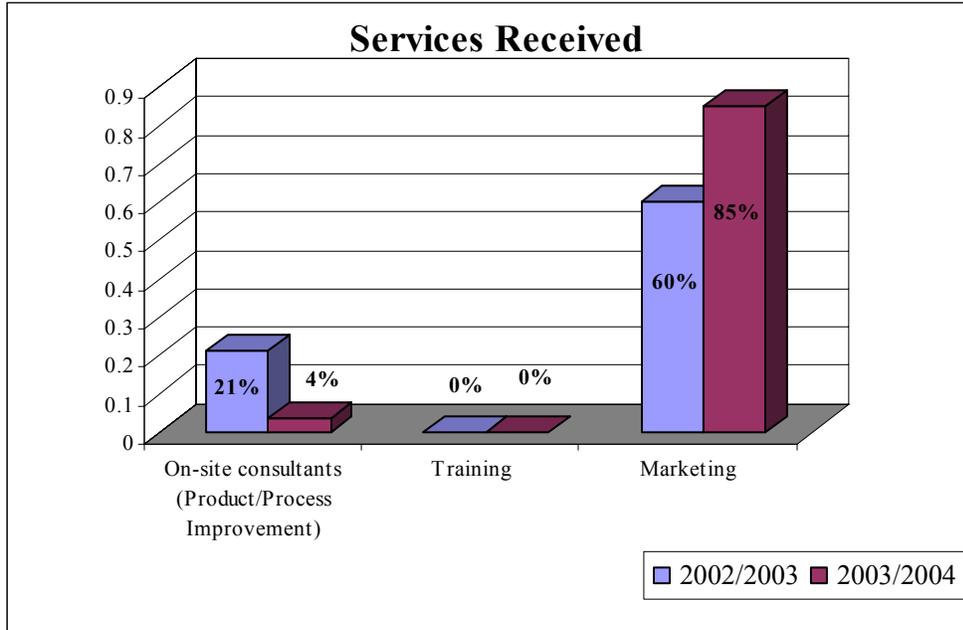
SECTOR	#
Food Stuff	262
Apparel and Made Ups	166
Furniture	155
Others	142
Software	96
Building Material	62
Leather and Footwear	31
Total	914

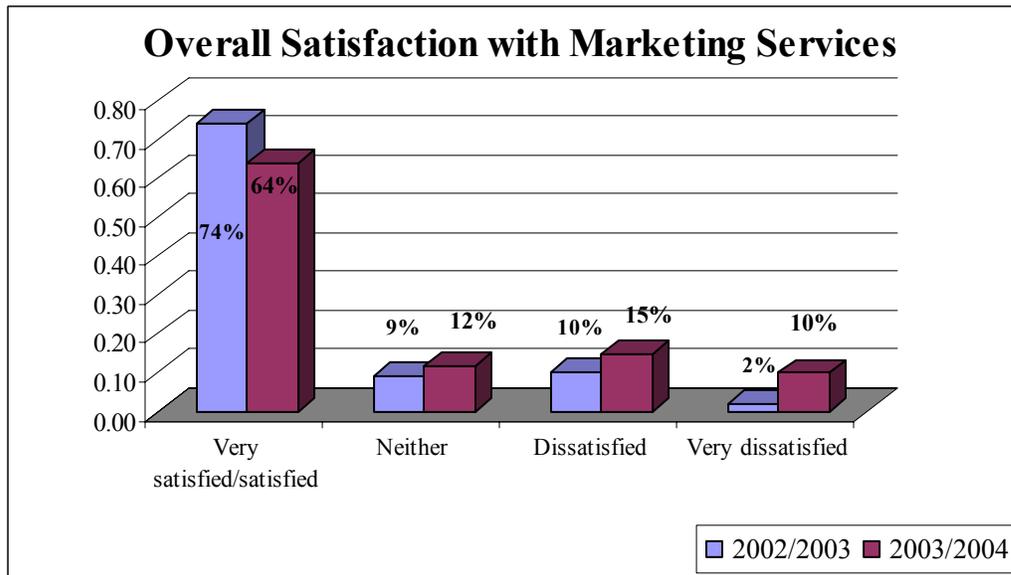
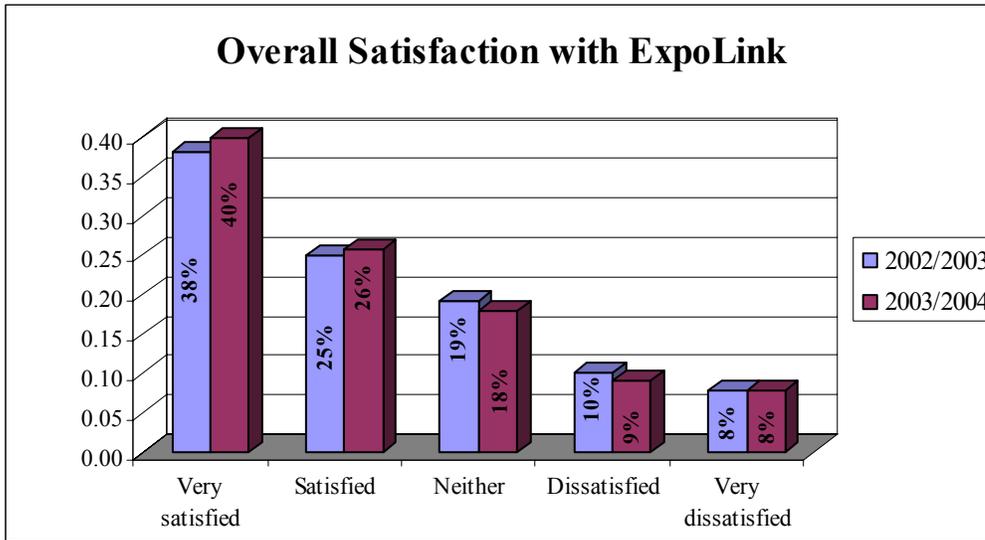
Total 914 Members in 2004

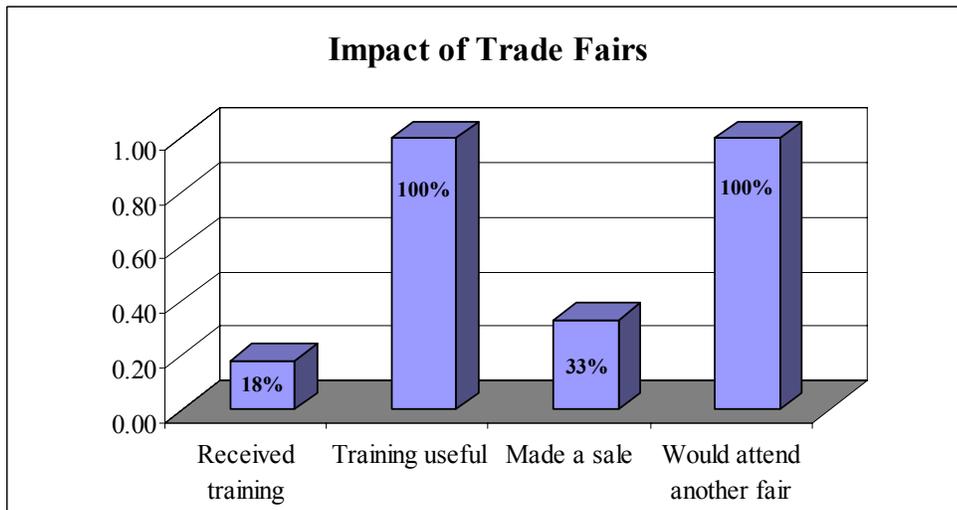
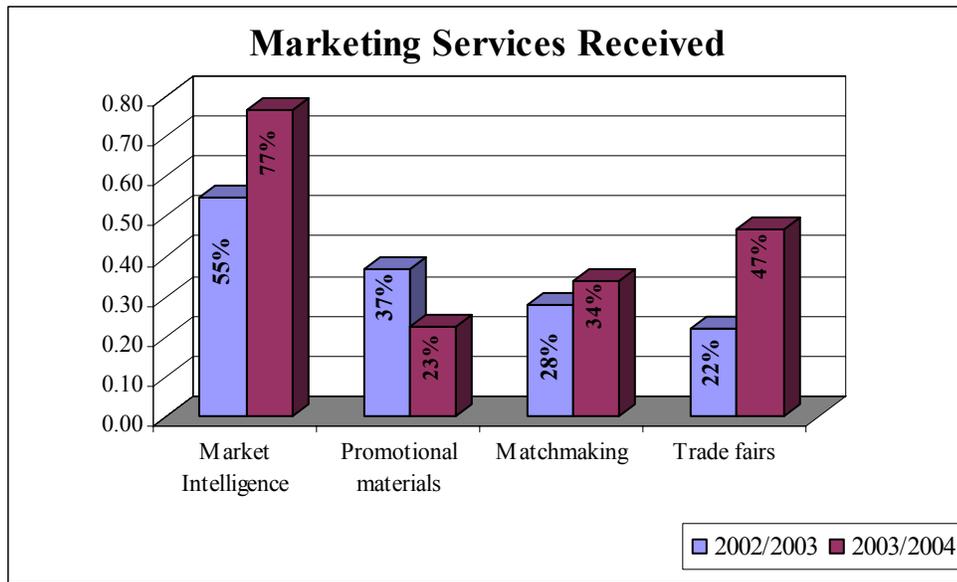


E. Client Satisfaction Indicators

ExpoLink Member Satisfaction
(RRSA client Satisfaction Reviews, 2002/03, 2003/04)







E. ExpoLink Expenditures

EXPOLINK - Accumulated Expenses Through Sep-04

Activity	Market Intelligence	Market Correspondence	Tech. Assist.	Corp. Image Building	Trade Fairs		Start-ups	Policy Advocacy	Admin.
Sectors	US\$	US\$	US\$	US\$	US\$		US\$	US\$	US\$
Apparel & Made-ups	23,313.81	3,300.00	9,000.00	6,582.28	17,953.18		0.00	0.00	189,131.82
Building Materials	99.95	0.00	0.00	3,361.47	0.00		0.00	0.00	189,131.82
Furniture	91,814.84	92.09	4,911.20	-5,390.69	254,603.61		0.00	9,080.64	189,131.82
Food	5,685.19	66,343.38	14,509.70	31,729.26	675,049.35	80,776.21	0.00	235.83	189,131.82
Leather & Footwear	2,071.63	15,004.88	0.00	3,330.22	0.00	1,571.13	0.00	0.00	189,131.82
Others	0.00	0.00	0.00	5,318.06	0.00	0.00	0.00	0.00	189,131.82
Soft ware	2,067.81	0.00	0.00	18,312.08	0.00	0.00	0.00	0.00	189,131.82
Sub-Total	125,053.22	84,740.36	28,420.90	63,242.67	947,606.14	749,775.50	0.00	9,316.47	1,323,922.75
ALL Sectors	94,931.43	59,560.98	44,840.72	42,895.44	52,129.30	32,618.91	39,061.77	106,916.13	
Total Cost	219,984.65	144,301.34	73,261.62	106,138.11	999,735.44	782,394.41	39,061.77	116,232.60	1,323,922.75

F. ExpoLink Performance Indicators by Sector

Performance Indicators:

Portfolio: FOOD

	Year One <u>May 1, '02 – Apr 30, '03</u>	Year Two <u>May 1, '03 – April 30, '04</u>	Year Three <u>May 1, '04 – Dec. 31 '04</u>
Number of new TA projects Implemented	3	6	1 8 / ongoing 1/ ongoing
Number of new Start-Ups implemented			
Number of Trade Fairs * Attended	1	4	2
Number of Members Exhibiting at trade fairs	11	75	46
Number of Corp Image Building projects Implemented	6	15	4
Number of trade missions ** Conducted	Inward 1 Outward	2 1	4 1
Number of participants in Trade Missions	Inward 8 Outward	9 25	21 6
Number of market intelligence Info Packages produced	1	4	
Number of market Correspondents	1		

Performance Indicators:

Portfolio: FURNITURE

	Year One <u>May 1, '02 – Apr 30, '03</u>	Year Two <u>May 1, '03 – April 30, '04</u>	Year Three <u>May 1, '02 – Dec. 31 '04</u>
Number of new TA projects Implemented	0	0	4
Number of new Start-Ups implemented	0	0	0
Number of Trade Fairs * Attended	0	1 (Index Dubai / October 7-11 / DWTC, U.A.E)	1 (FURNEX / June 3-6 / Cairo, Egypt)
- IMC		(Salon du Meuble de Paris / January 7-12 / Paris, France)	(Index Dubai / Sept. 22-26 / DWTC, U.A.E)
Number of Members Exhibiting at trade fairs	0	16 + 6 table show	118
- IMC	0	12	24
Number of Corp Image Building projects Implemented	6	2	5
Number of trade missions ** (enclosed list of names and dates) Conducted			
a) Outward	0	4	1
b) Inward	2	0	1
Number of participants in Trade Missions	38	36	15
Number of market intelligence Info Packages produced	0	2	1
Number of market Correspondents	0	2	1

Performance Indicators:

Portfolio: APPAREL / RMG

	Year One <u>May 1, '02 – Apr 30, '03</u>	Year Two <u>May 1, '03 – April 30, '04</u>	Year Three <u>May 1, '02 – Dec. 31 '04</u>
Number of new TA projects Implemented	_____ 1 _____	_____ 0 _____	_____ 0 _____
Number of new Start-Ups implemented	_____ 0 _____	_____ 0 _____	_____ 0 _____
Number of Trade Fairs * Attended	_____ 2 _____	_____ 0 _____	_____ 2 _____
Number of Members Exhibiting at trade fairs	_____ 12 _____	_____ 0 _____	_____ 24 _____
Number of Corp Image Building projects Implemented	_____ 5 _____	_____ 3 _____	_____ 3 _____
Number of trade missions ** Conducted	_____ 3 _____	_____ 5 _____	_____ 5 _____
Number of participants in Trade Missions	_____ 16 _____	_____ 35 _____	_____ 30 _____
Number of market intelligence Info Packages produced	_____ 2 _____	_____ 5 _____	_____ 1 _____
Number of market Correspondents	_____ 0 _____	_____ 0 _____	_____ 1 _____

Performance Indicators:

Portfolio: SOFTWARE / IT

	Year One <u>May 1, '02 – Apr 30, '03</u>	Year Two <u>May 1, '03 – April 30, '04</u>	Year Three <u>May 1, '02 – Dec. 31 '04</u>
Number of new TA projects Implemented	-0-	-0-	-0-
Number of new Start-Ups implemented	-0-	-0-	-0-
Number of Trade Fairs * Attended	-0-	-0-	4
Number of Members Exhibiting at trade fairs	-0-	-0-	72
Number of Corp Image Building projects Implemented	-0-	5	3
Number of trade missions ** Conducted	-0-	-0-	-0-
Number of participants in Trade Missions	-0-	-0-	-0-
Number of market intelligence Info Packages produced	-0-	-0-	-0-
Number of market Correspondents	-0-	-0-	-0-

Performance Indicators:

Portfolio: BUILDING MATERIALS

	Year One <u>May 1, '02 – Apr 30, '03</u>	Year Two <u>May 1, '03 – April 30, '04</u>	Year Three <u>May 1, '02 – Dec. 31 '04</u>
Number of new TA projects Implemented	1	0	0
Number of new Start-Ups implemented	0	0	0
Number of Trade Fairs * Attended (Coverings / May 6-9 / U.S.A)	1 0	0 0	0 0
Number of Members Exhibiting at trade fairs	5	0	0
Number of Corp Image Building projects Implemented	1	1	0
Number of trade missions ** Conducted – Inward	3	0	0
Number of participants in Trade Missions	20	0	0
Number of market intelligence Info Packages produced	0	0	0
Number of market Correspondents	1	0	0

ExpoLink's Results on the Governorate level

Alexandria

In 2003, twenty two members benefited from the market intelligence service provided by ExpoLink; 19 of these members are involved in the furniture industry and three in the building material industry. Trade missions were also organized for 22 members; 18 of them are in the furniture industry and four are in the industry of apparel and made ups. In addition, corporate image building services were provided for two members working in food stuffs in order to develop the professional marketing of their products.

Behera

During 2003, Expolink assisted one member working in the furniture industry through the provision of the market intelligence service.

Cairo

In 2003, 198 members participated in events organized by ExpoLink. Ninety-five of these members are in the industry of apparel and made ups, 67 work in food stuffs, 21 members in the leather and foot wear industry, and 15 in the building material's industry. Further, 56 members were sent for trade missions; of which 44 members are in the furniture sector, five in the industry of apparel and made ups and one in the leather and foot wear industry. ExpoLink also promoted eight members working in food stuffs with corporate image building services and helped other 88 members through the provision of marketing intelligence service. Sixty of these members are engaged in the furniture industry, while twenty eight are in the building materials' industry. In addition, ExpoLink introduced six members to trade shows; of which four are working in food stuffs and two in the industry of apparel and mad ups.

Damietta

During 2003, ExpoLink assisted 15 members working in the furniture industry with the provision of the association's marketing intelligence service. In addition, twenty two members were sent for trade missions and five members benefited from the events organized by ExpoLink.

Giza

In 2003, ExpoLink organized events for 114 members; 57 of which work in the apparel and made ups industry, 41 in food stuffs, eight in the building materials industry and eight in the leather and foot wear industry. The association also helped 26 members with the market intelligence service; 16 of these members are in the furniture industry and the other 10 are in the building materials industry. With regard to the trade missions' service, 31 members were sent. Twenty of them are in the furniture industry, six are in the industry of apparel and made ups, two in the leather and footwear industry and one in the building materials industry. As for trade shows, nine members were introduced; two of them are in apparel and made ups industry and three in food stuffs industry. In addition, ExpoLink promoted three members with the provision of the corporate image building service in order to develop their professional marketing of products. Two of these members work in the furniture industry and one in food stuffs.

Kafr El-Sheikh

During 2003, two members working in the furniture sector benefited from the marketing intelligence service of ExpoLink.

Kaleyoubia

During 2003, ExpoLink organized events for 24 members; of which 23 are in the apparel and made ups industry, while one is in the industry of food stuffs. The association had in addition introduced one member, working in the apparel and made ups sector to trade shows.

Dakahlia /Mansoura

In 2003, one member working in the apparel and made up industry benefited from the events organized by ExpoLink.

Menoufia

During 2003, ExpoLink assisted two members in the furniture industry with the provision of marketing intelligence service and sent five members in the same industry for trade missions. In addition, events were organized for two other members working in the apparel and made ups industry.

Port Said

In 2003, Expolink organized events for eleven members; ten of them are involved in the industry of apparel and made ups while one work in the food stuffs. The association also helped one member in the furniture sector with the marketing intelligence service.

Sharkia

During 2003, ExpoLink organized events for sixty members; fifty of them are in the industry of apparel and made ups, seven are in the food stuffs industry and two in leather and footwear industry. The association also assisted three other members in the furniture sector with the marketing intelligence service and introduced another three members in the apparel and made ups industry to trade shows. Further, three members were sent for trade missions. Two of them work in the apparel and made ups industry and one in the furniture industry.

Suez

In 2003, four members working in the furniture sector benefited from the marketing intelligence service provided by the association. One member working in the food stuffs industry participated in events organized by the association, and another one member working in the furniture sector was sent for trade missions.

APPENDIX II: INTERVIEWS CONDUCTED

Egyptian Exporters Association (ExpoLink)

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