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**ALI KAMEL**

*Interviewed by: Carole Peasley  
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## INTERVIEW

*Q: This is Carol Peasley, interviewing Ali Kamel. It is December 19<sup>th</sup> and we are getting started. Thank you very much Ali; we appreciate the chance to interview you. I guess if we could get started with your early background, where you were born, your family and what they were doing, your educational background, and what prompted your interest in the issues that you ended up working on?*

KAMEL: I was born in Cairo in 1953. My father used to be a first supervisor at the ministry of Culture, so I traveled everywhere in Egypt and the region with him when he inaugurated offices and culture centers. I had a very nice I would say neighborhood to live in when I was young. Many friends from everywhere. It was close by the Zamalek area. I was a very good student; every time I got an 'A' or something, I got certificates I still have from primary and secondary and university. I studied agricultural economics in Cairo University; graduated in 1976. I was appointed as a teaching assistant at the university; they took the top five students. I didn't like teaching! (Laughter) So I decided to move on to international development. Egypt at that time had started the Open Door policy.

*Q: This is when?*

KAMEL: 1976. Started the Open Door policy; Anwar Sadat did that. So we started to get foreign investors. I worked with a German project in international development – irrigation. I stayed for almost a year, one of my best years in development. All types of irrigation systems I learned about. Then I was asked to join by my minister of delegation to join the Foreign Relations department to look, to lead negotiations of USAID (U.S. Agency for International Development) projects in Egypt after the peace accord. So I started from the government side.

*Q: And the peace accord was 1978?*

KAMEL: Yes, 1978. After spending some time with the German project, I moved to the Foreign Relations department. At that time they asked me to support projects in the agriculture sector, funded by USAID; the early design of these projects.

*Q: From the government side?*

KAMEL: From the government side. I negotiated with USAID staff; my English was good so they asked me to be a member of the negotiation team.

*Q: You had studied English at university?*

KAMEL: In school and university. I also speak German. So we started developing projects in the agriculture and irrigation sector. There were about 14 projects out of the \$815 million annual obligation. I still memorize names of these projects; these are the proudest days in my life. For example, there is a rice research and training project; we

developed an institute similar to the one in Manila, International Rice and Research Institute (IRRI). We replicated the model in Sakha; it's still there by the way. Whenever I go I drive by and see how a legacy can be. So I go to these places and see, "Oh wow." We moved Egyptian production of rice to be the top worldwide in terms of yields because of this research. I'm so proud. Of course I was a very small player, but the big players were the professors and doctors who transferred the technology from IRRI to Egypt at that time. Similarly the agricultural mechanization project was another one with Louis Berger. We did an excellent one to stop draft animal and use of humans to pull plows. We did many good things at that time; using tractors was new to many farmers in Upper Egypt. Land leveling using laser equipment; combined harvester for rice – we introduced many good things at that time.

*Q: And these were some of the early USAID agriculture projects after the peace accord was signed in '78?*

KAMEL: Yes.

*Q: It was a partnership with IRRI?*

KAMEL: There was a partnership with IRRI and with UC-Davis (University of California-Davis). Another partnership was Louis Berger with Colorado State University for what's called EWUMP – Egypt Water Use and Management Project. These are fabulous projects and they were all host-country contracts at that time; there were almost no direct contracts.

*Q: Were you involved with the selection process from the host country side?*

KAMEL: That's why I like it. I was in the government on the selection committee. They sent me to Georgetown University in 1980 to study international procurement, to be able to understand USAID procurement and so on. The government, jointly with USAID. It was like a good collaboration. I still remember the USAID building in Rosslyn where I went and looked at all of the handbooks at that time, no ADS (Automated Directive Systems). Handbook 11, chapter three and so forth and many other handbooks.

*Q: This course at Georgetown on international procurement – were there other people who were being funded through USAID?*

KAMEL: At least two from Egypt joined me; one of them was very senior. I was at that time very young; I was the youngest in that course. And another one who was from ministry of International Cooperation. They joined us to make sure they understood host country contracting. Then I went to USAID to study USAID regulations with an office linked to commodity and services procurement. I remember the name of the person who trained me, an excellent USAID procurement officer. John Cohen.

*Q: Was it a formal training course?*

KAMEL: Formal training by USAID.

*Q: How long was it?*

KAMEL: It was a two-week training, very intensive. It was for me and the two others from Egypt, the Egypt team. We handled like I said 14 projects at that time. We were the government procurement side.

*Q: The course at Georgetown was...?*

KAMEL: International procurement and purchase at the International Law Institute.

*Q: How long was that?*

KAMEL: If I remember correctly, it was three or four weeks.

*Q: That was not USAID specific?*

KAMEL: No – international procurement. Just to understand the legality of importing goods, how to write international contracts, how to write contracts with U.S. suppliers and so on.

*Q: There were other students in that class?*

KAMEL: There were I would say – I was looking at some of the photos recently – there were about 20 participants from different countries. From Egypt there were three, and we continued our study in two other places. One, USAID Rosslyn office. And the other place which nobody can go to now, the World Trade Institute inside the World Trade Center, 55<sup>th</sup> floor. Yeah.

*Q: So there was a training program there as well?*

KAMEL: It's called World Trade Institute inside the World Trade Center, the twin towers. We spent two weeks there. We went to see how the New York-New Jersey Port Authority was dealing with commodities. We were designing a commodity import program at that time so they wanted us to see how bulk commodities are fumigated, how they are certified. It was practical training.

*Q: So the training, some of it was for host-country contracting and some for commodity import training?*

KAMEL: Yes.

*Q: That's really great that AID (USAID) – it's interesting today where they're talking so much of local institutions whether they're investing the effort into the training for people, I don't know.*

KAMEL: That's why I loved it. They brought somebody whose name was Susumo Janiko at that time, a former procurement officer at USAID. He gave us on-job training – how to review a proposal, how to request for proposal or invitation for bid. These are an RFQ (request for quotation) and IFB (invitation for bids). I still remember the guy – I have a very good memory – I still remember all the mission directors. So the training was three-fold: one, Georgetown University. Then USAID CRCOM (Contract and Commodities Office). Then to New York for the World Trade Institute. I still have the certificate; I'm very proud of them. My two colleagues who went with me – one became the first under secretary for procurement in the ministry of Agriculture afterwards. Dr. Ali Hossari. They used to call us the Ali's Committee because most of the members were Ali. (Laughter) Ali Kamel, Ali Rashad, Ali Nesshaat, Ali Hossari. At least four Alis.

We had 12 projects in agriculture and two in irrigation (they separated the ministries at that time). I was in the foreign relations department. I worked with designing and implementing projects from '79 to March '84. Some of the projects we had – as I said, the one that's very dear to my heart is the rice research and training. One is called agriculture development service with the University of California, where we introduced new varieties of vegetables. Farmers used to say "I'm planting UC tomatoes." He doesn't know what UC means, but it's University of California, developed by Davis professors. That by the way made Egypt the third or fourth country in tomato production as of today. Unfortunately we don't have the competitiveness to process the tomato, and that's why the value of it is very low.

*Q: Were all of these host-country contracts?*

KAMEL: Yes, all of them.

*Q: Could you talk a little bit about the process you went through in doing the host-country contracts? What the interface with USAID was and whether you were completely left alone? How much did they...*

KAMEL: I think it's the best relationship in developing countries, to do host-country contracts provided you develop capacity first. Don't throw them in deep water, as we say.

What happened is first USAID wanted to make sure we have a very strong procurement committee at the foreign relations department of the ministry of Agriculture. They train people, they sent experts to work with us. We hired them under USAID or one of the host country contracts. USAID developed a draft for a bilateral agreement. Then we developed the specification with the help of the expert, together with the project officer or at that time CTO, maybe CO, maybe COR, Cognizant Officer, Cognizant Technical Officer, or Contracting Officer Representative. Names keep changing! We developed together the bid document as a draft. We sent it to USAID; they reviewed it. They sent comments to us; we incorporated the comments. All of these are with non-disclosures. There may be some leakages maybe, but there are leakages everywhere even with AID direct contracts more than host country. The committee was very good. Then we

developed, they helped us put the advertising in the USAID bulletin and in other newspapers or international papers. We advertise for it locally as well in two major newspapers in English, Arabic. Then we opened the bids – we gave the normal 45 days to allow good time to everybody to prepare. We used to do mainly commodity procurement, because USAID wanted to do with us as well a U.S. contractor procurement, the TA (technical assistance) side of it.

For example, we had 200 tractors – a big amount of money. Twenty combine harvesters. Five land leveling equipment. These together at that time could be \$60 or \$70 million. So we had to receive the bids with bid bond and everything. We opened the bids in a committee; somebody from USAID come and attend with us at the bid process. Then we evaluate bids, individually and then as a committee. At the end of the day, we say “Here is our recommendation” and we give it to USAID. There will be some approval threshold that they have to go back to Washington to get, but at the end of the day they say there are a few compliant offers – John Deere, Ford, and others. And we simply say, “John Deere is best or Ford is better,” and we decide on that.

Most of our recommendations were accepted by USAID. When we have a new project, we need the technical assistance team to come and help. One of these new projects was a Small Farmer Production Project, SFPP. At that time, we got like five proposals. I remember it very well. The first company was very high technically; it was ACDI (Agriculture Cooperative Development International). There was no VOCA (Volunteers in Overseas Cooperative Assistance) at that time! So they presented a very good methodology which we liked a lot in Egypt. Every member individually highlighted that this was very attractive to us. So we evaluate with an observer from USAID. Some guy, we ask him if you want to be included in scoring; he says “No, we want to be an observer.” So we selected ACDI to implement SFPP. This is just an example; the other two were X and Y, and were not as good technically.

Then we look at the cost. Is the cost OK? There was a formula in handbook 11, chapter three where you put the technical, then the costs and insert in the formula and see how much it would be. So it was good for the government because you have the buy-in, the ownership. We invite subject matter experts to be member in the committee; if we’re talking about mechanization, we bring in the best professor in mechanization in Egypt – who was by the way part of the Peace Fellowship, so he knows very well English and how to write his evaluation notes.

Another project which was not good was for example the Poultry Production and Improvement Project. That was not good because lot of construction was included, and construction would take forever. That’s another example – if you want to invest in development, maybe have ready construction or innovate or refurbish existing. Don’t start from the cornerstone, because that will take you forever.

*Q: These were again host-country contracting and construction as well?*

KAMEL: Yes.

*Q: Which the ministry was responsible for?*

KAMEL: Yes, exactly. Ministry of Agriculture was responsible for construction. The ministry took forever to construct. Even with a push from the minister or prime minister, whatever you do – in vain. Similarly, an aquaculture project was not very successful, but there were many other successful projects such as the small-scale agriculture projects. Data collection and analysis – we used to have the best agriculture data in-country. It was the only reliable data we had, based on a project called Data Collection and Analysis Project; that was one of my great examples.

*Q: Did that have a technical assistance contract with it?*

KAMEL: Yes. It was from Michigan State University (MSU). It also provided some help from BLS, the Bureau of Labor Statistics, and also USDA (United States Department of Agriculture) got a PASA (partnership agency service agreement) at that time to support, to send people to support what we're doing. They used to be very active; the Foreign Agricultural Service (FAS) at that time had an excellent team to support agricultural statistics.

*Q: Let me just ask without naming any of the other parties if that was again a host-country contract and there were bids – I assume there were bids from multiple universities on this? So you had to weigh which you thought was the strongest to work on agricultural data and statistics?*

KAMEL: Yes. We used to be like I think Ali Hossari was the head of the committee. He was extremely fair, objective and very strong leader. Nobody can make a mistake because anybody has just an appearance of a mistake or a conflict of interest and he will just send them away. It happened with one proposal under the Poultry program which I told you was not good. One of the U.S. companies (I won't name them) just tried to submit a bid-bond after the deadline. I refused, and Ali Hossari refused. So they went to the minister behind our back and didn't tell him the right story. So we were called and we said, "Your Excellency Minister Wally, look this is what happened. If you want to accept them, we'll resign, the two of us." The minister was very good; he said, "If your hand is clean, hit anybody you want!" I still remember his words.

I wouldn't say this was across the universe – there were other projects in different areas that were good, and that were bad. Like the ministry of Trade had other projects. We were focusing only on agriculture, irrigation, and land reclamation at that time.

*Q: Interesting to me that there were probably differences of opinion within the committee about which proposals were strongest. But the committee was always able to work out these differences?*

KAMEL: What happened was we had as I said, the head of the committee was very devoted and strong. We had individual evaluations, and then we had meeting facilitated



by the secretary-general of the committee to do – I was the deputy secretary-general, even though I was very young, because my knowledge of these courses I took, they put me on that. At that time, when we had big discrepancy between scores – I score ‘10’, you score ‘1’; why? The chairman will ask us to give our reasons why. Then we’d say “Did you see on page x that?” “Yes, I saw that.” So we’d come back and were able to compromise. We have also since we wanted to show – because we were getting very good salary at that time, maybe 10 times I was getting for my university work. We want to make sure we’re doing a good job and we can keep our job.

*Q: Was that true of government officials generally? Or because you were working on this thing supported through donor programs?*

KAMEL: I think – it’s not true for government generally, of course not. It was mainly for these specific taskforces or committees working on a specific program.

*Q: Would that kind of problem-solving be typical within the government of Egypt? Or do you think that this opportunity to work this way helped to create a different way of working within the public sector? Curious whether that was an Egyptian thing or whether it was something that was kind of new.*

KAMEL: I think it was new. I think we tried to implement that as I’ll say later in other areas as well. It was unique. For example, ministry of Industry had projects with USAID and they were not as successful as ours. Ministry of Local Development had projects with USAID; they were very successful. So it depends on the players as well as the leader; the leader was key.

*Q: Right. Did the other ministries have people who were sent for training?*

KAMEL: Yes. USAID did a very good job to make sure they developed capacity of the people who are technical or are coordinators or are procurement. I wasn’t a procurement specialist; I was mainly a technical coordinator person, but they asked me to coordinate and be on the procurement committee.

*Q: Who was the mission director at that point?*

KAMEL: I used to me a lot with George Laudato at that time. Then came a couple of other people. Buster Brown, then came one of my favorites...

*Q: Just curious about the leadership that was provided in the AID mission to invest as much as they did in building local capacity...*

KAMEL: That was very good by George Laudato; his wife I think was the deputy at that time, Jenna Laudato. Both were very good and had very good relation with the host government. The government send us some people to see how we are without interfering while we are reviewing bids and so on, to sit with us and see the process; how do we do it? It was really a good model.

*Q: So that all started in '78 and you continued it for several years?*

KAMEL: Until March '84. I spent five or six good years with the foreign relations department at that time. I did very well and others were very happy with that. During one of the interviews and meetings with project directors like on agricultural mechanization, they said they lack a lot of competency and qualification. So they decided to send a group of people to get their master's and Ph.D. in the U.S. So I was selected to be one of these, because I was a Peace Fellow early on before I go on to foreign relations. It may not be reflected in my C.V. (curriculum vitae) because I had too many things to list!

*Q: Where were you a Peace Fellow?*

KAMEL: To UC-Davis. It was a non-academic degree, short-term technical training. I liked it a lot. So when I found that opportunity in late '83, I said "I need to apply." They asked, "Do you have TOEFL?" (Test of English as a Foreign Language) and I said yes. "Do you have the GRE?" (Graduate Record Examination). I did it. It took very few months – normally it's a lengthy process but I was lucky. They said, "Where do you want to get your masters first, and then come back and then go for your Ph.D.?" I said, "Either Davis or Michigan State." I met with all of these people. So Michigan was OK for us and I married on March 13, 1984; we traveled on March 20<sup>th</sup>, 1984. So we spent our honeymoon in DC (District of Columbia) and New York and then in East Lansing, Michigan.

*Q: I hope it had warmed up by the time you got there!*

KAMEL: It was not bad! (Laughter). Later in the year, we thought "Oh my god, why did we do this?"

*Q: You wished you'd gone to Davis!*

KAMEL: At that time I was in Michigan to study agricultural economics. I did very well. They sent me for two years to finish my masters; I finished it in a year or so. Then I started my Ph.D. I finished my Ph.D. coursework then requested a waiver to complete my dissertation (this is why I'm an ABD (all but dissertation)). The government and USAID said "No. You got a scholarship for a master's. You have to come back to serve for two years, and then go back and complete your Ph.D."

Michigan said they would keep me as a visiting specialist, which was unique to me. They kept me for four months until January '87; I finished in August '86 and continued as a visiting specialist on the project in Indonesia. This is where I did my data for the dissertation. But USAID said I had to come back and stay for two years before finishing my Ph.D. It was really the government of Egypt, but USAID concurred.

So I went back with my wife and there was also a family incident, so I had to go back. I spent the two years from February '87 to February '89. Then somebody from USAID told me, "Why don't you join USAID?"

*Q: Between '87 and '89 you were back with the government?*

KAMEL: Yes.

*Q: You were a researcher?*

KAMEL: I was a researcher at the agricultural mechanization and research institute. I did a lot of research, surveying, appraisals. They still carry my names, but they are mainly rapid appraisal surveys. Then in March '89, after those two years, somebody suggested I join USAID. My wife was reluctant to travel for family reasons. I said I didn't want to go back and spend a full year to finish my Ph.D. So we decided to stay and I joined USAID, on the other side of the pond. And now, started in 2014, I'm on the third side! Government, USAID, then contractor.

*Q: Right. So you joined USAID – probably the agriculture office?*

KAMEL: Agricultural economics at that time, under the agriculture directorate. At that time they started talking about cash transfer to Egypt. It was a CIP, Commodity Import Program project, and what's called PL-480 (Public Law).

*Q: That's a Title III program?*

KAMEL: Title III. Once you meet some economic reform measures, we'll give you some money. So they divided Egypt Annual Obligation \$815 (million) into four portions; 200 for CIP; 200 for cash transfer; 415 for projects. They asked me to take care of the PL-480 and turn it into SPR, Sector Policy Reform.

*Q: So you helped to convert the policy base work from Title III to SPR and cash transfers.*

KAMEL: Yes. At that time I worked with an excellent economists, David Dod, Robert Wuertz, Paul Deuster, Mark Gellerson, John Foti– many amazing people.

*Q: Who was the mission director in '89?*

KAMEL: It was Hank (Henry) Basford. Buster Brown for a while, then Hank Basford. Henry Basford, but we called him "Hank." He is one of my favorites. At that time Chris Crowley was the deputy mission director, after Atkinson. Then I started negotiating agricultural policy reform with my friends in the government! So we developed an excellent committee. I followed the same style that I learned from USAID early on. How to bring the best people into the committee, have a very good leader, and that is the committee. So we did a committee headed by the chairman of the agriculture bank, to

negotiate with us the policy benchmarks for the agriculture sector. I would say they called David Dod and I the “samurai of reform” because we eliminated mandatory delivery of 14 major crops; we eliminated mandatory government pricing of these crops; we eliminated subsidy, in-kind subsidies in particular because there was a lot of corruption. So there are many references to us in the political vegetables \_\_\_; a book which is a very good one.

*Q: The reforms – there was a committee with Egyptian government and USAID officials, and you worked together to try to define those benchmarks?*

KAMEL: And sometimes we proposed additional benchmarks.

*Q: And you would convince them those were the things that needed to be done?*

KAMEL: Absolutely.

*Q: It was not imposing things, it was –*

KAMEL: Jointly done. You have to convince them before they implement. Otherwise they can implement on paper but never in reality. They’ll agree to get the cash transfer then, “no.” At that time for example as I said, most of the major crops were controlled. There was a crop rotation mandated by the government; “you cannot cultivate in that land except X, Y, and Z.” I think that was our best achievement, to liberalize the agriculture sector. David Dod, Bob Wuertz, myself and others, John Foti, Hank Basford. I got the first award from USAID in 1990; it’s called “Negotiator of the Year.” Then I was the FSN (Foreign Service national) of the year in 1992. I got it again after I left USAID in 2014. So two times FSN of the year which I think is unique.

*Q: The policy reform work – you worked on agricultural reforms, but there were other reforms that were part of that cash transfer?*

KAMEL: Yes.

*Q: Did you work on those as well?*

KAMEL: I did. I was a team leader. I’ll tell you how it was developed. When we developed the agriculture reform, we found out that you cannot reform agriculture while the bigger circles of the economy are controlled. You will be inside the controlled circle. So what we found is that there are some tariff reforms that are needed; there are some fiscal reforms – taxes, revenue, expenditure – that are needed. Some monetary policies that are needed like exchange rates or interest rates on agricultural loans. We found out that it’s all connected. So we proposed at that time after the success of the agriculture reform – the Ag Production and Credit Project. It was \$309 million of which 250 was cash transfer and 59 in technical assistance, training, and procurement. So that 250 million were divided into five tranches. When you do X, we will give you that much. They didn’t eliminate the mandatory cultivation of major crops – delivery, income

subsidy, pesticide and fertilizer subsidy. Then we moved to higher level – tariff on agriculture. We had to negotiate with the ministries of Trade and Finance so we included more members to the committee from other ministries. Then we looked at interest rates for agricultural loans; we had to include the Central Bank for monetary policy. We had to include some local governments when you do some fees and delivery revisions.

Then Bob Wuertz, David Dod and I said “Why don’t we start moving PL-480 into sectoral policy, to broaden reform beyond the agricultural sector?” Like privatization of public enterprises, that was a major one. The government was disheartened by the idea. The economic advisor who became minister of Finance later on, Youssef Boutros-Ghali, was a close friend. You know he studied at MIT (Massachusetts Institute of Technology)? When I went back to Harvard in ’92 for some macro-economic training to help me understand the different models for macro-economic reform, he gave me a lot of good advice. We started talking to the minister of Finance through Boutros-Ghali about introducing tax reform and sales taxes and some expenditure review and assessment and subsidy elimination. He helped us also to talk to the Central Bank of Egypt about some of the exchange rate policies. There were six different exchange rates at that time; in addition to the black market there was a government rate, bank rate, export rate and import rate in addition to the official rate.

*Q: You had to deal with that with the Commodity Import Program as well.*

KAMEL: Exactly. You cannot reform imports with that structure. We had to do a lot.

*Q: Many of these macroeconomic reforms I assume the IMF (International Monetary Fund) and World Bank were working on also. I assume you had to coordinate with them? Were there ever times where you had a different take?*

KAMEL: Not really. They followed our advice because we were present and they were coming in. I used to work with two from the World Bank and four from IMF. There was a structural adjustment loans at that time from the World Bank. There was a stabilization program run by IMF in the early ‘90s, so we worked together very well. In ’92 after I came back from Harvard, the World Bank asked me to work for them but my wife didn’t like the idea of moving to Washington; we had to stay in Cairo. But we worked closely with the World Bank and IMF. One example was the pricing of cotton. They used to call me Mr. Cotton for that because I did a lot of analysis of farm gate prices and ginning costs, spinning, weaving, and then the exports of yarn from Egypt when you compressed the cotton. We had a team from USAID and the economic office of the embassy; U.S. Treasury was there. We had a PASA with U.S. Treasury who used to sit in the Central Bank of Egypt. And IMF and the World Bank. We all worked together in the cotton sector. Cotton sector was huge sector, including not only buying cotton but the textile sector in general; spinning, weaving, and readymade garments. We had many studies in this regard.

*Q: On the economic policy front, USAID had a PASA with Treasury. That put USAID at the center of the interagency process, in the early '90s. Did that change over time? Did the embassy begin to play a larger role as the center?*

KAMEL: USAID was leading because we had the technical experts; we were a very strong team at USAID. We had a very strong mission director, Hank Basford, followed by two others – Dick (Richard) Brown and John Westley, then followed by Walter North and Bill (William) Pearson. Tony Christianson-Wagner came for a few days and left, then came Mary Ott and finally Sherry Collin (current), chronologically. Basically we were leading everything until the late '90s, when they started saying we don't need host-country contracts and we want to move to direct contracts.

*Q: I'd like to explore that a little bit because you sat on the other side; you saw the value of host-country contracting. It was in the mid-'90s you say that the pressure came to stop doing that? Were there active discussions in the mission about the pros and cons or was it just a dictate?*

KAMEL: It was dictated from Washington. That's true, at least to my knowledge. I think it's not as good as when you have the commitment and ownership from – I'm not saying it was an ideal model, the host-country contract. But it was a much better model than AID-direct. Not idea, but better because of commitment and ownership. And if you have a good leader as we did in the agriculture sector, you could do a lot. We had significant progress.

*Q: Did you see a change in the receptivity of Egyptian organizations (government or non-government) to technical assistance and the things in the contracts? When it was a direct contract versus host-country?*

KAMEL: Some beneficiaries or rent-seekers I would call them like AID direct because they can get more out of it. Some beneficiaries, especially when somebody says "How come young Egyptians in the ministry of Agriculture decide the award..." – I wasn't deciding, but somebody said that simply because we wanted a fair process. If none of you were technically valid, we would not award to any of you.

*Q: I assume you sat on technical panels in USAID to do direct - ?*

KAMEL: Many!

*Q: Many. Would you say if you had to weigh the processes from the USAID side and Egypt side, was there much difference in the integrity and success of the process?*

KAMEL: Integrity I wouldn't question; everybody's trying to do their best. In terms of success I would say I led technical panels and committees at USAID many times with very good success, because I know the details. They rely heavily at the end of the discussion and ratings they will ask if I am rating '8' and would ask "why did you do that?" And I would say, "Because of the followings: one, two, three and four." Then they

try to look at why I did a ranking and maybe rank it '8' as well. I tried to include host-country representatives in the process as well. For example, we have the assistance for trading farm project which was one by Nathan. We included deputy minister for trade in our panel as a voting member not an observer; I got approval to do that. Why? Because I want to make sure the end result will be good by both parties. So I try to include some of the practices from my work with the host government, in USAID. That's why Hank Basford liked me a lot and gave me the FSN of the year in 1992.

They always say, "You bring the two cultures together – the American and Egyptian." Most of my projects were very large and successful.

*Q: Did you find that it became easier or more difficult to have that kind of flexibility in the procurement process? You continued to work with AID until 2014; were you as able to do that in 2010 as you were in 1996?*

KAMEL: No. The situation became getting more difficult as funding declined by five percent every year. Which means every year, obligation was reduced by \$45 million until we were down to \$450 (million) in 2009. Because it started in '99 – they decided to reduce the obligation for Egypt by five percent every year. So from 1999 to 2009 Egypt's obligation went down from \$815 (million) to \$405 (million), something like that. Then after 2009, it further declined to \$250 million per year; now I heard it's maybe \$75 million this coming year 2017. It's more difficult because the less money you have... Plus Egypt's had Congressional earmarks for DG, microfinance and education. I would criticize heavily because these earmarks are coming from Washington without involving to a great extent the beneficiaries or host government. Some of them were for democracy, some for NGOs, education, micro-enterprise, environment, other ideas that may benefit very few groups here or there in the States or in developing countries. I wasn't happy with these earmarks; some were not studied or analyzed very well.

*Q: More a problem of the earmarking rather than the procurement process.*

KAMEL: The procurement process was I would call it art, with the democracy NGOs. Many of these NGOs made a lot of money out of USAID. I'm not shy to say. I know some that were very poor then they bought a Cadillac or a similar car afterwards. How? Simply because they tell the ambassadors what they love to hear, but not real facts about what's going on.

*Q: These were local Egyptian entities?*

KAMEL: Yes, but sometimes U.S. entities as well. But influenced politically or by some political appointee.

*Q: We'll come back to some of the political changes, but maybe I could go back to the policy reform agenda because you're portraying a very positive picture of a lot of reform supported through cash transfers. Were there ever occasions when there were political pressures to disperse funds when conditions had not been met? Were there issues? That's*

*certainly what was speculated in other parts of USAID; that that was always an issue in Egypt.*

KAMEL: It's true in a few cases I would say. Agriculture reform was an excellent model for real reform that was made by persuasion. USAID was a player, showed what would be the impact. It's like results-impact analysis; before you do something you have to study X ante and then X post for the impact of what you're going to do. In other words, I'll tell you if you free up your wheat or corn, how the farmer will be more interested. They will give you better yield, more production, and at the end of the day it will help the local Egyptian not anybody else. In some cases to answer your question we were requested by State – that influence started to be at higher level by State as of 1999 as AID Direct and Buy America were big deals. Later on and when Liz Cheney came in late 2002 and imposed some changes to programmatic and technical directions that USAID was doing. She imposed more State control over what USAID was doing. More clearances and political nature started to influence USAID good development efforts. They said, “We need to rush volume because Egypt will help us in X, Y, and Z.” Political; I wouldn't say what.

So we say, “OK, what do you want us to do?”

“If they submit a plan, give them \$400 million.”

“We don't do that.”

They said, “If you don't want to do it, we will do it.”

So I developed for USAID which was something I am very proud of. I don't record that; I got FSN of the year which is good; I used to get a merit award every year which is fine. I was promoted twice to the highest level, 13, of FSN which are not many people worldwide who got that. I developed what's called monitoring and verification plan. If we got an audit from GAO (Government Accountability Office since 2004; previously General Accounting Office) or anybody else we have to show that we made a disbursement of funds. So we had means of verification; this was my study and hardware. Means of verification which means the decree or copy of the law or implementing regulation for whatever we do. Terms of this were that there was an actual implementation of that decree and we see that the tariff reduction or the sale of the public enterprise was done; these are what I developed, the monitoring and verification. A World Bank friend of mine is using exactly the same model; he is getting promoted every year! Exactly the same model I developed under what's called DSP, Development Support Program. DSP-1, -2 and -3 were \$1.2 billion in value. We disbursed \$1.2 (billion). How much was for real and how much political – I would say 2/3 was real and 1/3 was for political pressure after 2003. Which bothered me; I wanted to have it all real. There may be worse situations. If I disbursed for an action plan, that means they would come back tomorrow and say “We want to have more disbursements for action plan” and we don't do this, you know?



*Q: How much of this did you actually of the interagency discussion that took place – were you able to participate in the meetings, or did the Americans tend to do it on their own?*

KAMEL: I have a file; I was a team leader. Bob Wuertz, David Dod , everybody would give me full delegation. One of the examples I can cite – I was invited to Washington. At that time Bob Randolph was the assistant administrator. He asked me to come and before they approved the obligation for Development Support Program-1 to do a presentation to interagency. Who was there? OVP (Office of the Vice President); Treasury; USTR (Office of the United States Special Trade Representative); State Department; USAID; OMB (Office of Management and the Budget). I was very scared! Bob Worth came with me to provide support and said, “You will lead the presentation.”

We had the presentation for DSP-1. After that I received my promotion in 1999 to grade 13 because they said it was a love fest. That was after the invasion of interagency on decisions made by USAID. I called it “invasion” because everything has to be cleared by everybody. But they liked the presentation very much and approved the obligation while I was in Washington. So Bob Wuertz sent the mission director an email: “It was a love fest; Ali did an excellent job.” When I came back I found they promoted me to get my job upgraded to FSN 13.

*Q: It sounds that you really within USAID Egypt that real responsibility was given to the FSNs; in many missions this is not the case. You really – it sounds almost like a model mission in terms of the working relationships?*

KAMEL: I think it was – I was fully trusted by Mary Ott, Hank Basford, Tony Wagner, Dick Brown, John Westley. Because I love my work; I really love my work before, during and after USAID. I was talking to Mary Ott and she said “You’ll keep working till you’re in the box!” (Laughter)

They give me full trust. For example, while I am now working for Creative Associates two days ago Earl Gast came and he said he was in a call with Jim Bever; Bever was my mission director in 2011. Earl said, “I was with Jim Bever and he told me a story; was it true? You were in an armored Cadillac with Jim Bever going to the ministry of Finance. Then they called the driver because my cell phone wasn’t working and the driver said ‘The minister of Finance is with me on the car phone.’ Jim Bever says, ‘Okay, give me the phone,’ and the driver says, ‘No, he wants to talk to Ali.’” (Laughter) Jim Bever keeps repeating that story, and yes it is true. I knew that Minister of Finance from when we were on the same group in the foreign relations department. Most of my friends are either minister; one was prime minister, removed in 2011. Some are current ministers, like the minister of International Cooperation. I used to mentor her; in many cases she would call and ask me to help her get a meeting or an advice. I hate to be talking about – I’m just, many people like me love to do their work and are devoted to what they are doing.

*Q: Did you see that more generally that Egyptian staff in USAID Cairo mission were listened to and had an important voice?*

KAMEL: Yes. Egypt mission had three FSN-13s. There was Magdy Khalil at microfinance, Adel Gohar (RIP) at education and myself for economic growth. You can drive huge programs. I was the CTO of technical assistance for policy from the technical assistance and support policy benchmark, a \$172 million project. I used to have one prime and four subs, and the four subs are big companies; and 56 U.S. staff and maybe 170 Egyptian staff.

*Q: As time went on and some of the younger American staff came in, did they appreciate the value you provided? Or did they sometimes feel that they weren't able to play a role themselves? I'm just curious; I saw as generations changed within USAID I sometimes found the younger folk coming in sometimes had less appreciation for the local staff.*

KAMEL: During IDI (International Development Intern) which is not like LDI (Local Development Initiative); people appreciated that. They were coming with good experience and preparation before they are sent to missions. Senior staff are \_\_\_ by themselves. I haven't seen any level now at USAID after 2010; the decline was huge in AID in technical seniority. Some LDI heartily appreciated my membership and accepted I am a leader – not their supervisor, by law, but their leader. How can I lead when I am the leader and they are my supervisor? Some of them send me emails, “To the best mentor of my life” and he's now an office director; but he was my mentee. He said, “This was the best learning process I've ever had.” Some are country representatives in Africa. Some are economic office directors. On the other hand, some were not happy with that process. “This is U.S. taxpayer money. How come an Egyptian decides for us?” Even though I was deciding for the best of the two economies. I never violated any PDs (policy directives) on anything. I have never violated the Egyptian economy as well. I would not hurt that.

I want to make a compromise that is win-win. That's my philosophy. I could never hurt Egypt or the U.S. My daughter is American! I studied here (in the U.S.) at five or six universities – Georgetown, Michigan State, Harvard International Institute for Development, Duke University, University of Colorado-Boulder Economic Institute. So I studied everywhere and know American culture very well.

*Q: You made an important distinction – because of law, a more junior American might be supervising very senior FSN staff. Yet that FSN is the leader. That's an important point, the difference between the two. Do you think there's more USAID can do to help understand that concept, the difference between the two? Or is it just some individuals understand and some don't?*

KAMEL: It could be that. It could also be – in defense, it takes two. It's not only one side. Sometimes you have somebody who's coming to learn and do international development because they are passionate about it. Some are spending two or four years abroad, make some money, get to see and go places – these are very few. Some are there

to do both – make money, have fun and meanwhile do international development. It depends.

And also from the local team. Some of them – when I lead a team, I can take the best out of everybody. “I know you write better than me so I will ask you to write it.” “I know you know that technical area better than me so I’ll ask you to lead it.” A country technical director used to be on my privatization team. Full delegation to him. He’s an American but I would never second-guess his opinion as long as I understand where it’s coming from; I will support him. If somebody on the negotiating team says, “Oh you don’t know the Egyptian system. You’re here for two days and you’re going to tell us what to do,” I support him at that point. “But this guy has something you don’t have – he got the same experience in different countries. He implemented his experience in five different countries. He knows that makes a success and what makes a failure. You don’t know that because you only live in Egypt.” This is the way I deal with officials. I always support – that’s why they still love me, my team. When there is a conflict with a minister or deputy minister with one of my staff – it’s not that the customer is always right; no. Whoever is right is always right; whoever’s wrong is always wrong!

*Q: It can be on either side of the table!*

KAMEL: I’m not saying, “You’re the boss, you’re right.” Even the former ambassador, when she was deciding on things, she liked to check with me. In her farewell party, she said “The most prominent person at USAID is Ali Kamel.” She’s now a deputy secretary. It’s better to say, “What you are saying is good, but there is another way to do it. Let’s talk about it and check with the governor.” When she checks with the governor, he says “Oh, that’s much better.”

*Q: It sounds like a good environment in which leadership allowed everyone to contribute, Egyptian or American. That’s the way it should be. Let me ask one other thing. I remember hearing years ago when I believe some kind of management assessment was done of USAID Egypt. One of the things that came out of that was an interesting – it was something no-one had focused on before – and that was the “lack of diversity” in the FSN staff in Egypt. No-one had ever realized that a significant percentage at USAID were Coptic Christians, and there was a lack of diversity. Suddenly, AID began to think that they needed to be concerned about diversity within the FSN staff. I recall it only because it was something I remember encountering in one of my missions where when I first arrived, I asked people where they came from and almost all of the senior staff came from one region of the country. I wondered if that was an issue. And I wondered whether the question of diversity among the FSN community was an issue or a non-issue, or if you had any observations and whether it is something USAID needs to be sensitive to?*

KAMEL: Absolutely, USAID needs to be. I was on the assessment team; Jane Nandy was the leader. Another FSN who was also FSN of the Year was on it. Coptic in Egypt is about eight to 12% of the population; let’s say 10%. Employment in USAID, they are over 50%. When I came to USAID, I had never realized we are Coptic’s vs Muslims; I am a Muslim. I never take care of that. But I found that some in HR (human resources)

would also give you CV of those who are not the best bad and/or Coptic. They don't give the full CV. I never – I know who was doing that. As of today, I never mention her name. I just say, you have to take care of some of these issues. Even when you go to meet with host country and they see who you have, does that mean you're biased towards... Biased towards minorities is good, but not in all cases. I also found that one family has over a dozen employees at USAID. They don't say they are relatives. There is no diversity.

Some mission directors were very good at that – Hank Basford, Mary Ott. Some don't care; "Oh, how can I correct that? I'm not going to fire 50% of my staff." USAID is not very careful. That's exactly what I was trying to say about local NGOs; you don't select the right people. CIP similarly; there was the same beneficiaries when it moved from public to private sector. I could have gone to my cousin and say you can apply to get money to import yellow corn and sell it in the black market in dollars and you will be a millionaire. Of course I didn't do that, but I am telling you there were... Audits may not be able to find these. But these are knowns.

*Q: Do you think leadership of USAID in a mission can help define what the standards and norms should be?*

KAMEL: If they can't, they shouldn't be directors. If they cannot, they should get somebody to help them to do it, somebody trustworthy. If they don't, it's not the right situation.

*Q: Going through the process, from '99 the process of reducing the size of the Egypt program began. I'm sure that was a very difficult process.*

KAMEL: At that time we had a lot of help to at least move for four more years. At that time, we did not realize the impact of the budget cut because we had the pipeline. We also had something unique for Egypt, which is the special account – the local-currency generated special account. For every dollar you spend on CIP or cash transfer, when you use it not to pay U.S. debt or Paris Club debt but to buy U.S. commodities. Egypt opted to do both, 25% maximum debt payments that don't generate local currency special account, and 75% buying commodities that generate local currency.

*Q: Local currency equivalents were deposited?*

KAMEL: They were deposited into special accounts. That is programmed by USAID and MIC.

*Q: Was it jointly programmed?*

KAMEL: USAID, and signed and agreed to in an MOU (memorandum of understanding) by the government. But USAID developed the uses.

*Q: What were the uses?*

KAMEL: Primarily for supporting ongoing government programs. General budget support and sector support. Also, specific sector support was also provided for some activities. For example, paying the equivalent of cash transfer to the ministry working with the U.S. on agricultural reform. The incentive or carrot approach. Others were used for paying FSN salary or even some of the Cairo American College tuition for American kids. Some for American University in Cairo, AUC endowments; we pay a lot of money to AUC. Some for special foundation; an endowment like Egyptian Center for Economic Studies (ECES). You can see that in the MOUs. They reached 26 or 29 amendments to the MOU for the special account.

*Q: So programmed by USAID but agreed upon by the government?*

KAMEL: Normally, USAID would put the draft MOU and send to the ministry of International Cooperation to sign. Sometimes there is a negotiation; they ask them to come and sit and negotiate the uses. Sometimes they say, “We don’t want to give that ministry LE100 million; we’ll give them only LE50 million because we need more money for budget support.”

*Q: Were you involved in the programming for those funds as well?*

KAMEL: It was the program office. They come to us to get consultation from technical offices when we had implementing agencies working. Like when I did the cash transfer – Ministries don’t get anything from the dollars because they go to the Central Bank. So I ask them to include an equivalent in Egyptian pounds in the ministry budget. How do I know that? I look at the submitted revised budget. I was involved only in cash transfer. Sometimes they asked my involvement when they developed the Egyptian Center for Economic Studies, to give an endowment. Even though they are now independent, they started by supporting USAID activities and doing economic studies in support.

*Q: There are institutions that were created because of the availability of these local currencies. They’re no longer receiving anything from USAID but there were endowments done.*

KAMEL: The endowment is still working; they put it in a bank account and get 15% on it every year which is more than enough for their operations, to buy a place, to pay salary.

*Q: Some of the Egyptian think tanks would still exist and still contribute to the policy environment.*

KAMEL: Yes. And AUC built an entirely new university building, a new campus using special account. Ministry of Finance received money to build new buildings for the ministry.

*Q: I know the inspector-general’s office had an office in Cairo. Did they audit the special accounts?*

KAMEL: I think they didn't. Who audited the special account and cash transfer was the GAO. A team came in 2005; I was the liaison with them. They had I would say eight boxes of documentation with them when they left. Sarah Harrison and a couple of others. They audited all of the dollars and pounds special accounts, for both.

*Q: A positive audit?*

KAMEL: It was good. They gave us good – except in some areas, where they didn't. I was honest with them, said “This area was a boondoggle or a gift.” They said, “Well we can't say that...”

*Q: As the program was declining, was that difficult – I guess for a while the special accounts were there but they began to shrink. Was at some point morale affected by the reductions?*

KAMEL: Definitely. Until Egypt became the regional office for Yemen, Lebanon, Morocco plus Iraq and others. Even the Office for Middle East Partnership (OMEP) at that time.

*Q: That's right, the regional platform was created in Cairo.*

KAMEL: Created and then moved supposedly to Morocco, then they say, “Frankfurt.” I heard that Mara Rudman, former AA decided to move it to Frankfurt.

*Q: You started doing some regional work?*

KAMEL: Yes. For example, we went to Yemen in 2000 to develop a country strategy after we were going to reopen the mission. A team of five – four Americans; I was the only FSN in the team – met with all ministers, private sector, NGOs. Then we developed this strategy proposal for the government. They loved the proposal.

I did a lot of regional work for PFM, public finance management, with IMF technical assistance team in Lebanon. OMEP (Office of Middle East Partnership at that time, now MERP (Middle East Regional Platform) in Frankfurt. I did a lot of work for State MEPI (U.S.-Middle East Partnership Initiative) as well, helping the African Development Bank donor assistance group. Egypt had some models to be used in Iraq; they wanted to use the same cash transfer program. So Bob Wuertz and Paul Bruning asked me to support them. I didn't go to Iraq, but I supported them. Yemen, Lebanon, Morocco, and so forth I supported.

A team from Vietnam came to me to give them advice on the best way to do municipality competitiveness index and regulatory guillotine approach. I was working with the governorate competitiveness index with the Egyptian National Competitiveness Council. We gave them the model and indicators; they used it very well and implemented some of the recommendations before we finished ours!

*Q: You have to go study theirs!*

KAMEL: Another model they used (it's my baby) is called Egyptian Regulatory Reform and Development Activity. ERRADA, or the regulatory guillotine. It was my baby, which helped to create low-cost, low-risk regulatory environment for investment and businesses, for trade and investment in general.

*Q: Was this building on doing-business reports from the World Bank?*

KAMEL: Yes. I did that with many people and we created that initiative. It made Egypt a top reformer in 2007 and made it one of the top reformers in 2008, '09, and '10. Until 2011, we declined back. We moved from 165 to 94 in 2009; now we're backsliding, we are now 126 or something out of 188 countries. The smaller the number the better.

*Q: When did the political change began in Egypt?*

KAMEL: January 2011 was the revolution, then came the military council. Then came the Muslim Brotherhood. This is when I decided to leave Egypt and came to work here. Though I was extended at USAID after I reached 60 years of age, the mandatory retirement.

*Q: In Egypt?*

KAMEL: Yes.

*Q: So by Egyptian employment law, you have to retire at 60?*

KAMEL: Yes. USAID asked me to stay for two years, but I left after six months in March 2014. Mainly because I didn't like the economic and political trend, I didn't like what was going on, and I understood that Mary Ott was leaving and there would be a new mission director. I felt there is a lot of fighting for a small piece of cake, so I thought better to be away from that mess.

*Q: That must have been a very difficult time, between 2011 and 2014.*

KAMEL: In 2011, Jim Bever was the mission director. He asked me, "How do we get the best economic support to Egypt?" at that time. He suggested something like an economic growth annual program statement (APS). I told him I will collect all of the facts; I was also the FSN cochairman at that time.

*Q: You had a committee within the mission?*

KAMEL: Yes. I told him "I'm going to sit with all local staff and see their views about how to use the \$200 million potential budget."

Everybody had ideas. We collected them and put them together in what's called EGAPS-Economic Growth Annual Program Statement. Then came some LDI who said, "I want to lead that." I said, "Sure you can lead it." The selection of awardees was not good for some of the recipients. Some were excellent, some not good.

*Q: Was this done through the procurement process?*

KAMEL: Yes. It was like an APS-Annual Program Statement. We give grants to American and Egyptian. But they say, "There are more grants to Egyptians. But the amount of money, you'll find the balance is small for Egyptian entities." One of my best grants to local firm to provide vocational training for young girls who do not know how to read and write; they give literacy training and if she got married gave a sewing machine so she could work at home. The factory is still working. I swear, I got a call every month (later, every two months) from the owners, a young woman and a young man. They say, "We're doing great! We have eight production units" (they started with one), "and we have hired over 700 girls." They opened a vocational school in Alexandria; it's called Pink Cotton. One of my favorite projects.

*Q: Do you think in that period more could have been done with local Egyptian organizations through APS?*

KAMEL: It should have been directed to local groups. Why? Because these grants are small. If you have – I'm not saying there aren't good U.S. models. But due to the nature of it, you should direct them more to local beneficiaries. And we didn't improve capacity. We did the pre-award assessment with them, what to do. We improved it significantly. Now if we go to Pink Cotton, they know how to file, to keep records. That's the best solution. I'm not going to spend X back who will spend two million dollars in two years.

*Q: How did you do the pre-award assessments? Was that done by the controller's office in the mission?*

KAMEL: Yes by the controller's office. But I am an expert in public finance management results assistance frameworks (PFMRAF); I even gave lectures at USAID. Basically, you go and do the assessment of their entire system, not just finance. Technicality as well. The competitive advantage versus comparative advantage. For example, if they have some product like 100% Egyptian cotton t-shirt. If you do some branding and some quality, you can sell it at touristic areas for four times more. This is a competitive advantage. You can do your comparative advantage. But how to move it. The four Ps for example. That's where I insert my economic knowledge to the project. We invite procurement and legal, too. An issue for example – Walt Disney photo without license. We told them, "No you cannot export that without a license." Egypt is very, 99% of people have Mickey and Minnie Mouse without any IPR (intellectual property rights). So you have to follow the right process, and that's why we include program and legal sometimes.



*Q: If you were doing grants to local entities, the technical office would take the lead to do that appraisal and bring the right people in.*

KAMEL: That's not how USAID normally does it. They normally do pre-order assessment by a team from FM (financial management) ; sometimes with a technical person but they were often not very interested.

*Q: You wanted a more holistic view.*

KAMEL: A broader approach. When I took the legal, program, procurement, and FM, we developed an excellent model for Pink Cotton they still live on. It's a sustainable model

*Q: That's interesting because I was talking to someone else this morning who comes out of a controller background about pre-award assessments.*

KAMEL: I can say, I'm not saying we're better. I'm saying we are better in some areas and they are better in some areas.

*Q: Was there a formal process within the mission for this?*

KAMEL: A formal process but I inserted –

*Q: You expanded it?*

KAMEL: Exactly.

*Q: The mission only required a narrow pre-award assessment and you wanted a broader one.*

KAMEL: Exactly. Even if you look at the current FSN staff – I worked with Matta Matta, and Sherif Zohdy who was procurement, some areas. Most liked the way we did it. I don't care who leads – I care that it's a holistic process. Who leads? Sure, my janitor can lead! I don't mean FM.

*Q: Understood! We could stop now and talk more at a later time? And talk about your current experience at an implementing partner as well.*

KAMEL: Sure.

*Q: Today is January 4<sup>th</sup>, 2017 and we're continuing the discussion with Ali Kamel. Ali, when we wrapped up our last session we were talking about the various kinds of policy reform programs that you worked on. I'm wondering if you can give us some idea of which of the sub-sectoral programs, what kind of economic reforms were most successful that AID supported. Then any thoughts you have on why some were successful and some less so.*

KAMEL: Sure. One of the sectors that was very successful was agriculture, where we eliminated all government control on crop rotation, the mandatory cropping pattern, the delivery of metered crops and subsidized at government prices which were by far below international prices, and much below any economic benefit to the farmer at that time. We were very successful to eliminate all of these; we called it the liberalization of the agriculture sector at that time. Not only on crops, but on the inputs as well like fertilizer, pesticides, seeds and so forth – privatizing these services which were monopolized by government and giving very poor quality, very low prices for farmer harvest. It was not fair at all. Accordingly, productivity jumped in several major crops like rice, wheat, fava beans, barley, sorghum – many; even sugar cane. You can name many - the 14 major crops that Egypt produced in winter and summer.

Some of the macro policies were successful, including compliance with WTO (World Trade Organization) for example. We tried to make sure that Egypt complies with sub agreements under WTO like the Sanitary and Phytosanitary Agreement, GSP (Generalized System of Preferences), IPR, plus other things. We addressed several issues under WTO.

Another successful sector I would say is fiscal reform and tax policy. To some extent, customs and tariff reforms. But not on the government expenditure. We did our best but in vain; it wasn't very helpful. We tried to create what's called a mid-term expenditure framework to plan better for government expenditure over three years. A bottom-up approach, but never implemented; the government wanted a centralized system they could control. They would never give to the municipality level for example some of the autonomy or freedom to plan their expenditures and/or to retain some of the revenue they received at the local level. They have to remit everything to the central level.

Basically, some of the same that we also succeeded which were very useful were some internal trade policies. External trade was very difficult; we tried to have the time of clearance for imported and exported goods reduced to international levels like ours; it was still days or weeks. We couldn't get it down despite our trying to take big guys from the government of Egypt to visit Singapore or Malaysia and some of the successful models in customs and border activity. Trade facilitation, we called it and that was very difficult because every entity wanted to keep its power; there were many rent-seekers who make money out of this. The corruption was more powerful than our efforts and we could not...

*Q: So reform was easier in those areas where there would be less informal rents?*

KAMEL: Exactly. That's exactly what happened with the privatization program. We tried to privatize government-owned enterprises – what do you call it, State Law 203 firms – where the government owns factories making everything from biscuits to cars to steel and iron. Some models were very successful and some became until now excellent profitable organizations, like Pepsi-Cola and ceramics and some light and heavy industry. However, under big industry like steel and iron, there was no transparency. They give it

to somebody and that body became like an anchor investor. We were against the anchor investor idea, although it's part of the privatization process and the definition. We tried to avoid vested interests and conflicts of interest. Of course, two models were successful but the rest of the six models were not on the steel and iron factories.

Partial privatization was not helpful because still the government owned 51%, so they still control management to today and are making big losses. The government has to pay a lot of subsidies to keep them going. Textile was another area where it was not a success story, including from ginning, spinning, weaving, ready-made garments and on. All of these stages from the ginning of cotton to ready-made garments were not very successful, I would say, though weaving was dominated by private sector after the early liberalization of the agricultural sector they said. But still control of yarn at the spinning level and/or the importation of cotton which is controlled by the ministry of Agriculture did not play favorably to the open market economy.

*Q: You've seen that obviously the government's own interests in making those reforms would be a key variable and obviously corruption factors into that. I assume there was a lot of dialogue ahead of time to try to identify those areas where potential reform was greatest? Was that a broad-based dialogue within the mission?*

KAMEL: I think you're very correct because when we made the government own the reform, there were successful reforms and there were champions coming from government. They know there are corrupt rent-seekers and they want to fight them together with us. That's why they tried to say on the agriculture sector; they were very strong, they just get rid of the cooperative, which was the main corrupted entity at the local level everywhere in terms of receiving crops, selling inputs – everything; controlling the farmer from all angles. And so we agreed we would work together we did very good spade work and assessment. It's like regulatory impact assessment: what would happen if we did this? And we provided these assessments and analyses to the decision-maker at the ministry. I remember one of them was a close friend; Mahmoud Nour was the undersecretary for planning at the Ministry of Agriculture, and was a real reformer. He knows every detail, the challenges, the weaknesses, the critical paths and so on. So we gave him ownership to work with us directly and that's how we got some good results in these areas.

*Q: The dialogue between USAID and different parts of the government – who participated on the USAID side?*

KAMEL: We tried to link it to an earlier assessment called Strategy for Accelerating Agricultural Development (SAAD) of Egypt. That was a presidential mission headed by Dr. E.T. York, sent by President Reagan at that time as a promise to President Mubarak that he's going to help him to promote the agriculture sector. We used that assessment and some of our analyses and studies. From USAID it was mainly economic growth and agriculture economics office, as well as the economic analysis office. We also included Economic and Political Office at the embassy with is in the discussion. Sometimes we had to bring topnotch experts like John Miller or Lee Fletcher, Ron Kranz, Dale Adams. I

still remember the names; they are big names in agriculture reform. Kelly Harrison, John Mellor, etc. We asked them to present successful models to the government before we negotiated. So they presented their best practices and best models world-wide. Then we simply said, "Here's our plan" and we developed a monitoring and verification plan, which included very detailed steps on what was needed. From day one, we had a step-wise or phased implementation. "We'll increase the price of subsidized flour by 25% this year and by 50% next year in order to reduce the negative impact on farmers, until they realize a profit." It's not an immediate impact to get gains from reforms; sometimes it's medium or even long-term.

*Q: It sounds like much of the dialogue was very technocratic and it was experts talking to experts. I think sometimes when we talk about policy dialogue we forget that it is experts talking to experts.*

KAMEL: Absolutely. It was to some extent a carrot and stick approach; if you do that, we'll give you performance assessment. We'll also help you with technical assistance on how to recover from any potential side effects or repercussions as part of the immediate or short-term remedies. Plus, we had what's called a participatory approach. For example, we visited farmers and fields and factories and private sector, and we tried first to collect individual points of view, then we put together a roundtable where we had everybody. If you bring them together without preparing for what you're going to do, you have to develop your plan on an individual point of view, then collectively bring them together and suggest something. That is much easier than presenting to them collectively without doing the homework.

We were very successful in many of the sectors. The banking sector was not very successful. We privatized one of the public banks, the Alexandria Bank which was sold to an Italian bank. We allowed new private sector banks to enter the banking sector. I wouldn't say it was as successful as the other sectors; still controlled by the Central Bank.

*Q: Did you all do any work directly with the Central Bank?*

KAMEL: We helped the Central Bank develop what's called internal and external bank supervision. We also created what's called a PMU, project management unit. And also we created the monetary and exchange rate unit in the bank. We brought some expert who used to work at IMF and co-paid his salary in order to attract him to work for the first year. That was also an excellent mechanism. Some of the experts are still there; one of them became a governor of the Central Bank, Tarek Amer. He's the current governor and was one of the consultants under the implementation letter we developed early on. We didn't publicize that because we wanted them to have ownership. Even now we try to give credit to the key player from government.

*Q: It's interesting, the breadth of the policy reform efforts that USAID was involved with in Egypt over a long period of time. Often when one reads about that era of USAID when USAID globally was doing more work on policy reform, one reads about tension between*

*the AID mission and the host-country government. It sounds like things operated in a relatively collaborative way?*

KAMEL: Many people claim it's mainly because of the relationship that was created partly by myself because I know most of the players in the ministries when I used to work in the foreign relations department; I was meeting with everybody. Second, the mission director and office director at that time were very professional. I'm not criticizing the current ones, but they were seasoned; they knew what they were doing. They came with multi-cultural and long years of experience. You'll find the mission director who served in five or six countries before Egypt. You don't see that now. Also office directors, who have 15 or 20 years' experience – you don't see that now.

*Q: Were the mission directors themselves involved in much of the policy dialogue?*

KAMEL: When we meet with a minister or the prime minister, normally the mission director will join, and sometimes even the ambassador. A couple of ambassadors were very, very interested.

*Q: So the dialogue was taking place at multiple levels, technocratic and political. And at the political level, the AID director and possibly the ambassador would get involved.*

KAMEL: Yes, that's true. They don't show up every month or quarter, but when needed. When there's a meeting with the prime minister or deputy prime minister – who at that time was also the minister of Agriculture who helped us a lot. Here, the mission director and the ambassador would join us. Frank Wisner, he speaks Arabic, he visited with us when we were doing the assessment for how to liberalize the agriculture sector. We showed him with the minister at a joint visit field-side; minister of Agriculture and the American ambassador, visiting a farmer and talking to him.

“What bothers you?,” they asked.

“Everything! For example, they took my crop for the price they set, and gave me in-kind loan, gave me input at current prices. At the end of the day I find my pocket empty!”

*Q: You were educating both the minister and the U.S. ambassador!*

KAMEL: Exactly. It was perfectly done I would say. My counterpart was the undersecretary for planning at the ministry of Agriculture; he was the most powerful minister at that time. He is still alive, bless him – he is 85 years old or so. But he's a fantastic person; he was a fighter.

*Q: I know that you also became heavily involved with the technical assistance side – policy reform, economic growth agenda of the USAID mission. Can you talk a bit about how that was structured and how you did that to maintain the collaborative approaches with the government and their own ownership?*

KAMEL: In order to succeed on any policy benchmark at that time, we had to study it very well and develop analysis and monitoring, evaluation, and verification activities for it. We have to bring the experts to talk about best models and how – and we were only able to do that by providing technical assistance like TAPR2 – technical assistance for policy reform two. We started with TAPR1 to assess some issues and challenges. I was not heavily involved in TAPR1 but TAPR2 I was the leader.

*Q: When did that start?*

KAMEL: TAPR2 started in 2005 and went to 2010. At that time, we had a lot of – if I remember dates correctly – it was a five-year program. We developed components based on the same component we wanted to address in our policy reform agenda. For example, we wanted to address trade facilitation. So we have a component on trade and customs. We want to address banking sector, so we have financial and insurance and non-financial institutions. Then we want to address fiscal reform, taxes and expenditure in particular. We include the component in TAPR2. I drafted the scope of work with the help of two bosses at that time, Joe Ryan and Mark Gellerson. Mark is now at MCC (Millennium Challenge Corporation); he left USAID. We developed a scope of work based on our needs – how can...

*Q: To support the ESF (Economic Support Fund) cash transfer program.*

KAMEL: Exactly. How to make sure we're doing the right thing – we're not hurting. If you make a mistake on these issues, they will not trust you. Sometimes you have to show low-hanging fruit and quick wins, and sometimes you tell them "We will not have a quick win; we'll have it in two or three years. And so we'll support you with cash transfer until you ..."

*Q: Did that affect the timing of the reforms in the cash transfer program? Because the analysis would show it's impossible to make this reform that quickly, so you affected the structure of the program?*

KAMEL: Sometimes we do it anyway but not aggressively. Suppose we know that the fertilizer price was only 20% of international export price. Same company exports for \$100 and sells for \$20 in the local market. So we say, "Why don't we raise the \$20 to \$30 and see the impact?" Meanwhile, there is bad impact with supports of prices of the crops. Or we give another free mechanization to support whoever.

*Q: Some of the short-term costs were covered by ESF cash transfers?*

KAMEL: Yes.

*Q: Was there one contract for the TAPR2 program? Or were there multiple contracts for the different components?*

KAMEL: There was a prime contractor; at that time it was BearingPoint which became

Deloitte\_\_\_\_. And there were many subs like JE Austin, Nathan, DAI, Crown Agents, big companies.

*Q: Who took the lead on the components?*

KAMEL: Exactly. Like Nathan is very good in trade. DAI is good in governance, fiscal and so forth. It depends. At that time also proposals were very strong from many companies.

*Q: When we spoke the last time, you talked about how you were sad that USAID moved away from host-country contracts, that you tried to explore ways to bring the host-country voice into the contract selection process. Did that take place in the TAPR2 project?*

KAMEL: Yes.

*Q: There was a selection committee?*

KAMEL: Yes. We brought the deputy minister of Economy Amina Ghanem, as a voting member in the committee. Sometimes the minister did not know how much he could be involved in the discussion; we told him there is an NDA, a non-disclosure agreement, and you cannot ask your deputy for any information. We tried to explain that before we started; otherwise there would be leaks and so on. We were reasonably successful in making sure they understand our USAID regulations as well.

Again, technical assistance and policy reform, a mix of both, is very important.

*Q: Technical assistance – did it involve some long-term advisors? Or was it mostly short-term and analytical work? Or a balance?*

KAMEL: There was a component for each of the separate components of TAPR2. There was a component long-term and maybe another long-term based on how big the load is – like the Tax Policy and Administration, there were three long-term experts. Then when we need topnotches, we can bring for short term because we cannot afford the long-term salary. It was a mix, but mainly long term and short term when needed for very specific areas. The long-term experts were really SME (small and medium enterprise) subject matter experts and were very knowledgeable. When the USAID team was very strong the technical assistance team was very strong as well, is what I'm trying to say. When you have a strong evaluator, you have a very strong team of experts. When you have weak evaluation, you'll have overpromising and unrealistic targets and so on as we are seeing now in many projects. Definitely, evaluation is critical and how to involve the government.

*Q: Did this contract include evaluation in it?*

KAMEL: No, evaluation was not included but they included monitoring and verification of policy component, which is not evaluation. They want to verify the accomplishment. Of course, the legal regulations done by USAID team; I was a team leader for that. We simply have very strong process for verification, and evaluation was by a third party; we normally brought a smaller company to do evaluation because they cannot be involved in both the implementation and evaluation.

One other thing also I would say that was critical – when you develop annual work plan, it's critical to involve the implementers in that design, include them in the design. Maybe the scope of work in general, but when you go down to the level of work plans, you talk about specifics, you have to include the counterparts and the stakeholders - even the beneficiaries sometimes. You listen to them; is that the right way to implement it or not? We had very successful projects based on that participation of everybody. And then at the end of the year when the contractors submit the results, we not only wait for evaluation but share these results with the beneficiaries and see how they are satisfied. Are you satisfied with that, or could there have been better approaches? What do you recommend for year two or quarter two?

*Q: That is something that you and USAID did as oppose to the contractor doing it?*

KAMEL: Yes, it was mainly USAID requirement. I requested biweekly implementation meeting with the contractor, which was a bit not normal. But in all of my projects we have biweekly implementation meeting where we review accomplishments, issues, challenges, and unmet targets.

*Q: You were overseeing this large umbrella project, and there were probably people in USAID who were only dealing with different components?*

KAMEL: That's correct.

*Q: So when you would have a biweekly meeting with the contractor, to what extent did you have to involve the component leaders within USAID as well as component leaders within the government of Egypt – or did you deal with different components separately?*

KAMEL: It depends. We have \_1-2\_\_\_ managers for each component from USAID side, and a component lead from the contractor, and government lead for each component. If we're going to discuss component A in this week's biweekly meeting, we simply bring relevant people to the meeting. If we have a general meeting like on the annual work plan, we bring everybody. I call it a team building workshop; many people use that term afterwards but I used it early like in 1989. They liked it, so... When you build a team everybody knows what's being done. That's exactly what I'm doing here when I joined Creative; we'll talk about that afterwards.

*Q: Were there any special challenges? This sounds like it was a key project to everything the mission was trying to accomplish on the policy reform agenda. Were there any complexities or difficulties for you within the AID mission as an FSN having the breadth*



*of this responsibility? Obviously vis-à-vis the government of Egypt it was helpful, but did you have challenges within the AID mission?*

KAMEL: The AID mission was quite supportive. The only thing as I told you, if I have on TAPR2 there were about 12 USAID activity managers, including embassy sometimes. I do not supervise them. I'm a team leader and a team player; I'd say I'm a coordinator. But legally I cannot supervise a U.S. direct hire. So it was done in a very formal but friendly way. I didn't have any challenge except when there were some discussions on PD, policy directives, for example. Or, "If you work on that, you cannot work in this area." Which to some extent either working on development or politics, sometimes politics and optics are more important for some people than development. Until this point, that's very true – politics and optics are more important than development. They want to get some numbers and that's it. No, that's not we're supposed to do. As development experts, we should be looking at our impacts and the results of what we're doing. I can give you 10,000 trainees, 90% female – but then so what? They're trained and sit home doing nothing because we just covered their name, we collected \_\_\_\_ of those people. That's not what we're supposed to do. We're supposed to do some real impact.

Q: You joined AID in 1989, and now we're in the mid-2000s. Did the role of FSNs within the USAID Cairo mission increase throughout that period? Were you somewhat unique, or was that fairly common throughout the mission?

KAMEL: Actually, there were other examples of FSN leaders in the mission. Very strong FSNs in education in particular, Democracy and Governance DG (I), and in program office as well. I still remember my colleagues; they were very strong. One or two were grade 13ers; as I told you three FSN-13s were in Egypt. Because they know our network, our contacts and so on, some people were shocked when they came and found that I was planning to meet with the minister.

"Can you do it yourself?"

"Sure, why not?"

"Because in the mission I'm coming from, FSNs are not allowed or are not exposed to that level."

Maybe because FSNs in Egypt have very long experience.

*Q: Interesting because it's a mission that traditionally has a very large number of American staff, but simultaneously did a great job of empowering the FSN side. You'd think that those would be at odds with one another but they weren't, which is a compliment to the leadership of the mission.*

KAMEL: Actually the mission director during the time where I lead the agriculture policy reform, when the most important minister at that time was the minister of

Agriculture, was Hank Basford. He and my direct boss, the office directors, John Foti, David Dod, and Ed Stains told me “Go ahead and lead it. We’ll support you.” That was great.

*Q: Looking at you’re CV, you also mention special program on competitiveness? Was that after TAPR or simultaneous?*

KAMEL: After TAPR2. Egypt Competitiveness Program (ECP). It’s a follow-on to TAPR2 but much smaller, about \$32 million. TAPR2 was \$130-something.

*Q: Was there a TAPR3? Or did that approach of having an umbrella policy reform program end with TAPR2 and they moved to different kinds of support mechanisms?*

KAMEL: What happened during TAPR2 was the mission director found we had about 28 different projects being implemented at the same time. He asked why we didn’t consolidate all of these projects into one or two or three. So we developed three big projects: TAPR2, National Agricultural Research Program (NARP), and the third was related to local development like infrastructure with water. So we designed these three large projects; TAPR was the largest. That’s why most of the CTO became activity managers including Americans and Egyptians. Who should lead TAPR2? Mark Gellerson at that time said you should be the CTO or at least the co-CTO. We started with Mark and myself, then I became the only CTO for TAPR2.

*Q: Then the mission changes mind again and decides to do smaller projects!*

KAMEL: Not really. It could be that the budget level was down significantly. So ECP (Egypt’s Competitiveness Program), trade, and IPR – the split TAPR2 into three. They kept agriculture and infrastructure sectors separate. These are the three sub-projects. Each was divided into two or three. Egypt’s Competitiveness Program was sort of four big components – one on policy reform, one on business processes, labor market, and financial sector. TAPR had seven. This didn’t include for example fiscal policy and tax administration; we addressed it but it was not a big component, just small studies and activities for VAT (value-added tax) and property tax.

*Q: So a major part of this was on workforce development and training.*

KAMEL: Exactly; component three was mainly on labor skills and productivity. We did that activity mainly because we moved to the technical and vocational education training. At that time, we found there were many graduates from university who could not find a job while factories needed technical skills that are not available.

*Q: This is around the 2010?*

KAMEL: Yes, 2010 through 2015.

*Q: This was a time when there was great concern about youth unemployment.*

KAMEL: Exactly. How to create employment for youth to avoid being recruited by radicals.

*Q: Was it successful in being able to help increase jobs for young people?*

KAMEL: I think it was successful to a great extent because the activity managers were great. Ingi Lotfi, Rasha Abdel Hakim, and Manal El Samadony. They gained a lot of experience in TAPR; they were the same activity managers moving from TAPR to ECP. They gained a lot of experience, knew the challenges, knew their counterparts. It helped them a lot to move on. However, during 2011 it was almost hibernated because of the revolution. We designed something to complement it called Economic Growth Annual Program Statement for USAID, which includes 60 different grants to U.S. and Egyptian groups. The number of U.S. ones were smaller but value was higher because local capacity is not very strong.

*Q: This was all taking place – I'm trying to remember when the Arab Spring and the turmoil began in Egypt. Was that about this time or a bit later?*

KAMEL: It started January 2011. In June 2012, Muslim Brotherhood took over which was the worst year for Egypt.

*Q: So there was about a year where...*

KAMEL: The military controlled the Supreme Council.

*Q: Mubarak had been ousted...*

KAMEL: And the military took over for a year. Then came the Muslim Brotherhood.

*Q: How did that – was AID able to continue its work relatively smoothly during this period? Or did everything slow down and become more difficult?*

KAMEL: I think it was – we had many annual program statements (APS) that created a lot of tension between USAID and the government because the government didn't want to give grants to others directly.

*Q: So you began to do less directly with the government and more with the APSes?*

KAMEL: Yes.

*Q: Did the cash transfer still exist?*

KAMEL: No. It had ended. Cash transfer stopped in 2012 or 2013 with the reduction of the amount of money. I remember the last agreement – a monitoring and evaluation plan – was signed in 2013. We verified it; we couldn't revise afterwards. But cash transfer

stopped at that time. We focused on technical assistance. At that time Egypt's obligation declined to \$200-300 million level. Some earmarks were for education and SME, microfinance. The rest was not big enough to develop new cash transfer.

*Q: How receptive was the government to some of these kinds of policy-oriented technical assistance programs if there was no cash transfer attached to them?*

KAMEL: There was some leverage at that time which was the special account, local currency generated from the cash transfer. We used these as leverage to some extent. We have what's called Sector Policy Reform Program which was not very successful. We tried to disburse funds. It was led by the program office at that time because it included three offices together: our office, economic growth; DG; and education and health. We didn't disburse any money. We kept education policy benchmarks and so on. We put a condition in that program in 2011 or 2010 to replace the ongoing cash transfer. It's all or nothing. So if you have five benchmarks in investing, customs, banking, whatever – if you do all of them, you get the money. If you do 4.9 of the five, you get zero.

*Q: In the past you structured it individually?*

KAMEL: Yes.

*Q: It sounds like it might have been a more difficult policy dialogue during this period!*

KAMEL: Yes! (laughter) The intention was just to have a policy program. From day one I told them it wouldn't work and that's why I didn't want to have it in economic growth and it moved to program office. That's fine; please take it away! You want to be successful – after a successful project, you want to be more successful not less.

*Q: So you were then managing the technical assistance activities and were still able to do useful work?*

KAMEL: Yes, I was doing – I was part of the chronology of economic reform. I developed some paper for what was called the growth diagnostic which was HRD (human resources development) methodology. We did some work on the APS. Then I was planning to retire in 2013, my legal age for retirement. They asked me to extend so I extended for another year. They wanted me to extend until July 2014, then July 2015. But I left in March 2015 before my term ended because I got a job with Creative.

*Q: Before we leave Egypt – it must have been very frustrating to be working in an environment where everything was unraveling and there was political uncertainty everywhere. Do you have thoughts on – are there things USAID could have done differently during that kind of period?*

KAMEL: My worst year with USAID was 2012-13, when the Muslim Brotherhood took over. Wherever I go to a ministry I find new advisors coming from the Brotherhood.

Their main interest was, “How are we going to make money out of this?” I said, “No, we’re working for Egypt. Not our personal development.”

Anyway that was in the ministry of Finance for example. I used to handle an activity called ERRADA, which in Arabic means well or determination. That was mainly eliminating unneeded rules and regulations, to clean up. It’s an OECD (Organization for Economic Cooperation and Development) methodology where they do what’s called host low risk business environment. When we started this project in 2007, Egypt became much better in doing business. We jumped from 165 to 94 as a result of some of these policy reforms and ERRADA. Then when Muslim Brotherhood came, they stopped ERRADA until they could see what they would gain out of it. So, I didn’t hate ERRADA but I hated the players. When I go to Finance of ministry of Investment or ministry of Trade, they were all the same advisers, moving from one place to another. They tried to control all government and ministries by putting the same advisors.

*Q: Were they government officials?*

KAMEL: No, they were an advisor – they can hire them without any...

*Q: So they weren’t part of the civil service, they weren’t performing governmental functions. They were overseeing.*

KAMEL: They were performing government function, but were not government functionaries. They were performing governing functions and were paid much higher than government employees because they were advisors, and could be hired by decree. So I swear I went to a meeting where 20-plus advisors were in the room, and when I entered I didn’t know any of them. None of them were technical. “What are we talking about?”

*Q: People from the president?*

KAMEL: From the Muslim Brotherhood. If you have an ID (identification), that’s your qualification. So at that time I didn’t like it because the U.S. government supported the Muslim Brotherhood, claiming they were democratically elected so we have to support them. So in one year they destroyed most of what we did. On privatization, they got some hotels back from private sector and they owned them themselves. Not many people know this.

*Q: They didn’t appropriate them - they just turned over the ownership to them.*

KAMEL: Right, to some investor like Khairat el-Shater who was their nominee for the presidential before Morsi. Not many people know about these details but I met these details inside ministry of Trade and ministry of Investment and ministry of Finance. These were my three direct ministries under ECP. Then Morsi, Muslim Brotherhood were ousted by the people’s desire and with support from the military. We didn’t expand the military to rule Egypt afterwards; Adly Mansour was the temporary president for a year

or so until Sisi was elected. In the beginning, he said “I’m not going to nominate myself to be president. But based on popular demand, I am your president.” Which I don’t think he assigned the right cabinet; that’s why Egypt was not moving in the right direction. I feel very bad for the reform I can see they’re doing in many areas and the megaprojects they continue to do without even studying and learning or completing the previous megaprojects like Tosh kala, the Peace Canal; like the Qattara Depression; like many “will never be completed” projects. They keep milking the cow.

*Q: Are many of the technocrats that you worked with over the years still in the ministries?*

KAMEL: Yeah, some of them are back after the Muslim Brotherhood left; many of them are good. But the decision-makers influence them so they don’t have the say or the guts to fight. So they are very good. One is a close friend who is now minister of Public Enterprise; he’s doing a great job in recovering some of the corruption that was stolen from these public enterprises. Some of them had significant infrastructure, moderate (I wouldn’t say ‘modern’) infrastructure. They are not very happy, but...

*Q: Let me go back to that period of huge political instability. I assume that would be very difficult for the Egyptian employees working for the U.S. government during that several year period, probably continuing today in some sense. Are there any lessons learned or sensitivities that USAID or the U.S. government in general need to have about the difficulties that national employees are put in when there’s this kind of situation in a country? Just wondering if communication was good, that you felt you knew what was going on. I would also assume the mission was closed periodically, and whether ...*

KAMEL: I was acting associate director at that time. There are three associate directors, a deputy director, and the mission director; I was acting associate director for economic growth because there was an ordered departure for many of the Americans.

*Q: So that meant the Egyptians played an even larger role?*

KAMEL: Yes. The deputy director was Tom Delaney and some of the offices were headed by FSNs, economic growth and education in particular. DG remained Alex Clate. But education and economic growth were led by FSNs for most of 2011.

*Q: That’s a real testament of the confidence in the FSNs.*

KAMEL: At that time under the SCAF, the Supreme Council of the Armed Forces, we were able to work with the government before the Muslim Brotherhood came into the picture, until June 2012. Most of the government remained from the previous regime or were not Muslim Brotherhood nor military. So we were able to work with them. I remember Jim Beaver in 2011, we were going to see the minister of Finance and the driver got a call from the ministry and the minister, and Jim Bever asked for the phone and the driver said, “The minister wants to talk to Ali.” He was a friend. Jim Bever keeps telling that story. We had very good relationship with the government between 2011 and

2012. Two thousand twelve to 2014, until I left USAID – that was one of the reasons I left USAID. I found that the Muslim Brotherhood created destruction in many places. When Sisi came there was a wind-up plan where we reduced all our activities that include government or public universities. So I was a team player but I didn't...

*Q: So not the nicest way to end your USAID career.*

KAMEL: Yeah, but I'm very proud of what I did and every day I spent at USAID I feel very proud of all the effort. Until I left USAID, even in 2014; I left in March. In January/February 2014 I attended some activities that we created for youth; it's like boot camps, start-up weekends for entrepreneurs; incubators and accelerators for entrepreneurs. On the other side, we have a job fair for students we trained. Bringing private sector to make the matching despite the mismatch between the job-seeker and employer. Until February of that year, I was able to do a lot of work.

*Q: So you were still staying successful?*

KAMEL: Yes. Whatever doesn't work, I'll focus on... This is the best thing to do!

*Q: Focus on what can work as opposed.*

KAMEL: Exactly. Never say it's half-empty; it's always half-full. It was a half-empty situation, but there was still a half that was working very well for me. I swear until the last moment I was in tears leaving USAID, because I felt the legacy here of the things we've done together as a team from '79 till '89, when I was not with USAID but working indirectly with USAID; then from '89 to 2014, it's over 35 years.

*Q: Someone needs to write a book about that!*

KAMEL: (Laughter) Thirty-five years. Before I left I sat with Mary Ott and the mission director and the legal counsel, everybody. I got some offers from companies that wanted to hire me and other FSNs. I got like four offers at the same time, from four big companies. I asked Mary Ott, and she said "I think Creative will be best for you because they care about development." When I came here (Washington) I tried to adapt to what's going on until now I realize how we can make development from the other side. Make sure, like one activity in China that I'm very proud of, that we're doing now. It's Tibetan, and I feel very happy when I meet with them or get calls from them saying we created that many jobs and increased the income of some of the mobile farmers. I'm going to visit them next week, on the 16<sup>th</sup>.

*Q: And where is that?*

KAMEL: Chengdu, in Sichuan province. I'm feeling very proud that we're doing something from the other side. When I talk to Sherry Doe, the founder of this company, she and three other women – I found her passionate. I said, "We're not making revenue out of it." She said, "Yeah, that's fine. As long as people are happy we can make revenue

from another; it's not a big project." I feel very comforted when I hear this; there are people who care about development.

*Q: Have you found it interesting to be working on the other side of the table of USAID activities where you're the implementing partner?*

KAMEL: It's really different how contractor in general treat you when you are USAID versus when you are contractor! A big difference. When I used to use USAID, I got calls from everybody wanting to have lunch and we'll tell you what we're going. After being a contractor, yeah there are some good friends in some companies – Nathan, Deloitte, DAI and so on. But there is a different look.

Two, with USAID you are stealing the planning, management, monitoring and so on. Here you are driven by some internal from the company and external from USAID. "This is great! No, no we want to do it this way." And you have to say, "Sure, of course." There is no room for debate.

*Q: That kind of goes against the principle you were mentioning a minute ago, if something's with a glass half full or empty; if something's not working you accept it and move to do the things you can do.*

KAMEL: That's what I'm doing here! I looked at the Sichuan market development activity as one of my favorite things to do. I look at some of the potential value chain activity as one of the potential things to do.

*Q: But are you able to have that kind of discussion with USAID if there's a contractor cooperative agreement and something's not working?*

KAMEL: I never stop arguing or debating if I feel and I am sure about what I'm talking about. For USAID, I met with RDMA (Regional Development Mission Asia) and the mission in Bangkok. At the beginning they had separate views and we had separate views. If I were with USAID, this is what we'd want. But now I have to compromise. The compromise is exactly what I was trying to say – half full. I really want to make sure what I'm doing – I make money, I'm not looking for more money. Of course, everybody's looking for money but that's not my first...

*Q: You want to have an impact.*

KAMEL: Yes.

*Q: This has all been extremely interesting and I hope valuable to others. Before we close I wonder if there were any final thoughts you had about USAID in Egypt or the roles of FSNs in USAID and whether those thoughts relate to management or substance?*

KAMEL: In terms of management I'd like to highlight it's very important for USAID to make sure whoever is given a new job is well trained and well mentored before they



throw them in the deep water. That's not the case. Sometimes I mentored people who were supposed to be activity managers without having COR certificate, without having the right definition when you talk to them about something on the project cycle, without knowing basic USAID rules and regulations in assistance or in acquisition. You have to train these people. And you have to assign mentorship or coaching division for any new staff. I know that some of the LDI became office directors now after three years of their service. Is that good? Yes – but you have to know many things. I compare them with office directors before; big difference. I'm sorry to be blunt, but these are some of the things USAID needs to do. To be sure they are mentored and trained well. Don't say "on the job training." That's not going to work. It's not just any job; it's development. Any error would be against USAID entirely. Any mistake would not be good for USAID. There is no trial and error here; you have to know what you are supposed to do before you are assigned to critical positions.

*Q: Do you think – generally speaking, looking around the world, Egypt may have done a better job than many other AID missions in terms of empowering FSNs. Do you think that's the case? Or do you see that AID globally could do more to enhance the roles of FSNs? And the big issue that's always been there is the supervisory issue; do you think AID could ever fix that? Multi-national companies fix that.*

KAMEL: AID can fix that, definitely. Without necessarily having supervision. In my case I never liked to supervise anybody. Even when they asked me to supervise local, I said "No, I prefer not." I'm very blunt in my evaluations and sometimes I may create some bad feelings! Seriously; so I told them I prefer not to supervise. So Greg Cannon asked me to supervise and I said no. I want to be with the team – team coach, player, coordinator, whatever you want to call me. But not a supervisor. For USAID, they did a very good job in Egypt. They did very good work in other countries as well. In some countries, FSNs were taking the lead in many things. Also in Egypt some came without any management or USAID experience, and were given big responsibilities. What do you expect?

*Q: Without enough training.*

KAMEL: Exactly. You have to be trained, mentored, coached until you are OK. Then you can jump. But not before.

*Q: Any final?*

KAMEL: Thank you so much for your time and professionalism...

*Q: Thank you!*

KAMEL: It's a pleasure to remember all these good things. I'm still very proud of my time at USAID.

*End of interview*