

## Action Fiche for Egypt

### 1. IDENTIFICATION

Title	Research, Development and Innovation Programme phase II		
Total cost	Euro 20 million + EGP 10 million EU contribution: Euro 20 million State Ministry of Scientific Research: EGP 10 million, as parallel financing		
Aid method / Method of implementation	Project approach – Decentralised management		
DAC-code	43082		DAC-code

### 2. RATIONALE

#### 2.1. Sector context

The State Ministry of Scientific Research has undertaken multiple initiatives to invigorate Scientific Research. In particular, Egypt and the EU signed an agreement for Scientific and Technological Cooperation in June 2005, aiming to encourage, develop and facilitate cooperative research and development activities of common interest.

In 2007, the Egyptian government announced a plan to strengthen the country's science and technology community. The "Developing Scientific Research (2007-2016) Plan" is implemented by the Ministry of Higher Education and Scientific Research (MHESR), aiming, among others, to restructure the national scientific research system and to promote a complete cycle of innovation.

Within the context of reforms three main initiatives were launched; the "Decade for Science and Technology (2007-2016); the Higher Council for Science and Technology (HCST); and the Science and Technology Development Fund (STDF).

All the initiatives try to tackle key challenges that the scientific and technological research sector is facing in Egypt. These are a) inadequate funding of applied research and innovation by Universities and Research Centres, b) insufficient exploitation of scientific research by the service/production sectors as well as scarcity and inefficiency of research and technological advancement units in service and production units.

#### 2.2. Lessons learnt

A monitoring mission was carried out during the first phase of RDI (RDI I) that started in 2007, yielding positive results. The RDI's potential sustainability, impact prospects and effectiveness received the highest scores, although it was recommended to enhance RDI networking with related industry, higher education

and research and technology development initiatives in the Euro-Mediterranean region. These lessons will be taken into account in the next phase.

### **2.3. Complementary actions**

Complementary actions (to RDI) have been carried out within the EU Seventh Framework Programme for Research and Technological Development. More specifically, under the FP7 Capacities Programme there are three initiatives in which Egypt is a partner, namely a.) the Mediterranean Innovation and Research Co-ordination Action (MIRA), b.) the SHERACA project and the 2009 Research Potential (REGPOT).

Some EU Member States have bilateral S&T cooperation programmes with Egypt, mainly joint research funds that complement the activities of the RDI programme. The bilateral "Years of Science and Technology," has enhanced cooperation with a number of member states (Germany 2007, Italy 2009 and France 2010).

The STDF complements the research funding activities of the RDI programme, as well as the promotion of innovation capacity and monitoring the S&T indicators.

### **2.4. Donor coordination**

Coordination with other EU and Member States' activities/projects will be ensured throughout the programme. In particular, the general Development Partners Group (DPG), the EU Development Counsellors and the EU Science Counsellors meetings have been established to ensure close donor coordination.

## **3. DESCRIPTION**

### **3.1. Objectives**

The overall objective of RDI II is to further support the Egyptian Government's efforts to enhance research, development and innovation performance, facilitating Egypt's move towards a knowledge-based economy.

The specific objectives are a) fostering an 'innovation' culture and improving research collaboration between public and private sector, b) enhancing the impact of Egyptian researchers' participation in EU funded programmes and c) promoting Egypt's scientific and technological capacity in existing and future Centres of Excellence.

### **3.2. Expected results and main activities**

In line with the general and specific objectives the programme's indicative results/activities are:

**Result 1: Stronger innovation policy formulation capacity of the State Ministry of Scientific Research and enhanced collaboration between academia and industry.**

Activities:

- Assisting the beneficiary in designing Egypt's innovation landscape (policy and strategy) as well as to provide other types of TA;

- Implementing collaborative activities (Granting innovative projects) between industry and the academia.

**Result 2: Increased quantitative/qualitative participation in FP 7 and other EU funded projects, enhanced success rate and role of researchers in EU funded projects**

Activities:

- Enhance the FP7 network of focal points in selected institutions (to disseminate information on opportunities within national/regional funds to EU/Med. Partner countries (MPC) researchers).
- Create research networks between local national focal points and EU/MPC research networks.
- Activities for the EU-Egypt Year of Science 2012.

**Result 3: Established base for the Centers of Excellence (CoE)**

Activities:

- Conducting a feasibility study and develop a business plan for the creation of an overall center of excellence.
- Competitive calls for the creation of spin offs from existing centers of excellence.
- Upgrade research capacities in existing centers of excellence.

### **3.3. Risks and assumptions**

A consistent commitment from the State Ministry of Scientific Research to reinforce the science and technology system is assumed. Two units are expected to be created within the State Ministry of Scientific Research using parallel financing of EGP 10 million provided by the Egyptian government. This will help to ensure sustainability of the programme.

Effective commitment of the grant beneficiaries is assumed. Grant beneficiaries will be closely monitored.

To exploit fully the benefits of RDI the legislative environment necessary to support innovation is expected to be upgraded.

### **3.4. Crosscutting Issues**

For all activities described under 3.2, the programme will include specific targeting of environmental research, development and innovation.

The programme will thus have an indirect impact on:

- Supporting the national initiatives for environmental protection, effective utilization of natural resources and renewable energy development.

The programme will also have an indirect impact on:

- Gender equality aspects notably through the promotion of women researchers and scientists in programme activities on an equal footing with their male colleagues.

### 3.5. Stakeholders

The main stakeholders of the programme are:

The State Ministry of Scientific Research (MSR) is responsible for the development of Science and Research Policy in Egypt. It is assisted in this regard by the Academy of Scientific Research and Technology (ASRT). In addition to that, the Ministry of Communications and Information (MCIT) Technologies and the Ministry of Trade and Industry (MTI) have various interlinkages with the ICT sector.

Research Bodies, Universities and other organisations, being public or private, active or intending to build capacity in innovation and technology transfer.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

The method of implementation will be partial decentralized management through the signature of a financing agreement with the Arab Republic of Egypt. The project implementation office (PIO) created under RDI-I will implement RDI-II.

The State Ministry of Scientific Research will be responsible for procurement and grant award procedures. The Commission controls ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex-ante control for procurement contracts > 50,000 EUR and may apply ex-post for procurement contracts ≤ 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts.

The EU will be the contracting authority for technical assistance contracted via the Framework Contract as well as for evaluation, monitoring and audit contracts.

Payments are executed by the Commission except in cases where programme estimates are applied, under which payments are executed by the beneficiary country for operating costs and contracts up to the ceilings indicated in the table below.

The responsible Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	≤ 100,000 EUR

### 4.2. Procurement and grant award procedures /programme estimates

- (1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation. Further extensions of this participation to other natural or legal persons by concerned the concerned authorising officer shall be subject to the conditions provided for in article 21 (7) of the ENPI Regulation.

(2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90%. This percentage builds upon the previous successful experience with grant projects under RDI Phase I.
- Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget.

(3) Specific rules on programme estimates:

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

### 4.3. Indicative Budget and calendar

The total EU contribution to the programme is €20,000,000 with the following indicative breakdown:

ACTIVITIES	BUDGET (in EUR)	IMPLEMENTATION
1. Innovation Culture + Collaboration between business and research institutions	6,700,000	Mainly Grants, also Service Contracts
2. Research Promotion	1,000,000	Mainly Service contracts
3. Support Centres of	6,500,000	Mainly Grants, also

Excellence		Service Contracts
4. Operation fund for programme implementation	1,500,000	Operational Costs
5. Capacity building	500,000	Service Contracts
6. Activities (visibility, training, equipment, etc.)	2,400,000	Mainly Supply Contracts, Service Contracts
Audit/Monitoring/Evaluation/Visibility	250,000	Service Contracts
Contingency	1,150,000	
<b>Total</b>	<b>20,000,000</b>	

The Egyptian government intends to provide parallel financing (EGP 10 million) for the duration of the programme, which will be implemented following Egyptian legislation and procedures.

The indicative implementation of the program will be 48 months and the closure phase will be 24 months.

#### **4.4. Performance monitoring**

The Programme will be supervised by a Programme Steering Committee (PSC) including representatives from the four key Ministries (State Ministry of Scientific Research, Ministry of Information and Communications Technology, Ministry of International Cooperation and Ministry of Industry and Trade) together with key industrial sector representatives and the research community, as deemed appropriate by the Steering Committee. The EU Delegation will participate as observer.

At the start of the project a number of indicators should be agreed between the PIO and EU to gauge the progress and monitoring of the activities, which should include indicators with regard to environmental impact as specified under 3.4.

The project will also benefit from the system of the external EU ROM monitoring missions.

#### **4.5. Evaluation and audit**

The programme will be subject to an annual external financial and system audit launched by the Commission.

A mid-term and final external evaluation for the whole programme will be contracted by the Commission with the aim to provide an independent and reliable assessment with conclusions, recommendations and lesson learned which should assist policymakers and managers in the implementation of the Programme and/or planning of future interventions.

#### **4.6. Communication and visibility**

Communication and visibility are considered a key component of the project. A comprehensive communication strategy will be developed in coordination with all the stakeholders. Activities to improve awareness are envisaged, including workshops, visibility materials and the media.

EU visibility guidelines are to be respected by the PIO and the respective grant beneficiaries. The EU Delegation in Cairo will check the visibility component of the actions through field visits and will increase visibility when it is appropriate.

[http://ec.europa.eu/europeaid/work/visibility/documents/communication\\_and\\_visibility\\_manual\\_en.pdf](http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf).