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ANNEX I

to the Commission Implementing Decision on the annual action plan in favour of Egypt for 2023

Action Document for 'EU Support to Digital Transformation in Egypt – MASR EL RAKAMIA'

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23(2) of NDICI-Global Europe Regulation.

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1. SYNOPSIS

1.1 Action Summary Table

1. Title **OPSYS** **Basic Act**	EU Support to Digital Transformation in Egypt - MASR EL RAKAMIA Annual Action Plan in favour of Egypt for 2023 OPSYS business reference: ACT-61730 ABAC Commitment level 1 number: JAD. 1158649 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Economic and Investment Plan (EIP)	Yes
EIP Flagship	4 - Digital
3. Team Europe Initiative	Team Europe Initiative Climate Change Mitigation and Adaptation through Connected Economy and Society in Egypt.
4. Beneficiar(y)/(ies) of the action	The action shall be carried out in Egypt.
5. Programming document	Multiannual Indicative Programme for European Union support to Egypt for the period 2021–2027[1] (MIP)
6. Link with relevant MIP(s) objectives/expected results	Specific Objective 2.2 To support a human-centric digital transition in Egypt to foster sustainable, connected and inclusive economies and related expected results.
PRIORITY AREAS AND SECTOR INFORMATION	
7. Priority Area(s), sectors	MIP Priority Area 2: Human development, economic resilience and prosperity building through green and digital transition.

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[1] C(2022)4049 of 17/06/2022 Commission implementing Decision adopting a multiannual indicative programme for Egypt for the period 2021-2027

	Digital Transformation, Digital Governance, Digital Entrepreneurship, Digital Literacy, Digital Services, Digital Connectivity.		
8. Sustainable Development Goals (SDGs)	Main SD: SDG 9 (Industry, Innovation and Infrastructure) Other significant SDGs: SDG 4, 5, 6, 8, 10, 11, 16, 17		
9. DAC code(s)	220 - Communications - 100%		
10. Main Delivery Channel	Other public entities in the donor country - 11004		
11. Targets	☐ Migration ☐ Climate ☒ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☒ Human Rights, Democracy and Governance		
12. Markers (from DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☐	☒
	Aid to environment	☒	☐	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction	☒	☐	☐
	Inclusion of persons with Disabilities	☒	☐	☐
	Nutrition	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	☒	☐	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐
13. Internal markers and Tags	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	EIP	☐	☐	☒
	EIP Flagship	YES ☒		NO ☐
	Tags	YES		NO
	transport	☐		☒

energy		☐	☒
environment, climate resilience		☐	☒
digital		☒	☐
economic development (incl. private sector, trade and macroeconomic support)		☐	☒
human development (incl. human capital and youth)		☒	☐
health resilience		☐	☒
migration and mobility		☐	☒
agriculture, food security and rural development		☐	☒
rule of law, governance and public administration reform		☐	☒
other		☐	☒

Digitalisation	☐	☐	☒

Tags	YES		NO
digital connectivity	☒		☐
digital governance	☒		☐
digital entrepreneurship	☒		☐
digital skills/literacy	☒		☐
digital services	☒		☐

Connectivity	☐	☒	☐

Tags	YES		NO
digital connectivity	☒		☐
energy	☒		☐
transport	☒		☐
health	☒		☐
education and research	☒		☐

Migration	☒	☐	☐
Reduction of Inequalities	☐	☒	☐
COVID-19	☒	☐	☐

BUDGET INFORMATION	
14. Amounts concerned	Budget line(s) (article, item): 14.020110 Southern Neighbourhood Total estimated cost: EUR 10 000 000 Total amount of EU budget contribution EUR 10 000 000 The commitment of the EU's contribution to this action may be complemented by other contributions from Team Europe partners. It is subject to the formal

	confirmation of each respective partners' meaningful contribution as early as possible. In the event that the Team Europe Initiatives (TEI) and/or these contributions do not materialize, the EU action may continue outside a TEI framework.
MANAGEMENT AND IMPLEMENTATION	
15. Implementation modalities (management mode and delivery methods)	**Indirect management** with the entities to be selected in accordance with the criteria set out in section 4.3.2.

1.2. Summary of the Action

The title of the action is EU Support to Digital Transformation 'MASR EL RAKAMIA' ('Digital Egypt' in Arabic). The EU intervention will support the Government of Egypt's efforts to enable and foster a human-centric digital transition towards a sustainable, connected, whole-of-society and inclusive economy and society embedded in its Digital Egypt and other related strategies.

The action directly responds to the EU-Egypt Partnership Priorities 2021–2027[2], namely Priority 1 on Egypt's Sustainable Modern Economy and Social Development with a strong commitment to support the transformation to a digital and green economy. More precisely, the Partnership Priorities state that:

'*Recognizing the importance of research and innovation for the progress of their societies, the EU and Egypt will further cooperate across sectors in research and innovation and in advancing digital technologies, including artificial intelligence and cybersecurity while protecting the right to privacy. The EU will support the enhancement of the digital infrastructure and in particular universal access to enhanced, affordable and secure networks as well as raising awareness and exchanging information and knowledge on cybersecurity threats.*'

The **overall objective** is the achievement of a human-centric, equitable, inclusive and citizen-oriented digital transformation in Egypt through a whole-of-society approach.

The **specific objectives** are to:

- **SO1:** The implementation of the Digital Transformation Strategy of Egypt, with a special focus on the National Artificial Intelligence (AI) Strategy and Data Strategy, is supported;
- **SO2:** The EU-Egypt cross-border electronic services are operationalised, with a focus on e-signatures and global interoperability framework;
- **SO3:** Established Egypt Digital Transformation Facility to mainstream digitalisation into the priority sectors of the Egyptian economy and society within the EU-Egypt cooperation.

Digital transformation can help accelerate progress towards every single of the 17 SDGs but especially SDG 9 helping to build resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation. It will help Egypt engage in the digital economy and boost its economic competitiveness. Furthermore it will provide the means to deliver high quality services in health care, education, finance, commerce, governance, agriculture and other vital areas. It can help reduce poverty and hunger, boost health, create new jobs, help mitigate climate change, improve energy efficiency, and make communities more sustainable. The action will complement the regional initiatives, blending and EFSD+ efforts (flagship 7 of the EIP and especially MEDUSA with the EIB). This action is a flagship programme and builds on the experience of Member State agencies in the digital field.

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[2] https://data.consilium.europa.eu/doc/document/ST-2803-2022-ADD-1/en/pdf.

1.3 Beneficiaries of the action

The citizens of Egypt, including less advantaged groups, are the main beneficiaries of the action. Specific attention will be paid to the most disadvantaged groups who do not have digital skills to use electronic services: young people and adults without formal education, teachers and vocational trainers, girls from ethnic minorities, and people who are located in remote territories. They will benefit from additional support.

2. RATIONALE

2.1. Context

The EU and Egypt have long, historic ties and shared interests in the region and beyond. Egypt is a lower middle-income economy, the largest country in the Middle East and the third largest in Africa with a population of over 105 million in 2022 and a GDP of USD 404 billion in 2021. The structural reforms to support private-sector-led economic growth[3] include 31 policies and 100 procedural and legislative measures to reform subsidies and move towards better-targeted social spending, increase investment in human capital, focus on boosting certain sectors, including agriculture, manufacturing and information and communication technology (ICT) as well as liberalize trade, improve competition and upgrade transport and logistics infrastructure. A central stream of transformation is the **digitalisation of government services** to improve efficiency, reduce bureaucracy and red tape, and combat corruption.

Since the mid-1980s, Egypt has heavily **invested in its ICT infrastructure** as one of the key building blocks for development. ICT was identified as a priority at the highest policy level leading to the establishment of the Ministry of Communications and Information Technology (MCIT) whose mission has been focused on building Egypt's digital economy and making it more competitive, agile, and inclusive, in addition to ensuring that it is a key driver of economic growth.

In 2017, the MCIT developed the country's [2030 ICT strategy][4], [Digital Egypt][5], to support the growth of the sector and contribute to the economic and societal development by addressing the development of micro, small and medium enterprises and investing in human capital capacity building. Egypt ranks 95th out of 132 countries in the Global Knowledge Index 2022 (UNDP, 2022).

The ICT sector contributed up to 5% to GDP in the fiscal year 2020/2021. The total investment in the sector in the year 2020/2021 has reached almost USD 3 billion[6]. The ICT sector is the fastest-growing sector in Egypt with a growth rate in 2021/2022 of about 16.3% and its exports reached USD 4.9 billion in the same period. The ICT sector has come to the forefront in the number and value of mergers and acquisitions in the MENA region during the first half of 2022 showing **the dynamism and level of maturity of the sector** and creating around 280 000 jobs with over 30% of women's participation[7].

The ICT Strategy 2030 objectives entail developing the digital infrastructure, fostering digital inclusion, achieving the transition to a knowledge-based economy, building capacities and encouraging innovation, fighting corruption, ensuring cybersecurity, and promoting Egypt's position at the regional and international levels[8] with a number of key focus areas.

Egypt ranked 103rd globally in the **E-Government** Development Index 2022[9]. The government has been accelerating the digital transformation of Egyptian public administration focusing on improving the citizens' quality of life, digitally connecting governmental institutions to improve their efficiency and fostering the values of transparency, accountability and oversight for all businesses through interaction and partnership[10].

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[3] https://www.ebrd.com/documents/oce/transition-report-202122-egypt.pdf
[4] https://mcit.gov.eg/en/ICT_Strategy
[5] https://mcit.gov.eg/en/Digital_Egypt
[6] https://www.trade.gov/country-commercial-guides/egypt-information-and-communications-technology-and-digital-economy
[7] https://itida.gov.eg/English/Programs/Industry-Outlook/Pages/default.aspx
[8] https://www.mcit.gov.eg/en/ICT_Strategy
[9] https://publicadministration.un.org/egovkb/Data-Center
[10] https://mcit.gov.eg/en/Digital_Government

The MCIT sees digital transformation as a means to support public administration reform to build an efficient and strong e-Gov administration. It identifies clear needs in terms of structuring and management of reliable data of public entities that could then be used (through interoperability) and assessed (through Artificial Intelligence/data crunching) to better inform and target policies and governmental services to citizens and businesses.

The UNCTAD Global Cyberlaw Tracker indicated[11] that Egypt has legislation related to Data Privacy and Protection (Personal Data Protection Law) and further data policies are currently under development.

In 2019 the cabinet approved the **Egypt Artificial Intelligence national strategy**[12] which is based on the following pillars: 1) *AI for Government*, 2) *AI for Development*3) *Capacity Building* 4) *International Activities*. The AI strategy is in line with the EU Digital compass under the digital transformation of businesses to uptake the usage of AI, cloud and big data[13].

The **electronic invoice** project is one of the pillars of digital transformation of the Egyptian tax system. The project aims to create a central solution that enables the Egypt Tax authorities (ETA) to follow all business transactions between companies, through the instant exchange of invoice data in electronic format[14]. The demand for digital signatures has grown exponentially since 2020, especially with the introduction of e-invoices. There are 5 trusted service providers licensed to provide the qualified digital signature such as the digital signature, digital seal, and time stamp[15].

Developments in the ICT sector are considerable and the government recognizes the potential that **the EU and its Member States have in supporting its digital transformation process** with their best practices, regulatory framework and know-how for the benefit of its modernized economy and society. According to the Multi-Annual Indicative Programme (MIP)[16] EU – Egypt 2021–2027, Priority 2 focuses on Human development, economic resilience and prosperity building through green and digital transition. It specifically supports a human-centric digital transition in Egypt to foster sustainable, connected and inclusive economies (SO 2.2). The MIP also foresees on a strong partnership of the EU, its Member States and European financing institutions around the Team Europe Initiative on 'Connected Economy and Society in Egypt' and in particular a pillar on 'Connected Digital Economy & Society' to support the Government of Egypt in shaping a human-centric, equitable, inclusive and citizen-oriented digital transformation.

Egypt launched the **Egypt National Climate Change Strategy (NCCS) 2050** to improve the citizens' quality of life and sustainable economic growth and preserve its natural resources. Under the Maximizing energy efficiency objective, the strategy encourages the trend towards establishing smart cities and **digital transformation that contributes to reducing energy consumption and sustainable environment**. Egypt's National Determined Contribution (NDC) includes several measures to avoid Greenhouse Gas (GHG) Emissions in different sectors. It indicated the importance of digital transformation in the fields related to energy production and the introduction of smart grid and digital technologies to foster the adoption of renewable energy.

Several measures have been taken by Egypt so far in **avoiding GHG emissions from the digital sector**. In 2008, the adoption of the National Renewable Energy Strategy to generate 20% of the country's electricity from renewable resources by 2022. In 2015, a new Strategy for Integrated Sustainable Energy 2035 targeting energy diversification, increased share of Renewable Energy (RE) and a subsidy reform plan targeted to reach a 37% share of renewable energy by 2035. The Renewable Energy Law Decree No 2013/2014 enabled public and private investment in RE. In addition, Energy Efficiency Units have been established in several ministries, including the Ministry of Communication and Information Technology. Egypt promotes transformation to environmentally friendly energy like wind, solar and hydro-electric power. It is switching to green mobile

[11] https://unctad.org/topic/ecommerce-and-digital-economy/ecommerce-law-reform/global-cyberlaw-tracker
[12] https://mcit.gov.eg/Upcont/Documents/Publications_672021000_Egypt-National-AI-Strategy-English.pdf
[13] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_ene
[14] https://sovos.com/blog/2020/12/08/egypts-tax-digitization-continues/
[15] https://www.itida.gov.eg/English/Pages/E-Signature.aspx
[16] https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-06/C_2022_4049_1_ANNEX_EN_V3_P1_1915690.pdf

communications with reduced energy consumption such as fifth-generation technology (5G) and fostering innovation in ICT that increase energy efficiency. **E-waste management** and the creation of sustainable industries programme has been initiated in collaboration with Switzerland and the World Resources Forum.

Accordingly, the EU has started implementing several activities related to the digital economy, especially under its trade facilitation cooperation as follows:

- Twinning project 'Strengthening the Administrative and Operational Capacities of the Egyptian Customs Authority (ECA)' 2021-22. The project has supported the identification of digital transformation needs in the Egyptian Customs.

- EU TIGARA "EU Support to Trade, Industry, Growth and Rapid Market Access"[17], 2023-28, to be implemented by UNIDO, will increase the competitiveness of the private sector through digital transformation and the uptake of standards for better adoption of Industry 4.0 and e-commerce in selected value chains. Focus on e-commerce and trade can be leveraged through the development of e-signature cross-border recognition with the EU.

- The EU-funded project "Support to Enhanced Administrative and Public Economic Governance in Egypt", 2022-2026, implemented by the OECD aims to support the Egyptian government's efforts to strengthen the monitoring and implementation of priority public governance reforms. The project also addresses the simplification of administrative procedures and digitalisation of public services in cooperation with the MCIT.

- The AU-EU Digital for Development (D4D) Hub project has commenced an assignment to review the Egyptian government's Digital Signature self-assessment   and initiate the Egypt-EU cooperation on Digital Signature in Q1 2023. This is implemented by GIZ and Estonia in cooperation with Information Technology Industrial Development Agency (ITIDA), an MCIT affiliated agency.

The planned regional actions "**Enhanced Digital Connectivity in the Southern Neighbourhood**" and "**Support to Sustainable Trade**" (AAP 2023) will complement this Action and will focus respectively on enhancing the connectivity of national research and education networks (NRENs) and enhancing e-commerce and digital trade in the Southern Neighbourhood. Furthermore, the 'EU Digital Knowledge Hub' which started its implementation in 2023 is a new EU-funded facility that avails short-term technical expertise on demand and is managed by COM Headquarters.

EU Member States Agencies are active in digital interventions. The **German Agency for International Cooperation** (GIZ) implements the following actions: *Supporting E-Government and Innovation in the Public Administration (InnoPA) Project* aims to support the citizen-oriented digital transformation of the public administration through the capacity development of the public administration. It supports the development of the Digital Egypt Strategy. The project will support the eGov Innovation fund in cooperation with local companies to digitize government services prototypes development through Public Private Partnerships (PPP). The project aims to support the ecosystem development for improved digital governance in Egypt through building local ecosystems of (start-ups and SMEs) to develop local digital services/solutions, capacity building of the public administration and raising awareness. GIZ is also an implementing partner of the AU-EU D4D Hub in Egypt.

The **Agence Française de Développement** (AFD) Group (Expertise France) has been identifying in consultation with the EU Delegation and MCIT the provision of expert services in the field of Artificial Intelligence. AFD Group is an implementing partner of the AU-EU D4D Hub in Egypt.

The Republic of Estonia implements several digital initiatives in Egypt. Through its Ministry of Foreign Affairs, Association of Information Technology and Telecommunications (ITL) and eGovernance Academy (eGA), the Republic of Estonia has been active in its support of Digital Transformation in Egypt, namely through two major initiatives: the GovStack Initiative[18] with the MCIT and the AU-EU D4D Hub initiative on e-Signature with the ITIDA in cooperation with GIZ.

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[17] https://ec.europa.eu/transparency/documents-register/api/files/C(2022)9688_1/de00000001042865?rendition=false
[18] https://www.govstack.global/realizing-govstack-the-egyptian-journey/

The Italian Development Cooperation is active with the Ministry of Agriculture and Land Reclamation, the Desert Research Centre, and the Agricultural Research Centre[19]. Part of the key interventions that the agency is providing – is the support to the Ministry of Agriculture to enable the development of a Digitizing Unit at the ministry to support the operations and data collection.

The **European Investment Bank** is active in the domain of Digital Infrastructure in Egypt, with two major operations: a medium-term loan of EUR 150 million signed in 2022 to support Telecom Egypt's ambitious network expansion program to offer a modern and broader 4G broadband access throughout Egypt and another loan worth EUR 100 million in support to the infrastructure part of the MEDUSA Submarine Cable System project that will entail the construction and deployment of a submarine cable system between the EU and North African countries, including Egypt. Looking forward, the EIB has recently submitted a proposal for a Technical Assistance project worth EUR 150 000 to MCIT to prepare an Investment plan in the IT Infrastructure requirements of the selected public administrations to ensure digital transformation. The Medusa cable has the potential of reaching a broader range of beneficiaries in public institutions (public libraries, basic education institutions, public research institutes, teaching hospitals, innovation centres at universities or research centres etc.) which are, or could be connected to the local infrastructure network via high speed connectivity links.

[The Spatial Agricultural Database for Egypt (SPADE)](#)[20] project is a comprehensive database, consolidating and mapping publicly available agricultural spatial and remote-sensing data for Egypt implemented by IFPRI and the Ministry of Agriculture and Land Reclamation. It supports policy-makers in improving decision-making, and researchers in agricultural data analysis.

[Sustainable Recycling Industries Phase II](#)[21] is a multi-country project funded by the Swiss Agency for Development and Cooperation (2019–2025). The project aims to enable the development of a sustainable recycling industry for e-waste and related waste streams in the partner countries including Egypt. It supports the development of relevant policies and legislative framework and develops the institutional capacities for the implementation of e-waste management among other activities.

2.2. Problem Analysis

Digital Transformation Strategy of Egypt

The strategies of the Egyptian government and the vision of MCIT on digital transformation are clear and in line with EU Digital Agenda. The Digital Egypt strategy implementation has contributed to the progress of the digital sector in Egypt. Due to the rapid changes in the field, the strategy should be further developed and enhanced with a clear governance model for the future implementation. In addition, Egypt is highly vulnerable to climate change with projected increase in heat waves, reduced water ability and extreme weather events. Therefore, digital transformation requires a comprehensive approach that integrates sustainability considerations throughout the entire process.

Egypt has initiated several actions targeting greening the ICT sector and addressing the challenges of e-waste management. However, the country's digital policies will need to encompass concrete measures to improve the energy efficiency and circular economy performance of the ICT sector, such as AI-related developments (optimising data storage, improving energy expenditure used for AI calculators, etc.), business model of shared broadband networks equipment, greening data storage and used ICT equipment, and optimising the number of government data centres, for example based on EU best practices.

Artificial Intelligence for Egypt's Development

Egypt ranked 65 out of 172 in the Government Artificial Intelligence (AI) Readiness Index 2021. The AI vision is the highest score while AI ethics, data infrastructure and representations, human capacity and

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[19] https://ilcairo.aics.gov.it/wp-content/uploads/2021/08/Annual-Report-2020.pdf

[20] https://spade.ifpri.org

[21]
https://www.eda.admin.ch/deza/en/home/deza/aktuell/news.html/content/dezaprojects/SECO/en/2011/UR00535/phase2?oldPagePath=/content/deza/en/meta/news-deza/2016/5/18/suisse-aide-populations-contraintes-de-fuire.html

innovation capacity scored low[22]. The national AI strategy 2019–2023 needs to be revised based on new needs and the AI legal and regulatory framework such as the AI code of ethics, data protection and privacy need to be improved in line with EU best practices as requested by the MCIT.

Assure data availability for AI applications by public sector organizations. The provision of quality e-services to citizens through AI is one of the key pillars of the strategy. The economic sectors use different vendor-specific systems and interoperability for data availability is a challenge. The MCIT indicated that building the capacities of the public sector in the collection, storage and management of data required for AI services is the most important need to enable AI utilization in government services. Development of Data strategies and policies should be developed in synergies with the best practices and interoperability in consideration. The cooperation with the EU on sharing best practices for data collection, storage and interoperability between the institutions will help the implementation of the AI strategy objectives. Development of data models and policies for priority sectors will accelerate the development of digital transformation.

AI for development is a pillar of the AI strategy that aims to utilize AI in priority sectors which are agriculture, information and communication technologies and transformative industries including additive manufacturing. Although the Ministry has developed some pilot AI applications, there is a need to develop deeper analysis and identification of applications of the priority sectors. The cooperation with the EU and technical assistance will add value to the identification of AI applications. To develop AI applications and services strong knowledge and experiences need to be acquired. AI-relevant curricula and training programs should be developed around the country and at different levels, i.e. schools, TVET, universities and professional levels.

AI for employment, entrepreneurship and innovation can stimulate the development of the local ecosystem and the development of AI technologies in Egypt. Linkages between local and international private sectors will stimulate innovation and entrepreneurship and increase the demand for education in the field through practical applications.

E-Signature cross-border recognition

The digital signature (e-signature) is involved in many projects in Egypt such as the e-invoice, the general authority for Investment, and Free Zone (General Authority for Investment), insurance companies, Advanced Cargo Information, the economic courts, the New Administrative Capital, Electronic Payment and Collection System (MOF)[23]. Yet the e-signature is valid only in Egypt and to be used in cross-border applications such as international trade and international health insurance, harmonization in legislation and technical services between the countries are needed. Cross-border interoperability and recognition of qualified digital signatures and seals between Egypt and the EU countries will enable businesses to operate on a cross-border basis. The cooperation on mutual recognition of e-Signature will ensure trust in electronic transactions by creating a mechanism of cooperation between the authorities in Egypt and the EU. It will further secure and facilitate electronic trade processes which will increase Egyptian market accessibility and decrease operational costs.

Digital transformation mainstreaming in priority sectors will be a complex task with the rapid global technology advancement, increasing citizens' demand for new services, and foreseen climate change projections. For that, it is important to develop a flexible facility in which technical expertise from the EU and its Member States can be mobilized upon the request of the Egyptian partners on the existing sectors of cooperation with the EU. Additionally, as this programme will cover a period of 5 years spanning up to 2028, the EU would like to ensure that its Digital Transformation programme in Egypt covers any upcoming technical needs that the MCIT and affiliated entities may have in the future that has not yet been identified at the time of action development. The expansion of digital infrastructure for storage and processing affects energy and the environment. For this the *green digital transition* shall be considered as a key priority for any development of digital actions through capacity building and *conducting environmental assessments*.

The following is a non-exhaustive **list of stakeholders** for the implementation of the action.

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[22] https://www.oxfordinsights.com/government-ai-readiness-index2021
[23] ITIDA

The Ministry of Communications and Information Technology (MCIT)[24] is the main public authority in charge of information and communications technology (ICT) policies. It is responsible for the planning, implementation and operation of government ICT strategies, such as Digital Egypt.

IT Industry Development Agency (ITIDA)[25] is an executive public agency under the MCIT. Its role is to stimulate and spearhead the process of developing the IT industry. The e-signature unit at ITIDA is responsible for leading the digital signature policies, activities, certification and development. It will play a major role in any interventions related to e-signature cross-border recognition.

Information Technology Institute (ITI) is a leading national institute in ICT human capacity building, established under MCIT. The institute with its several branches around Egypt can play a key role in the capacity-building activities related to the action.

Technology Innovation and Entrepreneurship Centre (TIEC)[26] aims to drive innovation and entrepreneurship in the local industry to ensure ICT benefits to both people and businesses. The TIEC's role is to support businesses and R&D in the local ICT industry, observes iClusters, funds startups, and promotes Egypt as an offshoring destination.

Egyptian Customs Authority provides a one-stop shop for customs services using its digital platform **Nafeza**[27]. The Authority is a potential stakeholder in digital actions related to the implementation of electronic signatures mutual recognition between Egypt and the European Union, as well as in the usage of artificial intelligence for facilitation of the customs procedures.

The Software Engineering Competence Centre (SECC)[28], part of ITIDA, is a leading ICT organization aiming at providing services in top-edge technology that enhance ICT companies' technical competence and improve their internal capabilities and global competitiveness.

The Ministry of Environment is the national body responsible for developing environmental related policies and provides incentives to green transition. Other relevant stakeholders include the Ministries of Environment, Electricity and Energy, Transport and affiliated agencies.

2.3. Lessons Learned

Artificial Intelligence (AI) for smart agriculture

This proposal was made by the Ministry of Communications and Information Technology within the 'AI for Development component' of the request for financing submitted to the EUD in 2021. AI is of great use for precision agriculture, especially in preventing the excessive use of water, pesticides and herbicides in the maintenance of soil fertility. It can also help with the efficient use of manpower and through the use of spatial images it will also help with the reclamation of and cultivation of new arable land.

E-signature cross-border applications

ITIDA has completed an internal assessment of the Egyptian e-certificate system and its compliance with the EU legal and technical interoperability frameworks in the area (eIDAS Regulation, information security and others) which is the first step to developing the cross-border recognition. There is a need to have a deeper gap analysis for the harmonization of the regulations between Egypt and the EU. The process of cross-border recognition is a lengthy one. A pilot application between some of the EU countries could be established at a first stage to validate the compliance and technical interoperability standards. Preliminary support to review the Egyptian government's Digital Signature self-assessment is currently being provided by GIZ and Estonia in the framework of a dedicated assignment of the AU-EU D4D Hub expected to be concluded in 2023.

The EU Customs Twinning project implemented by the Italian customs authority indicated that the utilisation of digital technologies has been adopted to improve the process and reduce the time to release

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[24] http://www.mcit.gov.eg/
[25] https://itida.gov.eg/
[26] https://tiec.gov.eg/English
[27] https://www.nafeza.gov.eg/
[28] https://www.itida.gov.eg/English/Programs/SECC-offerings/Pages/default.aspx

goods. There is a need to examine how to rely more on risk profiling through data analysis and mining to reduce the high level of border control and use data analysis to conduct 'client segmentation' and 'performance compliance' analysis to reduce controls while minimizing the risk of fraud. Part of the data mining component of the project indicated that synergy with AI action can leverage the utilization of the available data to improve the decision-making process and manage the risks.

The GIZ has several ongoing projects in Egypt related to the digital sector. **InnoPA Project** indicated the need to develop the digital skills of civil servants to support the citizen-oriented digital transformation of public administration. The project uses the Digital Transformation Centres to mainstream digital policy, know-how and expertise across all sectors. The project is linked to other Centres in countries like Morocco, Tunisia and Iraq. The concept of digital transformation centres can be adopted in Egypt to serve the rapidly changing demand of both the public and priority sectors in Egypt.

Italian Agency for Development Cooperation with the Ministry of Agriculture and Land Reclamation, the Desert Research Centre, and the Agricultural Research Centre[29] indicated that although the data are collected through different applications especially through the smart cards for subsidies, the data are still scattered and need to be structured to apply AI and data mining applications.

The SPADE project with the availability of the data will open windows for the utilization of AI in agriculture and irrigation applications.

The Digital sector in Egypt is a fast-moving one that needs to evolve at a fast pace and requires a flexible tool which is presented in component 3. Additionally, the interactions with the Egyptian partners and their technical needs for EU and national expertise justify the suggested Team Europe approach and implementation through a network of EU Member State agencies.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is the achievement of a human-centric, equitable, inclusive and citizen-oriented digital transformation in Egypt through a whole-of-society approach.

The **Specific Objectives** (Outcomes) of this action are to

1. The implementation of the Digital Transformation Strategy of Egypt, with a special focus on the National Artificial Intelligence (AI) Strategy and Data Strategy is supported;

2. The EU-Egypt cross-border electronic services are operationalised, with a focus on e-Signature and a global e-Government interoperability framework;

3. Established Egypt Digital Transformation Facility to mainstream digitalisation into the priority sectors of the Egyptian economy and society within the EU-Egypt cooperation.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are the following:

Specific Objective 1: Revise and support the implementation of the Digital Transformation Strategy of Egypt with a special focus on the Artificial Intelligence Strategy and Data Strategy;

The proposed action targets to provide additional resources and capabilities required to revise and update the Digital Transformation Strategy, develop the Data Strategy and support the implementation of the specific goals and priorities outlined in the national AI Strategy.

Output 1.1: Support to the revision of the Digital Transformation Strategy is provided according to the existing Presidential decrees, laws, regulations, initiatives and projects.

The existing Digital Transformation efforts and practices are consolidated into a draft Digital Transformation strategy that is under revision and approval of the Supreme Council for Digital Society as a mandate of the

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[29] https://ilcairo.aics.gov.it/wp-content/uploads/2021/08/Annual-Report-2020.pdf

Presidential Decree 511 issued in October 2022. Egypt is experiencing a unique and innovative progress concerning the digital transformation, not only by the public administration but also by the society as a whole. For this reason, the digital transformation, strategic planning and implementation follow a 'whole-of-society' approach as part of comprehensive approach that integrates environmental, climate and sustainability considerations.

Output 1.2: Support to the revision of the National Artificial Intelligence Strategy is provided in order to integrate sectoral components taking into consideration the new structural reforms foreseen in the National Development Strategy and the legal and regulatory framework.

The current National AI Strategy will need to be enhanced to integrate Egyptian new structural reforms foreseen in the National Development Strategy[30]. Egypt is going through several structural reforms and AI development in the country will need to incorporate activities across economic sectors. The Government of Egypt has indicated three priority sectors for AI mainstreaming: 1) agriculture; 2) information and communication technologies; 3) transformative industries with a focus on additive manufacturing.

The enhancement of the legal and regulatory framework will also take into account the best international practices. The Team Europe approach can bring the wide experience of the EU and its Member States in prioritizing and promoting the role of innovation for the development of new AI applications for the needs of the Egyptian society and economy. **The Egyptian charter for responsible AI will be enriched to include recent EU best practices around ethics**, responsible development and technical guidelines to enable the local ecosystem. Technical assistance will enhance the local capacities of responsible AI.

Output 1.3: The expertise in the application of Data Strategy is enhanced.

The formulation of the national Data Strategy is in the process and the collaboration with the EU and in a Team Europe approach could be of great benefit and impact. The international expertise and the European practices would be of great support to the Egyptian exercise. It will ensure and guarantee the reliability and usability of cross-border services and interoperability of e-Government mechanisms.

A Data Governance policy will be developed and completed as a main driver to Digital Transformation efforts and activities. The Data Governance framework can be enhanced and developed based on a know-how transfer process in cooperation with EU experts.

Notably, the EU expertise will allow an understanding of challenges concerning the subject, learning from practical use cases and benefiting from the accumulated EU experience in achieving economic and social impact through different solutions. Specific activities will be conducted to build capacities in data protection, data security, data interoperability, designing of data models in some priority sectors, open data government and other related aspects. The national capabilities in the management of data for tracking achieved results and key performance indicators of digital transformation will be built through participative design, training and sharing of experience with the European counterparts.

Output 1.4: Capacities in the innovation management are enhanced in the public and private sector based on EU best practices.

The Egyptian Government Innovation Lab is a potential initiative that is in the pipeline and planned to be announced in the second half of 2023. The Lab targets mainly to enable the proper ecosystem for qualifying the start-ups and MSMEs to disruptively innovate and develop better CivTech and GovTech applications in order to improve the citizen experience and with the citizen engagement and co-creation. The main objective is to enable start-ups to build government services apps (Super Apps) in a co-creation mode with the Egyptian citizens. These services will be designed according to the various personal situations and the citizens' life journey with an overall objective to improve the citizens' life following a 'Whole-of-Society' principle.

The innovation management process will be enhanced and focused on the capacities to manage the ideation phase, the thinking methodologies, the design approaches and the incubation of start-ups and MSMEs. Start-

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[30] The implementation of the Phase 1 of the National AI Strategy will end in 2023.

ups and MSMEs will benefit from the shared experience of EU Member States in managing the innovation and incubation processes in the EU.

Specific Objective 2: EU-Egypt cross-border electronic services are operationalised with a focus on e-Signature and a global e-Government interoperability framework

Mutual recognition of digital signatures refers to the idea that digital signatures that are legally valid in Egypt should also be recognized as legally valid in the EU jurisdictions. This concept is important because it allows for the seamless and secure exchange of electronic documents and transactions between different countries. The action aims to implement a mutual recognition and interoperability of qualified digital signatures between Egypt and the EU countries to enable businesses to operate cross-border electronic trust services. The EU eIDAS Regulation allows for the mutual recognition of digital signatures between EU Member States, as well as between the EU and certain non-EU countries.

This objective targets the development of a set of recommended practices, policies and standards for the operation of interoperable networks. A collaborative governance framework allows an interconnection of dedicated access points, which are typically service and solution platforms providing electronic services by the government and agencies to citizens, for the secure exchange of digital transactions. The examples include transactions within government services using education records, national IDs, criminal records and health records. The Global Interoperability Framework (GIF) objective is to enable smoother implementation of end user business connections on all GIF dimensions (business layer, process layer, data layer and the network layer). A pilot project will be developed in order to implement a seamless and secure transaction process for document exchange of electronic documents transaction process between Egypt and one EU Member State.

Output 2.1: Technical capabilities of Egyptian specialists to implement cross-border electronic trust services are increased.
The exchange of experience with the EU subject matter experts and knowhow transfer is pivotal support in order to ensure the development of technical capabilities of Egyptian specialists and achievement of this objective. Regular workshops and qualifying programs will be vital to guarantee the sustainability of the EU-Egypt cooperation in this area. The action will start by organizing cooperation among Egyptian and EU counterparts in the area of global interoperability framework, digital signatures, electronic identification (eID), and electronic trust services.

Output 2.2: The legal and regulatory framework for global interoperability is improved.

Various international agreements and frameworks have been developed to facilitate mutual recognition of electronic records, global interoperability, cross-border transactions and digital document exchange. Mutual recognition is an important step towards the creation of a truly digital global economy, as it allows the secure and seamless exchange of electronic documents and transactions between different countries. This component will develop a Global Interoperability Framework (GIF) consisting of a set of standards, protocols, procedures and regulations to ensure seamless transactions. The existing legal and regulatory framework will be improved and will aim to provide a consistent and predictable legal environment for the interoperable services, in order to facilitate cross-border transactions and the exchange of electronic documents between Egypt and EU Member States.

Output 2.3: Egypt-EU cooperation mechanism in cross-border electronic services is developed

The technical infrastructure for the mutual recognition of digital signatures, conducting of transactions and exchange of electronic documents, will include technical systems and processes that are necessary to support the interoperability between different countries. This infrastructure is critical to ensure the security of trust services, integrity of electronic documents and transactions. It involves a combination of technical systems and processes that are necessary to issue, manage, and verify digital certificates, as well as to verify the identity of signers and manage electronic documents. A pilot will be developed to validate the cross-border trust services between Egypt and the EU.

Specific Objective 3: The Egypt Digital Transformation Facility is established to mainstream digitalisation into the priority sectors of the Egyptian economy and society within the EU-Egypt cooperation

Digitalisation brings benefits to the Egyptian economy, including increased efficiency and productivity, improved access to information and markets, and the potential to create new types of jobs and businesses. Digitalisation can enhance public administration processes and services through revamping the government applications and developing the application design based on the citizen centricity and co-creation concepts.

Integration of digital technologies into various aspects of Public Administration, such as logistics, infrastructure, government services data and data analytics tools can help to improve efficiency, safety, and sustainability in the public administration sector.

The private sector plays a key role in Egypt's Digital transformation. The priority will be on making start-ups and MSMEs work on design and development of the GovTech applications. Potential options include putting in place funds that would provide early-stage investments in ICT-oriented start-ups, giving not only access to finance but access to knowledge and markets.

The Digital Transformation Facility's goal is to contribute to the further development of digital ecosystems in order to support a green, inclusive and self-determined digital transformation process. Egypt's Digital Transformation Facility shall focus on digital government, digital skills, digital economy, green digital transition and innovation promotion. The smooth change in perspective of the approach of government service provision, the Government as a Platform and the concept of domain-based driven approach are the main drivers of the Egyptian digital transformation of the public sector.

The facility will support the **green digital transition and enable MCIT to plan and conduct environmental assessments of the digital systems** such as the carbon footprint, the energy, water and cooling consumption of AI processing, promotion of nature-based solutions, etc. The green data centres will be promoted to minimize the environmental impact in line with the European Green Deal[31].

Digitalisation in the **health and social protection** sectors can improve the delivery of healthcare and social protection services. This can include activities relevant to electronic health records, telemedicine, and digital platforms for managing e-health and social services.

This action identifies several proposals to mainstream digitalisation into the EU sectors of intervention in an integrated way. Digital aspects of the current EU support are reviewed to foster digital transformation issues across sectors and suggest possible avenues for mainstreaming and monitoring digitalisation across sectors in line with EU-Egypt Partnership Priorities. The potential areas include governance to support public administration reform activities such as data governance of public entities, interoperability for data exchange, government services and applications revamp, citizen centric services design to build a strong and efficient e-Government administration, etc.

A non-exhaustive list of EU-Egypt cooperation sectors where digitalisation could be mainstreamed through this component includes Public Administration and Governance, Education, Agriculture, Private Sector Development, Economic Development, Research and Innovation, Health and Social Protection to name a few. The policy-making process would benefit as well from the data integration and data governance, where sectoral policy labs are planned to be established in order to support decision makers and policy-makers to utilize the use of data targeting an efficient and effective performance.

Output 3.1: Capacity to mainstream digitalisation in priority sectors of EU-Egypt cooperation enhanced.

This component will establish an EU-Egyptian Digital Transformation Facility in Egypt. Through this facility, technical expertise from the EU and its Member States will be mobilised upon the request of the Egyptian partners (MCIT and line Ministries) for specific Digital Transformation projects and initiatives on a demand basis. Expertise will be mobilized in the EU-Egypt cooperation sectors and any new digital priority sector that may arise in the course of the implementation of the programme, especially sectors contributing to green priorities.

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[31] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2019%3A640%3AFIN

Output 3.2: Support to apply Digital Inclusion by Default principle across Digital Transformation Centres is provided.

The Digital Transformation Centres across the country will be capacitated to implement the principle of 'Digital Inclusion by Default'. This essential principle pursues the goal of addressing social issues of digital transformation, facilitating access to and use of digital technologies by marginalized groups of the population, and reducing digital divides. The action will include the provision of technical expertise in the area of inclusive service design and development of a code of conduct. The action will promote the use of IT tools for developing the government digital services for people with disabilities. It will support the development of a process manual that would be followed in all applications development in the future.

Output 3.3: The development and establishment of Data-driven policy-making process in an institutionalized schema through policy labs is supported.

The policy lab is a true interpretation of the evidence-based data-driven policy-making process that will have a great impact on developing the decision-making process in Egypt. The objective of establishing the Policy Lab is to radically improve policy making through design, innovation and people-centred approaches. The planned approach is to bring all stakeholders together and build the policies using real time and actual data. The objective is to unite multidisciplinary expertise to support different stakeholders to understand, imagine and design ways to achieve the policy impact.

The policy lab methods are grounded in **evidence, participation and experimentation**. The target is to draw on **diverse perspectives**, **tackle complexity** and **build consensus**. The cooperation and support required by the EU are best suited to tackling intractable and complex policy challenges that require innovative and out of the box thinking which can lead to potentially transformative solutions.

The objectives of the Action contribute to the general objectives of the Team Europe Initiative and the EIP, which are:
- To support the Government of Egypt in shaping a human-centric, equitable, inclusive and citizen-oriented digital transformation.
- To offer the utmost transformative impact on the country by modernising and digitalising all transport modalities.
- To unlock important benefits for the Southern Neighbourhood, helping attract investment, create jobs, increase productivity for both the public and private sectors, and contribute to increased inclusion.

3.2. Indicative Activities

Specific Objective 1: Revise and support the implementation of the Digital Transformation Strategy of Egypt with special focus on the Artificial Intelligence Strategy and Data Strategy

Activities related to Output 1.1: The Digital Transformation strategy is revised and updated according to the existing Presidential decrees, laws, regulations, initiatives and projects.

- Review and update the Digital Transformation strategy based on new needs and recent technological developments, including the development of its application in different sectors, the strategy will be developed to be in line with Egypt's National Determined Contribution (NDC) and to contribute to the EU Green Deal objectives (climate neutrality, circularity, sustainability and biodiversity protection);

- Conduct a Strategic Environmental Assessment (SEA) as a tool to strengthen the environmental and climate aspects of the Digital Transformation strategy;

- Develop governance model for the implementation synergies between the digital transformation, AI and data strategies across the public institutes;

- Design sectoral Digital Transformation Action Plans for two priority sectors (Health and Education);
- Revise and recommend improvements for the legal and regulatory framework related to the digital transformation of the Public Administration sector;

- Promote the EU best practices in the Digital Transformation with a special focus on priority sectors and share expertise in developing related applications and practices.

Activities related to Output 1.2: The National Artificial Intelligence Strategy is revised in order to integrate sectoral components taking into consideration the new structural reforms foreseen in the National Development Strategy and the legal and regulatory framework

- Review the National AI Strategy and update it based on new needs, future climate change projections, recent technological developments including the development of an AI code of ethics, its application in different sectors;
- Design sectoral AI strategies for three priority sectors (agriculture, information and communication technologies, additive manufacturing). Support the identification of priority needs in the selected sectors and the choice of areas of AI applications with higher impact for the local context, taking into account environmental concerns and climate change projections;
- Improve the legal and regulatory framework related to AI. integrating the recent technological developments, best international practices and new use cases of applications;
- Improve the Egyptian charter for responsible AI;
- Promote EU best practices in AI in the priority sectors, share expertise in developing applications;
- Implement pilot projects of AI applications co-development by Egypt-EU companies to showcase the ability of AI applications to bring real value in economic sectors;
- Promote EU investments in EGY-EU joint ventures in the area of AI (European Investment Bank Digital Platform, investment companies of the EU Member States, etc.);
- Transfer best EU practices and provide capacity building in the management of AI-oriented incubators and improve the ecosystem to better assist entrepreneurs, grow start-ups and companies specialized in AI and enhance their capacities to employ more young engineers;
- Develop linkages in the AI ecosystem between the public sector, academia and the private sector in the priority sectors to facilitate AI innovations in the economy.

Activities related to Output 1.3: Enhanced expertise in the application of the Data strategy

- Revise the existing legal, regulatory framework relevant to the usage of data in the administration;
- Update the data strategy document and integrate the existing legislative provisions to the planned strategic course of action;
- Promote EU best practices in data governance, design of data models and share expertise in developing related laws and regulations;
- Transfer the best EU practices, show new approaches in data management and provide capacity building in the data governance;
- Develop linkages in the data governance ecosystem between the public sector, academia and the private sector to facilitate data governance in the economy.

Activities related to Output 1.4: Capabilities in the management are raised in the public and private sector based on the EU best practices (Support activities in the Government Innovation Lab)

- Transfer EU best practices and provide capacity building in the field of innovation management;
- Improve the ecosystem to better assist entrepreneurs, grow start-ups and companies specialized in innovation management, GovTech, CivTech and enhance their capacities to employ more engineers;
- Develop linkages of the innovation management ecosystem between the public sector and the private sector in the priority sectors to facilitate GovTech and CivTech in the economy;
- Promote EU investments in the Egyptian Government Innovation Lab initiative (European Investment Bank Digital Platform, investment companies of the EU Member States, etc.).

Specific Objective 2: Operationalize EU-Egypt cross-border electronic services with a focus on e-Signature and a Global Interoperability Framework (GIF);

Activities related to Output 2.1: Technical capabilities of Egyptian specialists to implement cross-border electronic trust services are increased

- Transfer the best EU practices relevant to the global interoperability framework in the EU and support the development of the GIF in Egypt;
- Provide capacity building support in terms of exchange meetings between subject matter experts, workshops for know-how knowledge transfer, exchange visits to the concerned entities in the EU;
- Promote EU best practices in interoperability and share expertise in developing related applications;

Activities related to Output 2.2: the legal and regulatory framework for the interoperability is drafted

- Conduct a compliance assessment of the Egyptian framework with the technical interoperability standards and best practice guidelines of the European Union Agency for Cybersecurity (ENISA), including the policy and security requirements;
- Conduct a gap analysis of the Egyptian legislation in the field of digital signatures and electronic trust services;
- Provide recommendations, draft and enact required amendments for the harmonization of the Egyptian legislation with the EU legal framework;
- Fill in the identified gaps and assure technical interoperability of the Egyptian infrastructure.

Activities related to Output 2.3: Egypt-EU cooperation mechanism in cross-border electronic trust services is created

- Develop cooperation mechanisms between the supervisory body of Egypt and supervisory bodies of EU Member States, the EU Agency for Cybersecurity, the Forum of European Supervisory Authorities for trust service providers, the European Telecommunications Standards Institute;
- Agree on the criteria for compliance of Egyptian digital signatures and trust services with the requirements of the EU eIDAS Regulation;
- Develop technical capabilities to create and validate digital signatures by Egyptian portals and electronic trust services;
- Implement a pilot project for one trust service with one EU Member State; Create cross-border electronic trust services, design solutions and software products integrating digital signatures between the two parties (e.g. certificates of origin and other electronic documents);
- Implement a pilot project for at least one trust service with one EU Member State;
- Operationalize the EU-Egypt agreement on electronic trust services: perform the actual implementation of mutual recognition between two root authorities, conduct an official EU assessment, confirm legal and technical compliance with the requirements of the EU eIDAS Regulation, present a report of the assessment, sign an EU-Egypt agreement.

Specific Objective 3: Establish Egypt Digital Transformation Facility to mainstream digitalisation into the priority sectors of the Egyptian economy and society within EU-Egypt cooperation

Activities related to Output 3.1: Capacity to mainstream digitalisation in priority sectors of EU-Egypt cooperation enhanced.

- Disseminate economic models from EU experience to promote the implementation of ICT solutions in sectors of priority for the Egyptian Digital Transformation Agenda;
- Conduct environmental assessment of digital systems based on the EU experiences;
- Promote EU Green Deal objectives in digital infrastructure such as data centres;
- Develop capacity of local SMEs/MSMEs utilising EU experience to enable them to contribute to the development of local digital transformation solutions in the priority sectors.

Activities related to Output 3.2: Digital Inclusion by Default principle applied at the Digital Transformation Centres.

- Carry out a concise and rapid assessment of the gender dimension to Digital Transformation in Egypt and of actions proposed under this action;
- Identify the potential areas, design capacity building programs on inclusive service design;
- Create a digital transformation toolkit of resources and best practices for inclusive service design;
- Define and implement the code of conduct of Digital Transformation, AI and Data-related solutions;

- Design and implement an evaluation process to measure the effectiveness of inclusive service design initiatives within the organisation;
- Establish a Technology Lab within the Egyptian Innovation Lab to research and analyse current trends and disruptive technologies in inclusive service design, and develop recommendations for implementation within the government organizations;
- Cooperate with local and EU stakeholders to enhance the local digital ecosystem;
- Design, implement an evaluation process to measure the effectiveness of inclusive service design.

Activities related to Output 3.3: Data-driven policy-making process developed and established in an institutionalized schema through policy labs

- Define gaps of the data-driven policy making in Egypt and identify a process to overcome the gaps;
- Develop policy briefs and white papers on data-driven policy making;
- Support the establishment of a government policy labs in the justice and in the health sectors;
- Develop a procedures manual, implement data mining and data analytics for better decision-making and risk management in the policy lab procedures;
- Support digitalisation of the Universal Medical Insurance, part of Haya Karima national programme;
- Promote the EU best practices in the 'data for policy practices' in the priority sectors and share expertise in developing related applications;
- Build capacities of the public sector in procedures of data collection, processing and management in the priority sectors that need to be operationalized by MCIT initiatives;
- Conduct workshops to learn the policy labs practices in Europe. This activity may include study trips in order to demonstrate the procedure and practice of the selected EU Member States.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions in a Team Europe approach. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the Team Europe Initiatives (TEI) and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that an SEA is not required but key environment and climate-related aspects will be addressed during the design and implementation of the action.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environmental Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is vulnerable to climate variability and climate change. Climate risk aspects will be addressed during the design of the action through the simplified CRA which will be part of the environmental assessment foreseen as part of Output 1.1 or as an individual assessment.

Measures will be taken to combat climate change, including unilateral measures, and such measures should not constitute discrimination or a restriction on exports from African countries, taking into consideration African trade initiatives and the African Continental Free Trade Agreement, as a means to enhance trade among African countries (Article 23, Decisions of the 33rd Ordinary Session of the Assembly of the Union, 9–10 February 2020, Addis Ababa, Ethiopia).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This Action contributes to the **Gender Action Plan** (GAP) III 2021-25 **Country-Level Implementation Plan for Egypt** and particularly the thematic area of engagement '**Digitalisation**' whereby women, men, girls, and boys participate fully and equally in the opportunities availed by digital technologies and partially to 'Climate change and environment' whereby women and men increasingly participate in and have improved access to entrepreneurship opportunities in the green, circular and digital economy.

The **gender digital divide** is a matter of concern in Egypt. Digital technologies provide opportunities for the social and economic empowerment of women and girls. The digital transition can contribute to greater gender equality by providing them with access to knowledge, information, and the opportunity to generate income. Yet, some women, especially in rural areas, but also in poor urban areas, find it difficult to engage with technology and science and access digital tools. Such difficulties could be attributed to illiteracy and/or lacking skills and resources, and to the male-dominated STEM[32] culture.

Digitalisation is a national priority for Egypt reflected in its Sustainable Development Strategy Egypt 2030. However, the obstacles in terms of connectivity, affordability and literacy let alone digital literacy are significant. Women, particularly in rural areas, face barriers in accessing and using information and communication technologies. A number of programmes have been launched such as the 'Qodwa-Tech (Model Tech)' project[33] by the MCIT, which provides training in e-marketing as well as digital transformation services to support marketing initiatives and help women entrepreneurs and owners of handicraft businesses increase their sales. Other programmes include the 'Improving Prospects for Digitally Enabled Livelihoods among Marginalized Communities in Egypt' which fosters youth and women entrepreneurship and employment opportunities offered by the digital economy, the 'She for digital future' initiative launched by the National Institute for Governance and Sustainable Development which aims to strengthen the capabilities of women to bridge the digital divide.

One of the key expected results is improved access to employment opportunities through the development of digital skills and entrepreneurship, especially for youth, women, vulnerable groups, and rural communities. The activities, outputs and outcomes resulting from the interventions outlined in this action will facilitate **greater gender equality** and **empowerment of women and girls**. Dedicated **digital skills development** actions will target young women to engage in the digital job market, especially through remote work.

Special focus shall be directed towards the support of female founders in the development of start-ups and digital support services, as well as the encouragement of them to network and raise investments. Women entrepreneurs could also be interested in commitments in sectors where they have growing interests, such as the expansion of online education services, financial and payment methods services, etc. It is important to reduce the barriers to success for women-owned businesses by fostering reforms to address gender disparities and developing work oriented towards economic inclusiveness for women.

Inclusive work facilities and culturally accepted should be supported to enable girls' participation in the digital economy as employees or start-up founders. Specific attention will be provided to facilitate a network of women entrepreneurs in technology, raise awareness and identify helpful mentors. Incentives could be developed to increase awareness among companies on the engagement of women in the digital work field. The action will mainstream gender at all stages by supporting specific activities with gender analysis, integrating sex-disaggregated data, gender-sensitive indicators to assess the impact on gender equality.

Human Rights

The action will contribute to the development of better human digital rights regulation through the improvement of the data protection and privacy aspects along with digital security to meet similar EU standards. Digital rights will be promoted and will increase awareness among the communities through structured actions in partnership with the local stakeholders.

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[32] Science, technology, engineering and mathematics.
[33] See more on MCIT at: https://mcit.gov.eg/en/Media_Center/Latest_News/News/52897

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the action will indirectly contribute to improving the inclusion of people with disabilities through improvements in their access to digital technologies, skills and capabilities. Output 3.2 will apply the Inclusion by Default principle, reduce the digital divide through inclusive service design, facilitating access to and use of digital technologies by marginalised groups and developing government digital services for people with disabilities.

Democracy

The development of clear regulatory frameworks will be promoted with a strong emphasis on ensuring good governance and transparency in the policy and regulatory adoption. The engagement of civil society and private sector organizations in advocacy will be promoted to ensure more inclusive and transparent governance structures that reply to the needs of the private sector and consumers.

Conflict sensitivity, peace and resilience

The development of cross-border trade contributes to the establishment of peace and resilience.

Disaster Risk Reduction

The development of digital capacity in the public and private sector are steps toward a better and more comprehensive use of tools

Other considerations if relevant

This intervention is relevant to the United Nations 2030 Agenda for Sustainable Development. The support for the digital transformation of Egypt is aligned with the SDGs. It contributes primarily to the progressive achievement of the following: Goal 4 (Quality of Education) through skill development; Goal 8 (Decent work and economic growth) through skill development and partnerships to create jobs; Goal 9 (Industry Innovation and Infrastructure) through the improvement of the ecosystem services; Goal 10 (Reduced Inequality) through the inclusive skills development and creation of job opportunities.

It contributes considerably to the progressive achievement of Goal 17 to strengthen the means of implementation and revitalize the global partnerships for sustainable development and specifically sub-goal 17.6 which aims to enhance access to technology and sub-goal 17.14 which aims to enhance policy coordination and enhance policy coherence while also contributing towards Goal 9, specifically the aspects of "significantly increase access to information and communication technology and strive to provide universal and affordable access to the internet in the least developed countries by 2020″, and Goal 5 on the achievement of Gender Equality and Empowerment of Women.

3.4. Risks and Assumptions

Category	Risks	Likelihood (H/M/L)	Impact (H/M/L)	Mitigating measures
People and organization	Lack of commitment by the public sector	Medium	High	Engagement of the lead MCIT is high, however, not all line Ministries are equally active in the digital transformation field. Engage public sector actors in the action steering committee, implement activities to develop the capacities of the public sector and coordinate the activities to improve the visibility of the public sector. Complementary technical assistance will help key institutions
People and organization	The government does not have the capacity to enforce policies, and regulations	Medium	Medium	Capacity-building activities targeting policy-makers and the regulatory authorities. Technical assistance to draft and enact regulations, and overcome the challenges in the implementation
People and organization	Limited capacity to implement and monitor projects, lacks the staff	Medium	Medium	Long-term advisors are envisaged in the implementation to be recruited to increase the capacity of the Government of Egypt to help coordinate digital developments.
People and organization	Lack of transparency and accountability mechanisms	Low	High	The programme will support the development of mechanisms for public and private sector accountability

External Assumptions

The Action assumes that Egypt will continue to enjoy relative stability despite the geopolitical and global contexts. The Action responds to a request for assistance by the Egyptian Government as part of 'flagship projects' and is consistent with the Government's policy priority of supporting Digital Transformation across the Egyptian economy and society. As implementation will require several approvals by the national authorities, the Action assumes that the Egyptian administration will process requests smoothly so that the projects can keep the pace of work plans and objectives.

3.5. Intervention Logic

Component 1

Implementing EU best practices in the Digital Transformation, AI strategies and data governance, sharing of best practices in legislation and regulations including future climate change projections and environmental concerns with a focus on three priority sectors will lead to the achievement of three strategy-related Outputs. Building the capacities, supporting start-ups to be linked with the public sector in developing relevant applications and facilitating the piloting of some applications co-developed by Egypt-EU companies will enhance capacities in innovation management. The Specific Objectives of digital transformation (Output 1.1), AI (Output 1.2), and Data (Output 1.3) strategies will be updated according to the new needs of the priority sectors and the capacities in innovation management in the public and private sector, enhanced based on EU best practices (Output 1.4).

This requires that the Government of Egypt keeps the priority on Digital Transformation, AI and Data in different public sectors, develops and enacts required legal amendments to support the relevant strategies, as well as keeps the priority on supporting the development of innovation labs across the country.

If the review of the Digital Transformation strategy (Output 1.1), the national AI strategy (Output 1.2) and the Data strategy (Output 1.3) is supported, the capacities in innovation management in the private and public sector (Output 1.4) are enhanced, then Outcome 1 will be realized.

If Digital Transformation is maintained as a highly strategic priority on the government agenda, the Specific Objective 1 will be realized. The Action reflects the digital priorities of Egypt and uses the EU and Member States' experience and best practices as well as the EU's Ethics Guidelines for Trustworthy Artificial Intelligence which address the risks of AI and lays down harmonized rules on AI.

Component 2

Undertaking the activities of the transferring and promoting EU best practices in interoperability, providing capacity building will lead to the achievement of Output 2.1. This assumes a high level of commitment by the Egyptian public sector employees.

Conducting a compliance assessment of the Egyptian framework with the technical interoperability standards, a gap analysis of the Egyptian legislation, drafting and enacting required amendments for the harmonization of the Egyptian legislation with the EU legal framework will fill the identified gaps and assure technical interoperability between Egyptian and the EU frameworks thus ensuring the achievement of Output 2.2. This will require the government's willingness to efficiently enforce the required regulations.

Undertaking the activities to develop cooperation mechanisms between the supervisory body of Egypt and the EU Member States, developing technical capabilities to create and validate digital signatures by Egyptian portals and services will allow creating cross-border electronic trust services. The design of solutions and software products integrating digital signatures between the two parties and implementation of a pilot project for at least one trust service will operationalize Output 2.3.

If the technical capabilities of Egyptian specialists to implement cross-border electronic trust services are increased, the legal and regulatory framework for the interoperability is drafted and an Egypt-EU cooperation mechanism in cross-border electronic trust services is created, then the targeted Outcome 2 will be realised.

Component 3

The establishment of an EU-Egyptian Digital Transformation Facility in Egypt will allow the mobilisation of technical expertise from the EU and its Member States upon the request of the Egyptian partners for specific Digital Transformation initiatives. It will require a high level of commitment by the Egyptian public sector. These activities will allow the achievement of Output 3.1 to enhance the capacity to mainstream digitalisation in priority sectors of EU-Egypt cooperation.

The provision of technical expertise in the area of inclusive service design and development of a code of conduct, promoting the use of IT tools for developing the government digital services for people with disabilities will lead to the achievement of Output 3.2. This consists in support to apply Digital Inclusion by Default principle across Digital Transformation Centres. This will entail a strong commitment of the Egyptian government to improve the Digital Transformation Centres.

Undertaking the activities of establishing the Policy Lab to radically improve policy making through design, innovation and people-centred approach aims at bringing all stakeholders together and build policies using real time and actual data. This will lead to producing the required Output 3.3 to develop a Data-driven policy-making process in an institutionalised schema through policy labs.

If the capacity to mainstream digitalization in priority sectors of EU-Egypt cooperation is enhanced, support to apply Digital Inclusion by Default principle across Digital Transformation Centres is provided, and the establishment of the Data-driven policy-making process through policy labs is supported, then the targeted Outcome 2 will be realised. The achievement of Specific Objective 3 will require that the Government of Egypt pursues the digitalisation of the priority sectors of the Egyptian economy and society. Such objective will be realised as the country already puts digitalisation as a high-level priority in its policy and strategic objectives.

Specific Objectives and Impact. If the support for the revision of the Digital Transformation, AI and data strategies are provided (SO1) and EU-Egypt cross-border electronic services are operationalized with a focus on e-Signature and a global e-Government interoperability framework (SO2) and the Digital Transformation Facility is established to mainstream digitalisation into the priority sectors of the Egyptian economy and society and within the EU-Egypt cooperation (SO3) AND the Government of Egypt keeps the development of Digital Transformation, AI and Data as a high priority on its agenda, ITIDA has the government support in the enacting of required legal amendments, the European Commission is highly motivated to implement mutual recognition of digital signatures with Egypt as the first African country and the Egyptian public sector keeps interest in getting EU support in conducting digital transformation THEN the Action will contribute to the achievement of a human-centric, equitable, inclusive and citizen-oriented digital transformation in Egypt through a whole-of-society approach. The Action will contribute to the desired impact BECAUSE it answers the Egyptian strategic priorities and the Action's implementation will be based on the experience of the EU Member States and developed under the proven Team Europe approach.

SO1: Digital Transformation Strategy	SO2: Global interoperability	SO3: Digital Transformation Facility
Revise the Digital Transformation Strategy	Build capabilities to implement cross-border electronic trust services	Digital Inclusion by Default
Revise the Artificial Intelligence Strategy	Define global interoperability framework	Data-driven policy-making process through government policy labs
Implement the Data Strategy	Operationalize the EU-Egypt cross-border electronic services	

3.6. Indicative Logical Framework Matrix

Results	Results chain: Main expected results	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	The achievement of a human-centric, equitable, inclusive and citizen-oriented digital transformation in Egypt through a whole-of-society approach	1.1 Progress in the E-Government Development Index 1.2 Number of people supported by the EU with enhanced access to digital government services (disaggregated by sex and age) (GERF 2.12)	1.1 E-gov ranked 103 (2022) 1.2 0 (2023)	To be defined at the inception phase	E-Government Development Index	*Not applicable*
Outcome 1	The revision and implementation of the Digital Transformation Strategy of Egypt, the National Artificial Intelligence (AI) Strategy of Egypt and its Data Strategy is supported	1.1 Status of the implementation of the Digital Transformation Strategy *(i. no strategy, ii. strategy under elaboration or revision, iii. strategy adopted by the government, iv. strategy under implementation)* 1.2 Progress in the E-Government Development Index 1.3 Digital Capacity dimension of the Government Artificial Intelligence Readiness Index 1.4 Number of people/SMEs supported by the EU with enhanced access to digital government services (disaggregated by sex and age)	1.1 Strategy under elaboration and revision 1.2 E-gov ranked 103 (2022) 1.3 50.65 (2021) 1.4 Baseline to be defined at inception	To be defined at the inception phase	The Government of Egypt publications E-Government Development Index Government Artificial Intelligence (AI) Readiness Index	The Government of Egypt keeps the development of Digital Transformation, AI and data as a high priority on its agenda

Outcome 2	EU-Egypt cross-border electronic trust services are operationalised with a focus on e-Signature and global interoperability framework (GIF)	2.1 Number of businesses using digital signatures for electronic service(s) between Egypt and the EU developed by the EU-funded intervention (disaggregated by sex of registered director of business, where relevant or possible) 2.2 Number of electronic services developed within a pilot and that being used for eTrust recognition between Egypt and an EU MS	2.1 0 (2023) 2.2 0 (2023)	To be defined at the inception phase	Survey of beneficiaries conducted and budgeted by the EU-funded intervention. Pilot project report	ITIDA has the Government support in the enacting of required legal amendments. The EC is highly motivated to implement mutual recognition of digital signatures with Egypt as the first African country
Outcome 3	The Egypt Digital Transformation Facility is established to mainstream Digitalisation into the priority sectors of the Egyptian economy and society within EU-Egypt cooperation	3.1 Number of economic and social sectors benefited from the EU-funded support 3.2 Number of Data policies adoption	3.1 0 (2023) 3.2 0 (2023)	To be defined at the inception phase)	The Action progress and final reports Government publications	Egyptian stakeholders have interest in getting EU support in conducting digital transformation
Output 1 related to Outcome 1	**Output 1.1:** Support to the revision of the Digital Transformation Strategy is provided according to the existing presidential decrees, laws, regulations, initiatives and projects	1.1.1 Revised and updated Digital Transformation Strategy	1.1.1 0 (2023) Strategy under elaboration and revision	1.1.1 1 (2025) Revised and updated strategy	Published strategy	The Government of Egypt keeps the development of Digital Transformation in different public sectors
Output 2 related to Outcome 1	**Output 1.2:** Support to the revision of the National Artificial Intelligence Strategy is provided in order to integrate sectoral components	1.2.1. The status of AI Strategy with three sectoral components *(i. no strategy, ii. strategy under elaboration or revision, iii. strategy adopted by the government, iv. strategy under implementation)* 1.2.2 Governance and Ethics dimension of the Government	1.2.1 Strategy under revision 1.2.2 34.32 (2021)	1.2.1 1 (2025) Revised strategy with three sectoral components	Published strategy Progress in digital transformation international indices such as Network	The MCIT maintains its priority on a few sectors to mainstream AI technologies ITIDA has the Government

		Artificial Intelligence Readiness Index		To be defined at the inception phase	Readiness Index, E-Government Index	support in the enacting of required legal amendments
		1.2.3 Number of digital-related laws and regulations supported by the EU (a) developed and/or (b) revised (0. Drafted, 1. Submitted 2. Discussed 3. Adopted)	1.2.3 0 (2023)			
		1.2.4 Number of incubators and businesses with enhanced expertise in application of AI supported by the EU (disaggregated by sex of registered director of business, where relevant or possible)	1.2.4 0 (2023)			
Output 3 related to Outcome 1	**Output 1.3:** Enhanced expertise in the application of Data Strategy	1.3.1 Status of the Data Strategy *(i. no strategy, ii. strategy under elaboration or revision, iii. strategy adopted by the government, iv. strategy under implementation)*	1.3.1 Strategy under elaboration and revision	1.3.1 1 (2025) Updated Data Strategy 1.3.2. To be defined at inception 1.3.3 To be defined	Published Data Strategy Government reports and official publications The Action progress and final reports	The Government of Egypt keeps the development of Data policy as a high priority on its agenda
		1.3.2 Developed Data Governance framework in priority sectors	1.3.2 0 (2023)			
		1.3.3 Number of public servants who improved their skills in data policy and management due to the EU intervention	1.3.3 0 (2023)			
Output 4 related to Outcome 1	**Output 1.4:** Capacities in innovation management in public and private sector enhanced based on EU best practices	1.4.1 Number of individuals and businesses with enhanced expertise in application of innovation management supported by the EU across sectors (disaggregated by sex	1.4.1 0 (2023)	To be defined at the inception phase	Government reports and official publications;	The MCIT maintains its priority and support to the government

		of registered director of business, where relevant or possible) 1.4.2 Number of government services applications designed at Government Innovation Labs in co-creation mode with Egyptian citizens through interventions supported by the EU that are used by the stakeholders	1.4.2 0 (2023)		The Action progress and final reports.	innovation labs across the country
Output 1 related to Outcome 2	**Output 2.1:** Technical capabilities of Egyptian specialists to implement cross-border electronic trust services are increased	2.1.1 Number of public servants with enhanced capability in the interoperability and trust services through interventions supported by the EU (disaggregated by sex and age)	2.1.1 0 (2023)	To be defined at the inception phase	Government reports and official publications, Action progress and final report.	Egyptian specialists are highly motivated to implement mutual recognition of digital signatures with the EU
Output 2 related to Outcome 2	**Output 2.2:** The legal and regulatory framework for the global interoperability is improved	2.2.1 Number of interoperability-related draft laws and regulations supported by the EU (a) developed and/or (b) revised	2.2.1 0 (2023) 2.3.2 0 (2023)	To be defined at the inception phase	Government reports and official publications, Progress and final report.	ITIDA has the Government support in the enacting of required legal framework
Output 3 related to Outcome 2	**Output 2.3:** EU-Egypt cooperation mechanisms on cross-border electronic services developed	2.3.1 Number of public institutions, portals or services with enhanced capability supported by the EU intervention 2.3.2 Number of piloted cross-border electronic trust services	2.3.1 0 (2023) 2.3.2 0 (2023)	To be defined at the inception phase	Government reports and official publications	Both EC and Egypt are highly motivated to implement mutual recognition of digital signatures
Output 1 related to Outcome 3	**Output 3.1:** Capacity to mainstream digitalisation in priority	3.1.1. Number of Egyptian stakeholders that enhanced their capacities through the Action	3.1.1 0 (2023)	To be defined at the	EU interventions monitoring	Egyptian stakeholders are interested in

	sectors of the EU-Egypt cooperation	3.1.2 Number of sectors in which the Egyptian stakeholders enhanced their capacities through the EU support 3.1.3 Number of people/SMEs trained by the EU-funded intervention who have increased knowledge and/or skills (disaggregated by sex and age) 3.1.4. Number of the Egyptian stakeholders who enhanced their capacities in green digital transition	3.1.2 0 (2023) 3.1.3 0 (2023) 3.1.4 0 (2023)	inception phase	and reporting: annual and final reports from implementing organizations (e.g. governments, international organizations, non-state actors, etc.), ROM reviews, evaluations	getting the EU support to implement digital transformation
Output 2 related to Outcome 3	**Output 3.2:** Support to apply the Digital Inclusion by Default approach across Digital Transformation Centres is provided	3.2.1 Number of specific initiatives implemented to support the inclusive service design, development of digital inclusion toolkits and a code of conduct	3.2.1 0 (2023)	To be defined at the inception phase	EU interventions monitoring and reporting: progress and final reports from implementing organizations	The Government of Egypt maintains its priority to mainstream Digital Inclusion by Default principle in the design of electronic services
Output 3 related to Outcome 3	**Output 3.3:** The development and establishment of Data-driven policy-making process in an institutionalized schema through policy labs is supported	3.3.1 Number of developed data policies and models for specific sectors 3.3.2 Number of developed partnerships with the EU policy labs	3.3.1 0 (2023) 3.3.2 0 (2023)	To be defined at the inception phase	MCIT reports Partnership documents	Commitment of MCIT & ministries to cooperate on the policy labs in the specific sectors

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

To implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed upon by the Commission's responsible authorizing officer by amending this financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU's appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[34].

4.3.1. Indirect Management with a pillar-assessed entity

This action may be implemented in indirect management with a pillar-assessed entity, or consortium of entities, which will be selected by the Commission's services using the following criteria:

- Solid record of cooperation in Egypt on Digital Transformation, Digital Governance, Digital Entrepreneurship, Digital Literacy and Digital Infrastructure;
- Solid record in the provision of EU and Member State expertise in the field of Digital Transformation, Digital Governance, Digital Entrepreneurship, Digital Literacy and Digital Infrastructure.

The implementation by this entity entails the contracting and implementation of activities related to SO1, SO2 and SO3.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of the origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorizing officer responsible may extend the geographical eligibility based on urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where the application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

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[34] EU Sanctions Map. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with pillar assessed entity or consortium of entities (cf. section 4.3) implementing activities included in SO1, SO2 and SO3 (cf. section 1.2)	EUR 9 850 000.00
Evaluation – cf. section 5.2 **Audit –** cf. section 5.3	EUR 150 000.00
Strategic communication and Public diplomacy – cf. section 6	N.A.
Contingencies	
Totals	EUR 10 000 000.00

4.6. Organisational Set up and Responsibilities

A Steering Committee (SC) will be set up in the first three months of operation of the Action to oversee and guide the overall direction and policy of the Action. It shall meet quarterly in the first year and twice a year thereafter. It could also be convened whenever the project implementation requires strategic decisions. The SC shall be chaired by the Ministry of International Cooperation (MoIC) on behalf of the Government of Egypt and will be composed of the Ministry of Foreign Affairs, Ministry of Communication and Information Technology and representatives of other relevant ministries and Government entities, representatives of implementing partners and a representative of the EU Delegation. The SC has the right to invite other stakeholders whenever deemed appropriate, including representatives of the private sector and NGOs. The MoIC will act as the SC secretariat.

A Technical Committee will be set up for each component of the Action and shall meet at least twice a year and whenever needed.'

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of the implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its impacts, as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring: data will be sex disaggregated and, when possible, include data on persons with disabilities involved in the Action.

5.2. Evaluation

Having regard to the nature of the action, a mid-term and a final/ex-post evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

A midterm evaluation will be carried out for problem-solving, learning purposes, in particular concerning the level of engagement and cooperation between the different private and public sector stakeholders involved and the assessment of achievement of the Egyptian and EU priorities.

An ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the implementation modalities and involvement of several kinds of stakeholders.

The Commission shall form a Reference Group (RG) composed of representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organizations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. [The Commission shall inform the implementing partner at least three months in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, based on a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end, they must comply with the instructions given in the 2022 guidance document "Communicating and raising EU visibility: Guidance for external actions"[35] (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a

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[35] https://international-partnerships.ec.europa.eu/knowledge-hub/communicating-and-raising-eu-visibility-guidance-external-actions_en

reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability in the use of funds. The effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

For communication on Team Europe Initiatives, the EU and its Member States can rely on the specific guidance on the Team Europe visual identity.