



Brussels, 6.12.2017
C(2017) 8256 final

COMMISSION IMPLEMENTING DECISION

of 6.12.2017

**on the Annual Action Programme 2017 (Part 2) in favour of Egypt to be financed from
the general budget of the Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action¹, and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002², and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission has adopted the Single Strategic Framework in favour of Egypt for the period 2017-2020³, point 3 of which provides for the following priorities:
 - Economic Modernisation, energy sustainability and environment;
 - Social development and social protection;
 - Governance, enhancing stability and modern democratic state.
 - And includes complementary support for capacity development and institution building and measures in favour of civil society as reflected in point 4.
- (2) The objectives pursued by the Annual Action Programme 2017 in favour of Egypt to be financed under Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument⁴ are to support effective, accountable and participatory governance in Egypt, as well as to decrease population growth rates in order to foster Egypt's sustainable development.
- (3) The action entitled “Support to Accountability and Democratic Governance” is articulated around two components. Component 1 will contribute to support efforts towards fighting against corruption, and strengthening of asset recovery and asset management. Component 2 will provide support to strengthen the democratic functioning of the Egyptian House of Representatives mainly through its permanent structures.

¹ OJ L 77, 15.3.2014, p. 95.

² OJ L 298, 26.10.2012, p. 1.

³ C(2017) 7175 dated 30.10.2017.

⁴ OJ L 77, 15.3.2014, p. 27.

- (4) The action entitled “EU Support to Egypt's National Population Strategy” will contribute to lowering Egypt's population growth rates, in order to foster Egypt's sustainable development, through supporting the implementation of the National Population Strategy.
- (5) It is necessary to adopt a financing Decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵.
- (6) It is necessary to adopt a work programme for grants the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annex 1 (sections 5.3.1 and 5.3.2).
- (7) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that this entity guarantees a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. This entity complies with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary
- (8) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (9) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (10) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by Article 15 of the financing instrument referred to in Recital 2,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Annual Action Programme 2017 (Part 2) in favour of Egypt, as set out in the Annexes, is approved.

The programme shall include the following actions:

- Annex 1: Support to Accountability and Democratic Governance
- Annex 2: EU Support to Egypt's National Population Strategy

Article 2

Financial contribution

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 33 million and shall be financed from:

- budget line 22.04.01.01 for an amount of EUR 6 million, and
- budget line 22.04.01.02 for an amount of EUR 27 million.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entity identified in the attached Annex 2, subject to the conclusion of the relevant agreement.

The section “Implementation” of the Annexes to this Decision sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period, shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions. The use of contingencies shall be taken into account in the ceiling set by this Article.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 6.12.2017

For the Commission
Johannes HAHN
Member of the Commission



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2017 (Part 2)¹ in favour of Egypt to be financed from the general budget of the European Union

Action Document for Support to Accountability and Democratic Governance

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following section concerning calls for proposals: Section 5.3.1 & 5.3.2

1. Title/basic act/ CRIS number	Support to Accountability and Democratic Governance CRIS number: ENI/2017/040-688 financed under the European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Neighbourhood South, Egypt The action shall be carried out at the following location: Egypt.			
3. Programming document	European Union (EU) Single Support Framework (SSF) for Egypt 2017-2020			
4. Sector of concentration/ thematic area	Sector 3: Governance, enhancing stability and modern democratic state			
5. Amounts concerned	Total estimated cost: EUR 6 million. Total amount of EU budget contribution EUR 6 million.			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management: grants – call for proposals Direct management: procurement of supplies and services Indirect management with the United Nations Interregional Crime and Justice Research Institute (UNICRI)			
7. DAC code(s)	15152 – Legislatures and political parties 15113 – Anti-corruption organisations and institutions			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

¹ Part (1) ref. C(2016)6633 final adopted on 20.10.2016

	governance			
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	N/A			
10. SDGs	Main SDGs: 16; Secondary SDGs: 16.4, 16.5, 16.6.			

SUMMARY

This project is in line with the EU-Egypt Partnership Priorities adopted in 2017 and responds to the third sector of the SSF 2017-2020 which, in line with the provisions of the 2014 Egyptian Constitution, supports Egypt's process towards increased democratic governance, structural reform and political, social and economic stabilisation. It targets two specific objectives of the third sector of the SSF, namely: 1. to support effective, accountable and participatory governance and 2. to promote and protect the values of democracy, the rule of law, human rights, fundamental freedoms and gender equality.

As part of the EU's efforts to promote and protect the universal values of democracy, the rule of law and human rights, the overall objective of this project is to support effective, accountable and participatory governance. The overall objective will be addressed through two main components. Component 1 – Support to the fight against corruption, and strengthening of asset recovery and asset management - will comprise two actions: the first action will aim at fighting corruption by enhancing the efficiency and effectiveness of the strategic, legislative and institutional framework already in place to fight corruption, with a focus on implementation aspects. The second action will aim at strengthening the mechanisms for the recovery of stolen assets linked to acts of corruption and other serious crimes, as well as strengthening mechanisms for effective and transparent use of seized and confiscated assets and establishing processes for their transparent management and distribution, including in particular for use in the health and education sectors. Component 2 – Support to the Egyptian House of Representatives - will support the Parliament as an essential institution in a well-functioning democracy to discharge its core legislative, representative and oversight functions and to become more transparent and accountable. The action will aim at strengthening mainly the permanent structures of the Parliament through the building of capacities and to a limited extent provision of new equipment.

EU Member States will be involved through two twinning projects in order to transfer EU best practices to national beneficiaries in the areas of combatting corruption and strengthening the Parliament. The United Nations Interregional Crime and Justice Research Institute (UNICRI) will be contracted for its highly specialised expertise and past experience in Egypt in the field of asset recovery and management.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Corruption was one of the grievances at the root of the 2011 Revolution. The recovery of the unlawfully acquired assets by ousted president Mubarak and his entourage became a priority in the fight against corruption². However, limited progress has been achieved since 2011³. Corruption in Egypt remains widespread across all sectors. It is twofold: “petty corruption” inside the public sector, and “grand corruption” referring to the abuse of public institutions by high-ranking officials. It reduces economic efficiency and results in the unequal allocation of resources. The misuse of public office for private gain is also weakening state institutions and is undermining efforts to instill a culture of democratic governance. Mass corruption has now widely been recognised as an important source of major discontent among the population which can lead to violent forms of extremism, especially in countries with limited political options such as Egypt. Therefore, strengthening a culture and mechanisms promoting the fight against corruption directly contributes to the protection of human rights - civil, political, economic, social and cultural. Recovering looted assets is also important in order to restore justice.

After over three years without a Parliament, Egypt's new House of Representatives (HoR) convened in January 2016, hereby completing Egypt's "democratic roadmap". Formally, the one-chamber Parliament enjoys wider powers vis-a-vis the Executive⁴. The bylaws it adopted reflect the new balance among state powers as per the 2014 Constitution. During its first legislative session, the 596-seat Parliament elected Ali Abdel'Al as Speaker of the House; it established specialised committees; it reviewed all 341 interim laws passed by executive decrees since 2013; and it drafted, reviewed, and passed legislation. Yet, while approaching the end of its second legislative session, the Parliament is facing harsh criticism for having performed poorly, for not having delivered on accountability, public engagement, transparency and qualitative legislative work and for not having ensured proper checks and balances between the Executive and the Legislative branches.

1.1.1 *Public Policy Assessment and EU Policy Framework*

Egypt ratified the United Nations Convention against Corruption (UNCAC) in 2005⁵ and has a strong legal framework and competent national authorities to address corruption. A National Strategy for Combatting Corruption has been in place since 2014. Yet, despite robust laws and multiple administrative efforts, corruption remains endemic and money laundering a serious concern. Reasons for this lack of progress are mainly due to the poor implementation of the instruments in place, shortcomings in complaint mechanisms and insufficient involvement of civil society organisations (CSOs), the private sector, and the Parliament⁶ in the monitoring of anti-corruption policy. Prevention and public awareness are insufficient, despite two national media campaigns run in 2016 and 2017. Moreover, with the Arab Spring, several foreign jurisdictions froze assets of former high-level officials. The Asset Recovery Committee was formed and the General Prosecutor's Office initiated multiple actions, many of which involved the transmission of Mutual Legal Assistance requests (MLAs). Still, the General Prosecutor's Office struggles to recover assets. Legal and practical constraints in successfully executing MLA requests are hampering the conclusion of these judicial

2. Assets valued at over 837 million US dollars are currently frozen abroad.

3. In the Transparency International 2016 Corruption Perceptions Index, Egypt scored 34 on a scale of 0 to 100 and was ranked 108th out of 176 countries.

4. The HoR can pass laws vetoed by the President and has to approve the State's budget and its accounts, as well as loans and financial agreements.

5. The country has been reviewed under the first UNCAC review cycle on Chapter III (criminalization of corruption) and Chapter IV (international cooperation). UNCAC Chapter II (Preventive Measures) and V (Asset recovery) will be reviewed in the second review cycle.

6. One major exception to this trend was the Parliament's investigation into a wheat corruption scandal, through the formation of a fact-finding committee. Minister of Supply Khaled Hanafi resigned in the face of the scandal.

procedures, while freezing measures are being challenged. There is thus increasing pressure on the EU to lift the sanctions it imposed in 2011⁷ unless both Egypt and Requested States can resolve more quickly pending cases of corruption.

The Parliament has been accused of acting as a rubber stamp for the Executive. Out of the 27 laws that were formally passed by the Parliament in the first session, the majority were government-drafted bills. By quickly announcing parliament's full support for the government and after having repeatedly demanded that deputies avoid being too critical of the government, the speaker of the Parliament has clearly indicated that the Parliament shall not be too independent. This lack of autonomy of the House of Representatives has translated in poor performance when exerting its oversight function. Out of the 341 laws passed by executive decree in the Parliament's absence, only the Civil Service Law was subject to a meaningful debate and only two laws, the Church Construction and the Female Genital Mutilation Criminalization laws had some positive impact on human rights. The Parliament lacks accountability as public engagement and transparency quickly eroded and there is almost no interaction between the Parliament and CSOs. It has also only partially fulfilled its constitutional obligations up until now. Convening formally as a Parliament has clearly proved insufficient to ensure strengthened democratic practices and qualitative legislative work.

The fight against corruption, including effective asset recovery and management are in line with the revised European Neighbourhood Policy (ENP)⁸, the New European Consensus on Development⁹ and with principles laid down in various EU decisions as well as other international instruments. It also provides concrete implementation to the Asset Recovery Action Plan for co-operation with transition countries in the Middle East and North Africa region¹⁰. The lack of international consensus on the basic requirements democratic and effective parliaments must meet has changed in the last years with the development of a standard-based approach by international organisations, parliamentary bodies and democracy support organisations. Some benchmarking initiatives recently emerged¹¹ and these will be relevant for the proposed action in support to the Parliament.

1.1.2 Stakeholder analysis

A number of national authorities fighting corruption have been put in place in Egypt, i.e. the Administrative Control Authority (ACA), the Illicit Gains department of the Ministry of Justice, the Public Funds Investigation Department of the Ministry of Interior, and the Egyptian Financial Intelligence Unit (FIU). The Government of Egypt has also established a multi-institutional National Asset Recovery Committee, over which the Office of the Prosecutor General presides, as well as the National Co-ordinating Committee for Combating Corruption (NCCCC). The capacity of these stakeholders needs to be enhanced and aligned with international and European best practices.

As regards the HoR, it has not managed to become a decisive political actor in the Egyptian institutional landscape, notably because the capacity of its members and support staff has not proved sufficient. A Parliamentary Training Institute is in place but has no permanent premises. It has limited equipment and qualified staff while it seeks to develop a regional and

7. Council Decision 2011/172/CFSP: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:076:0063:0067:EN:PDF>

8. http://eeas.europa.eu/archives/docs/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf

9. https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

10. <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/V1255660.pdf>

11. The Inter-Parliamentary Union, i.e. "Guide on Parliament and Democracy"; CoE/Parliamentary Assembly resolution 1601(2008) "Procedural guidelines on the rights and responsibilities of the opposition in a democratic parliament"; the CoE/Venice Commission Chapter 5 of the "Rule of Law Checklist" 2016; Code of Conduct of members of the European; Transparency International, anti-corruption helpdesk, "Parliamentary Ethics Committees"; CoE/Venice Commission Report on the scope and lifting of parliamentary immunities; the CoE/Venice Commission "Report on the role of the opposition in a democratic parliament".

international dimension. Overall, the capacities of the HoR need to be considerably strengthened.

Since years civil society (CS) is subject to a serious crackdown. Rights activists are particularly targeted with travel bans, asset freezing, etc. A new Law¹² makes it almost impossible and very dangerous for local and international organisations to operate outside the scope of "government-approved" socio-economic service delivery. They can face severe financial and prison sentences. Only few NGOs are still active in the field of anti-corruption and almost none works with the Parliament. Some CSOs are offering targeted support to women MPs.

1.1.3 *Priority areas for support/problem analysis*

Egypt has a fairly developed legal and institutional framework to fight corruption which is in line with international standards. The implementation of the existing framework however poses important challenges. The Government of Egypt has expressed the will to assess the current anti-corruption strategy (2014-2018) and design a new one based on the lessons learnt. This new strategy is envisaged to be more limited in scope and accompanied by a realistic action plan. Emphasis will be put on the creation of a more conducive and inclusive anti-corruption environment that could integrate civil society and the private sector by developing, more generally, the legislation related to access to information, whistle-blowers, and witness protection. Scarce financial and human resources also imply that strategic policy decisions cannot be taken without adequate complaint mechanisms providing information on the most pressing needs. A major priority area in the above aspects is therefore related to capacity and institutional building. Internal awareness should also be enhanced to maintain anti-corruption as well as ethical conduct and transparency promotion high on the agenda.

Supporting the GoE in its efforts to recover and adequately manage stolen assets is key in fighting corruption and promoting transparent and accountable governance. In the field of asset recovery and management, the legal and institutional frameworks need to be enhanced in line with international standards. Emphasis must be put on building sustainable structures for bilateral dialogue with Requested States (particularly within the EU) to facilitate the tracing, freezing, and recovery of assets linked to corruption. In spite of the promising financial prospects offered by the return of assets, the competent Egyptian authorities do not have the capacity to respond adequately to MLA requests and therefore require further technical assistance to achieve results. In addition, the two specialised UN-software already in place (1) goCASE in case management meant for law enforcement, investigative, and prosecution agencies and (2) goAML in financial crime, including money-laundering and terrorism financing, meant for Financial Intelligence Units (FIU's), need to be further developed (and complemented where needed), and additional specialised training provided.

The performance of the Parliament has been criticized and the legislation it has passed is deemed of poor quality. It fell short of balancing the powers between the Executive and the Legislative branches of the state. Oversight functions over the Executive and Independent State Bodies are hardly discharged. A strong Parliament is however essential to plan and implement the important economic political, and social reforms Egypt initiated in the aftermath of the 2011 Revolution. The needs to reinforce the overall capacities of the HoR towards more efficiency, reliability, and transparency in fulfilling its core legislative, representative, and oversight functions are enormous. The quality of the Committees' work is uneven and there is a general lack of expertise and good practices¹³. The parliamentary research service in charge of processing, synthesizing and editing background materials needs

12. Law 2017/70 regulating the work of associations and other institutions working in the field of non-governmental work.

13. The Egyptian HoR estimates that only about 5% of the more than 3,700 staff of the Parliament's Secretariat are qualified for their jobs, ie most MPs cannot receive the level of assistance they would require.

improvement. Advanced software tools should be purchased to increase the efficiency of research group operations in providing assistance necessary for parliamentary debates to MPs and Committees. In the current, rather closed, Egyptian political context, it seems more feasible to deliver assistance to the Parliament through the Egyptian Parliamentary Training Center targeted at the permanent structures and staff of the Parliament rather than interacting directly with the MPs or the Committees. The permanent Secretariat plays an essential role in instilling democratic practices and accountable governance principles and represents a valid entry point in the current context.

2 RISKS AND ASSUMPTIONS

Risk	Level of risk	Mitigation measures
The Egyptian economic, political and social context is plagued by chronic instability. In the foreseeable future, terrorist insurgency, presidential elections, as well as social discontent due to economic reforms, may feed increasing instability and lead to tightened security measures (cf. state of emergency), which, in turn, can seriously impede the project implementation.	Medium	The situation will be closely monitored by the EU Delegation. This risk will be partly mitigated by amending the content/timeline of activities if and when required.
Lack of real political will to fight corruption.	Medium	The project will first support the evaluation of the anti-corruption strategy (2014-2018), which will mobilise national resources and interest, and on which the project will build throughout the action's duration. The EU Delegation will ensure a high level of co-ordination with the donors involved in this field to maintain pressure on the Government of Egypt.
The current closed political context is not conducive to international co-operation with the Parliament. Egypt regularly uses the narrative of external influences interfering with Egyptian internal matters and politics.	High	A peer-to-peer approach is proposed through a twinning project, which will allow Egypt to choose the European Parliament(s), with which it wishes to co-operate, hence facilitating future co-operation. The project aims at reinforcing the internal governance of the HoR to instil democratic practices and accountable governance principles without interfering with the Parliament's political work.
Considering the current repressive political and legislative context, CSOs cannot engage with the HoR or play their role in monitoring anti-corruption policy.	High	To the extent possible, specific activities will directly target CSOs and the private sector to foster their active engagement in anti-corruption and access to the Parliament.
Assumptions		

1. The government will continue to maintain control of the situation.
2. As corruption is also at the root of the 2011 Revolution and remains a serious concern for the population, it is assumed that this will remain an area of interest and concern for the GoE.
3. Peer to peer co-operation between EU Member States and the training centre of the HoR should ensure minimum access to MPs, MPs assistants, and Committees.
4. Despite the unprecedented repressive context for civil society, some CSOs can still operate and be associated to certain project activities without jeopardising their security.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

From 2011 until 2016 the EU financed the project "Supporting Measures to Combat Corruption and Money Laundering, and to Foster Asset Recovery, in Egypt" (ref. CRIS 268-770) implemented by UNODC. Since 2015, the "Preparatory Action to Support Arab Spring Countries to implement asset recovery" (ref. CRIS 344-285) has been ongoing and will be extended until mid-2018. Component 1 of this proposed project targeting the fight against corruption and asset recovery and management is designed based on a thorough analysis of experiences from these two projects recorded in result-oriented monitoring (ROM) reports and a final external evaluation in the case of anti-corruption. Lessons learned from these projects underline the relevance of a more focused and targeted approach in both cases. The analysis shows that anti-corruption needs to focus on implementation aspects and challenges posed by the legal and institutional framework already in place, on supporting the preparation of a new strategic framework which is more limited in scope, and on further developing complaint mechanisms and continuing awareness-raising activities. The ROM exercise on asset recovery states that the intervention needs to continue at national level rather than at the regional level since national institutional set-ups differ in many respects and require different approaches. The proposed action will also focus on how seized and confiscated assets should be used to address development needs. The practices and mechanisms proposed flow from the lessons learnt and good practices identified in the above-mentioned regional pilot project and from other countries. Regarding implementation modalities and implementing partners, in the case of anti-corruption, indirect implementation with UNODC has proven to be of limited efficiency and effectiveness resulting in severe project implementation delays and limited results. Consequently, a twinning project with EU Member States is favoured, ideally combining the experience of older EUMS in repressing corruption while new EUMS can offer valuable recent experience in preventing corruption. Experience with peer to peer co-operation/twinning in the governance sector in Egypt is positive and welcomed by the Government in the area of combatting corruption. Besides, the regional pilot project implemented by UNICRI in the field of asset recovery has delivered rather positive results so far¹⁴ and experiences in co-operation with UNICRI are good. The General Prosecutor Office also requested the continuation of the co-operation with UNICRI in this field. Therefore, choosing UNICRI as implementing partner for this sub-component will allow UNICRI to build on progress achieved and on the already well-established relationships developed with officials within the justice sector of the GoE.

No previous EU support has been provided to the Egyptian Parliament. The proposed twinning with EUMS results from the sensitive nature of the project, where the provision of technical assistance through external consultants does not seem to promise success. Peer-to-peer co-operation with EU Parliaments or related institutions will allow for Egypt to choose,

14. This has included technical advice that led to increased use of reconciliation (an alternative to the traditional, long criminal process) in key cases, and the recovery, in 2016, of over 300 million US dollars in stolen assets.

among European Parliaments, its preferred partner(s) to build trust and allow for a smoother co-operation.

3.2 Complementarity, synergy and donor co-ordination

The proposed action in the field of anti-corruption builds on the results achieved under a recently completed project¹⁵ and follows up on the gaps identified during the final evaluation. The proposed action in the field of asset recovery and management will continue and complement the "Preparatory Action to Support Arab Spring Countries to implement asset recovery" (ref. CRIS 344-285). The ACA in the near future will be receiving support from the World Bank (WB), the African Development Bank (AfDB), the United Kingdom (UK) and USAID. Canada is also supporting capacity-building in asset management. The Parliament is currently supported by AfDB and the UK.

Synergies will be sought between the interventions in anti-corruption, asset recovery, and support to the Parliament, as all three actions contribute to democratic governance and accountability. There is no other ongoing EU support directly related to these three fields of intervention, but anti-corruption and asset recovery feature in the wider support the EU is offering to Egypt in public administration reform, public finance management, justice, and support to civil society.

Donor co-ordination in the field of governance is ensured through the sub-group entitled 'Democratic Governance Group' (DGG) under the UN-led Development Partners Group (DPG). The DGG is co-chaired by the EU, Switzerland and USAID.

3.3 Cross-cutting issues

In view of the key role played by civil society in holding governments accountable, its involvement will be ensured in all components, to the extent possible given the current context.

The project will also contribute to the achievements of specific objectives defined under the Gender Action Plan II (GAP II) for Egypt, in particular the objective 'Equal rights and the ability for women to participate in policy and governance processes at all levels'. The project will target male and female actors in the Parliament and the Egyptian society, and will address the importance of gender equality and gender-sensitive approaches across its activities, for example in relation to quality aspects of legislation.

The rights-based approach (RBA) principles underpin the proposed project. The RBA working principles are the following: applying all rights based on the legality, universality and indivisibility of Human Rights, participation and access to the decision making process, non-discrimination and equal access, accountability and access to the rule of law, as well as transparency and access to information.

4. DESCRIPTION OF THE ACTION

4.1 Objectives/results

Overall objective: To support effective, accountable and participatory governance

Component 1 – Support to the fight against corruption, and strengthening of asset recovery and asset management

Sub-component 1.1 – Support to the fight against corruption

Specific objective 1: To enhance the efficiency and effectiveness of the fight against corruption

15. "Supporting Measures to Combat Corruption and Money Laundering, and to Foster Asset Recovery, in Egypt"(ref. CRIS 268-770)

Result 1.1.1: A new anti-corruption strategic framework is in place

Result 1.1.2: A more conducive and inclusive general anti-corruption legal environment is in place, notably in relation to access to information, whistle blowers and witness protection

Result 1.1.3: Institutional, citizen, and private sector capacity to report and monitor corruption is developed

Result 1.1.4: Awareness and prevention of corruption are enhanced

Sub-component 1.2 – Support to asset Recovery and asset Management

Specific Objective 2: To strengthen mechanisms and capacity for asset recovery and management

Result 1.2.1: The legal and regulatory framework to support asset recovery is strengthened

Result 1.2.2: The Government's capacities in asset recovery are improved

Result 1.2.3: The Government's capacities in anti-money laundering are improved

Result 1.2.4: The Government's capacities in asset management are improved

Component 2 – Support to the Egyptian House of Representatives (HoR)

Specific objective 3: To strengthen the democratic functioning of the Egyptian HoR

Result 2.1: The administrative capacity of the HoR is strengthened

Result 2.2: The efficiency of the HoR to exercise its core functions is increased

Result 2.3: The capacity of the Parliamentary Training Institute (TI) is improved

Result 2.4: The transparency of the work of the HoR and outreach to the citizens are increased

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 16¹⁶ but also promotes progress towards Goal(s) 16.4, 16.5 and 16.6¹⁷. This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities

Subcomponent 1.1 – R1: (1) Evaluate the anti-corruption strategy (2014-2018) (2) Organize a multi-sectoral consultation including CSOs and the private sector (3) Prepare the new strategy (2018-2022) (4) Develop means for public and Parliamentary strategy monitoring. R2: (1) Propose measures to reinforce ACA's independence (2) Produce analytical reports on legislation implementation gaps and propose improvements to the legislation on access to information, whistle-blowers and witness protection (3) Develop mechanisms to include CSOs and the private sector in combatting corruption. R3: (1) Further develop ACA's complaint mechanisms (2) Formulate pilot projects with concrete anti-corruption measures in the sectors of health, education, and municipal government (3) Organize workshops for CSOs, the private sector and the HoR on accountability (4) Develop a master class on corruption R4: (1) Develop educational programmes (2) Support awareness measures.

Subcomponent 1.2 – R1: Propose adjustments to the legal and regulatory framework to ensure greater harmonization on asset recovery with EUMS. R2: (1) Organize study visits for exposure to EU best practices (2) Organize workshops to trace, identify, seize, freeze and recover stolen assets (3) Organize peer-to-peer missions to address pending cases with foreign officials. R3: (1) Further develop the GO-AML and GO-CASE software, and/or incorporate any additional relevant software where needed (2) Carry out training on GO-AML and GO-

16. SDG 16: "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels"

17. SDG 16.4 related to asset recovery, 16.5 related to anti-corruption and 16.6 related to accountable & effective institutions

CASE, or other software as needed. R4: (1) Establish mechanisms for asset management (2) Identify programmes for the use of recovered assets through workshops incl. CSOs (3) Organize a conference on asset distribution (4) Develop a manual on asset management.

Component 2 – R1: (1) Identify gaps between the HoR regulatory framework and the structures, processes, and capacities in place (2) Carry out training for the support staff to address the gaps (3) Develop the research capacity through IT supply (4) Organise study tours for the support staff R2: (1) Carry out a training needs assessment (TNA) for MPs' assistants and MPs, paying particular attention to new and women MPs (2) Train relevant MPs to exercise their core functions (3) Organise workshops to improve the functioning and work quality of the Committees (4) Organise study tours and exchange visits R3: (1) Prepare a Human Resources Development Plan for the TI (2) Carry out a TNA for the TI (3) Train the TI staff (4) Provide the TI with IT equipment. R4: (1) Develop and support a Communication Strategy for the HoR (2) Develop IT tools for communication (3) Enhance the scientific publications of the TI (4) Organise public parliamentary events.

4.3 Intervention logic

In the field of anti-corruption, the GoE has recently expressed the will to do more and in a more focused way to yield concrete results. It has consequently requested the assistance of several international donors including the EU. This shows a momentum to engage more genuinely with the Egyptian authorities in combatting corruption and offers good prospects for ownership. The action will have a clear focus on addressing implementation challenges of the legal and institutional anti-corruption framework. It will also advocate for the inclusion of important players such as CSOs, business organisations, and the Parliament to play an active role in policy-making and monitoring of anti-corruption. A peer-to-peer approach is favoured to ensure more buy-in from the Egyptian authorities. The proposed implementation modality (twinning), expected results, and envisaged activities, are drawn directly from lessons learnt from recent independent monitoring (ROM) and evaluation missions¹⁸ and are based on needs expressed by the Egyptian counterparts.

In the field of anti-money laundering, asset recovery and management, the same approach has been adopted, based on the lessons learnt of the ongoing regional pilot project¹⁹. The proposed action aims at applying identified good practices in a tailored manner to Egypt. As requested by the Prosecutor General Office, the project will provide high quality technical guidance and facilitate peer-to-peer expert missions focusing on pending cases to achieve concrete results. It will upgrade the legal and institutional framework, enhance the IT capacity of the competent authorities through the further development of state of the art anti-money laundering software tools and improve the capacity of police, prosecutors and judges, as well as financial and intelligence analysts. CSOs will be consulted to help identify the ultimate destination of seized and confiscated assets, which will directly contribute to mainstreaming the EU support to civil society. Eventually, transparent asset management mechanisms will be set up to enable a more efficient return of assets from foreign jurisdictions.

The Delegation will engage for the first time in co-operation with the Egyptian HoR. The Parliament remains a rather closed institution in times when Egypt uses the narrative of external influences interfering with internal matters. It also suffers harsh criticism for its lack of independence. Therefore, interacting with the Parliament will prove challenging. In view of the above, the project's intervention logic will focus mainly on the permanent structures and staff of the Parliament in order to instil democratic practices and principles of accountable governance. In difficult times and within a sensitive political environment, such a project has to be understood as a pioneer one requiring a flexible approach that can eventually open the

18. Final Evaluation ref. ENI/2017/384-271 & ROM ref. C-268770

19. ROM ref. C-344285

door to further co-operation with other Egyptian institutions. The proposed implementation modality through a twinning project also represents a carefully chosen entry point to ensure MPs and assistants are motivated to participate with their peers in activities and should reinforce the internal governance of the HoR without interfering with the Parliament's political work.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Grants: call for proposals for a twinning contract to "Support to the Fight against Corruption" (direct management)

A call can later be replaced by a direct award if the reasons for the exception from a call (Article 190(1)(a), (b) or (c) RAP) arise after the adoption of this decision.

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The twinning contract will contribute to achieve the objectives and results described in Section 4.1.

(b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for twinning grants under this call is 100%²⁰.

(e) Indicative timing to launch the call

3rd trimester of 2018

(f) Use of lump sum/flat rates/unit costs

20. As provided for in the Twinning Manual

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. This system of unit costs and flat rate financing exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract.

5.3.2 Grants: call for proposals for a twinning contract to "Support to the Egyptian House of Representatives" (direct management)

A call can later be replaced by a direct award if the reasons for the exception from a call (Article 190(1)(a), (b) or (c) RAP) arise after the adoption of this decision.

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The twinning contract will contribute to achieving the objectives and results described in Section 4.1.

(b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning (calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for twinning grants under this call is 100%.

(e) Indicative timing to launch the call

3rd trimester of 2018

(f) Use of lump sum/flat rates/unit costs

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. This system of unit costs and flat rate financing exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract.

5.3.3 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure

Provision of IT equipment to the Egyptian Parliamentary Training Institute	supplies	1	3rd semester of 2019
Support to IT tendering process	services	1	2st semester of 2019

5.3.4 Indirect management with an international organisation to "Support to asset recovery and asset management"

A part of this action may be implemented in indirect management with the United Nations Interregional Crime and Justice Research Institute (UNICRI) in accordance with Article 58(1) (c) of Regulation (EU, Euratom) No 966/2012. This implementation entails strengthening the mechanisms and capacity of the GoE for effective and transparent asset recovery and management. This implementation is justified because of UNICRI highly specialised expertise and past experience in Egypt. The regional pilot project implemented by UNICRI in the field of asset recovery has delivered rather positive results so far and the General Prosecutor Office requested the continuation of the co-operation with UNICRI. The entrusted entity will carry out the budget-implementation tasks of tendering and contracting a set of services and supplies required for the achievement of the results as described in section 4 of this Action Document and concerning an important share of the total budget. The entrusted entity will put in place and implement the control and monitoring mechanisms necessary to guarantee the execution of service and supply contracts in line with EU regulations and standards.

5.4 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 origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014] on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in MEUR)	Indicative third party contribution, in currency identified
<i>Component 1 "Support to the Fight against Corruption, and Strengthening of Asset Recovery and Asset Management":</i>		
5.3.1 Call for proposals for a twinning contract to "Support to the Fight against Corruption" (direct management)	1.7	0
5.3.4 Indirect management with UNICRI to strengthen Asset Recovery and Asset Management	2	0
<i>Component 2 "Support to the Egyptian House of Representatives"</i>		
5.3.2 Call for proposals for a twinning contract to "Support to the Egyptian House of Representatives" (direct management)	1.8	0
5.3.3 Procurement of IT equipment to the Egyptian Parliamentary Training Institute (supplies)	0.2	0

5.3.3 Support to IT tendering process (services)	0.05	0
5.9 Evaluation and 5.10 Audit	0.075	
5.11 Communication and visibility	0.075	
Contingencies	0.1	
Totals	6	

5.6 Organisational set-up and responsibilities

ACA will be the counterpart of the twinning contract in "Support to the Fight against Corruption". The General Prosecutor Office will be the counterpart of the delegation agreement with UNICRI to "Strengthen Asset Recovery and Asset Management". The Parliament will be the counterpart of the twinning contract in "Support to the Egyptian House of Representatives". The Egyptian Parliamentary Training Institute will be the recipient of the IT equipment provided through a supply contract. Other relevant institutions will be closely associated to the implementation as needed. The project will be governed by a Steering Committee (SC) which will oversee and guide the overall direction and policy of the programme. It shall meet twice a year but can be convened whenever the project implementation requires strategic decisions. The project SC shall be chaired by the Ministry of Investment and International Co-operation and made up of representatives of the following entities: ACA, the General Prosecutor Office, the Parliament and a representative of the EU Delegation. The SC has the right to invite other stakeholders whenever deemed appropriate, including representatives of CSOs.

5.7 Performance 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 implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

5.8 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for problem solving purposes. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation 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. 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.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in the second year of implementation and one at the end of all action's components.

5.9 Audit

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

One contract for audit services shall be concluded under a framework contract at the end of the component implemented by UNICRI through a delegation agreement.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Through a framework contract the EUD will ensure adequate visibility and communication to the programme starting from 2019.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To support effective, accountable and participatory governance	- Corruption perception index - Governance perception index	Indexes for Egypt in 2017	Indexes for Egypt at the end of the project	- Transparency International Global Corruption Index -World Bank Governance indicators -Freedom House Country Report - Tahrir Institute for Middle East Policy - Egypt Parliament Watch	
Specific objective(s): Outcome(s)	S.O 1: To enhance the efficiency and effectiveness of the fight against corruption S.O 2: To strengthen mechanisms and capacity for asset recovery and management S.O 3: To strengthen the democratic functioning of the Egyptian HoR	- New strategy adopted, implemented and adequately monitored - Strengthened capacities to combat corruption - Effectiveness of anti-money laundering (AML) and asset recovery (AR) - Asset management (AM) mechanisms in place - Institutional & legislative capacities of the HoR - Transparency and outreach of the HoR	To be determined	To be determined	- New anti-corruption strategy - Standard legislature-keeping record - Official decisions on assets recovery - Official decisions on asset management - Project data on transparency and outreach of the HoR	
Outputs SO100	Output 1: A new anti-corruption strategic framework is in place Output 2: A more conducive and inclusive general anti-	- Recommendations resulting from the assessment of the current strategy and the consultations for the new strategy adopted - Number of analytical reports on	0 Prevailing legislation in 2017	New strategy ready in 2019 based on the collected list of recommendations Improved implementation records of anti-corruption	Publication of the Strategy and regular implementation reports Project data	<u>Valid for all outputs:</u> -Anti-corruption remains an area of concern for, and action of, the GoE. - Involvement of media,

	<p>corruption legal environment is in place, notably in relation to access to information, whistle blowers and witness protection</p> <p>Output 3: Institutional, citizen, and private sector capacity to report and monitor corruption is developed</p> <p>Output 4: Awareness and prevention of corruption are enhanced</p>	<p>implementation of anti-corruption legislation</p> <ul style="list-style-type: none"> - New legislative proposals and amendments addressing deficiencies and areas of improvements identified - Complaints mechanisms developed & operational - Number of periodic reports issued by all national authorities fighting corruption; - Number of reports submitted by citizens and private sector; - Number of investigations conducted based on citizen and private sector reports; - Codes of ethics developed in selected public institutions - Number of and performance in workshops held with selected public officials - Quality educational programmes developed and proposed 	<p>N. of mechanisms in place, number of complaints (breakdown by origin of complaint), and investigations in 2017 (tbd)</p> <p>Baseline for awareness in public institutions resulting from needs assessment</p>	<p>(AC) legislation</p> <p>Improved legislation in line with international & EU standards by the end of the project</p> <p>Increased N. of mechanisms, complaints (breakdown by origin of complaint) , and investigations by the end of the project (tbd)</p> <p>Target for awareness in public institutions resulting from needs assessment</p>	<p>Captured by standard legislature-record keeping</p> <p>Experts' analytical reports / institutions' reports</p> <p>- Project data</p> <p>- Official decisions on expanding university and school curricula to governance and anti-corruption topics</p>	<p>representatives of civil society, and the private sector possible without jeopardising their security</p> <p>- The level of participation to the multi-sectoral consultations assures proper representation of the Egyptian society</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Outputs SO 2</p>	<p>Output 1: The legal and regulatory framework to support asset recovery is strengthened</p> <p>Output 2: The Government's capacities in asset recovery are improved</p> <p>Output 3: The Government's capacities in anti-money laundering are improved</p>	<p>New legislative and regulatory proposals and amendments addressing current deficiencies and areas of improvements identified through consultation and analytical reports.</p> <ul style="list-style-type: none"> - Quality of work through incorporation of technical advice of workshops/study tours - Pending cases developments - Needs for GO-CASE and GO-AML software expansion addressed - Quality of work through optimal use of GO-CASE and GO-AML - Number of ML cases 	<p>Existing 2017 legal and regulatory framework</p> <ul style="list-style-type: none"> - Workshops performance at project start - To be decided at the beginning of implementation - State of play of GO-CASE and GO-AML in 2017 - Number of ML cases 	<p>Legal and regulatory framework in line with EU and international guidelines</p> <ul style="list-style-type: none"> - Workshops performance at project end - To be decided at the beginning of implementation - GO-case allows proper case management by project end - GO-AML brings AML fight up to best IT standards by project end 	<p>Captured by standard legislature-record keeping</p> <p>Valid for outputs 2,3,4:</p> <ul style="list-style-type: none"> Direct feedback from AML/AR/AM practitioners and/or GoE officials Tracking survey of workshop participants Official data from relevant authorities operating GO-CASE / GO-AML Official data from the 	<p>Valid for all outputs:</p> <p>AML/AR/AM remain and an area of interest for, and action of, the GoE.</p> <p>- Involvement of representatives of civil society possible without jeopardising their security</p>

	<p>Output 4: The Government's capacities in asset management are improved</p>	<p>autonomously initiated by GoE</p> <ul style="list-style-type: none"> - Needs of AM in Egypt identified and addressed - Social programmes benefiting from recovered assets identified 	<p>initiated in 2017</p> <ul style="list-style-type: none"> - No AM mechanisms in place in 2017 	<ul style="list-style-type: none"> - Number of ML cases initiated in 2017 - AM mechanisms in line with EU/international practices in place and address Egyptian needs by project end 	<p>General Prosecutor Office</p> <ul style="list-style-type: none"> - Official decisions from AM institution 	
Outputs SO.3	<p>Output 1: The administrative capacity of the HoR is strengthened</p> <p>Output 2: The efficiency of the HoR to exercise its core functions is increased</p> <p>Output 3: The capacity of the Parliamentary Training Institute (TI) is improved</p> <p>Output 4: The transparency of the work of the HoR and outreach to the citizens are increased</p>	<ul style="list-style-type: none"> - Number of analytical reports on legislative proposals provided by staff to committees - Increased satisfaction of MPs with staff support - Improvement in the quality of work through incorporation of expert advice provided by support staff - Quality of legislative analysis and amendments presented - Use of oversight instruments & quality of oversight process improved (more in-depth reports; increased frequency of formal opportunities provided for CSOs input) - Number and nature of constituent interactions - Human Resources Development Strategy developed - Channelling/ editing of background material for MPs - Number of informed stories on parliamentary work in print, online and broadcast media - Communication strategy effectively implemented and monitored 	<p>To be decided at the beginning of implementation</p> <p>To be decided at the beginning of implementation</p> <p>0</p> <p>To be decided at the beginning of implementation</p> <p>To be decided at the beginning of implementation</p> <p>0</p>	<p>To be decided at the beginning of implementation</p> <p>To be decided at the beginning of implementation</p> <p>Strategy available</p> <p>To be decided at the beginning of implementation</p> <p>To be decided at the beginning of implementation</p> <p>Strategy available</p>	<ul style="list-style-type: none"> - Standard legislature record keeping - Focus groups and/or satisfaction surveys - Analytical reports by the project - Civil society reports 	<p><u>Valid for all outputs:</u></p> <p>Peer to peer cooperation between EU Member States (EUMS) and the training centre of the Parliament ensures minimum access to MPs, MPs assistants, Committees, and HoR support staff.</p>



This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the Annual Action Programme 2017 (Part 2)¹ in favour of Egypt to be financed from the general budget of the European Union

Action Document for EU Support to Egypt's National Population Strategy

1. Title/basic act/ CRIS number	EU Support to Egypt's National Population Strategy CRIS number: ENI/2017/040-689 financed under the European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Neighbourhood South, Egypt The action shall be carried out at the following location: Egypt.			
3. Programming document	European Union (EU) Single Support Framework (SSF) for Egypt 2017-2020			
4. Sector of concentration/ thematic area	Sector 2: Social development and social protection			
5. Amounts concerned	Total estimated cost: EUR 27 million Total amount of EU budget contribution: EUR 27 million.			
6. Aid and implementation modalities	Project Modality Indirect management with United Nations Population Fund (UNFPA).			
7. DAC codes	<i>13010 Population Policies/ Programmes and reproductive health</i>			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

¹ Part (1) ref. C(2016)6633 final adopted on 20.10.2016

	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship				
10. SDGs	Main SDGs: 3 and 5;			

SUMMARY

Egypt's population grew by 20 million in the past 10 years standing now at around 93 million. If current trends continue, it could reach more than 150 million by 2050. The rapidly increasing population represents a major structural risk to the country's sustainable development. Being a driver of root causes of destabilisation and migration such as poverty, inequality, weak economic development, unemployment, and lack of opportunity, particularly for the young, overpopulation has also a clear potential for negatively affecting Egypt's and the wider region's stability.

In 2015, the National Population Council presented Egypt's National Population Strategy (NPS) 2015-2030. It aims at reducing fertility rates, primarily by increasing the use of voluntary family planning (FP) methods. The NPS' early phase of implementation experienced some setbacks and is not at cruise speed yet. However, it has contributed to creating a broad, widely uncontested political consensus in perceiving population growth as one of the country's key developmental challenges. It is now critical to move from advocating to effectively implementing the NPS. The EU, through its bilateral envelope, is well placed to assist the Government of Egypt in this process both technical and financially. The proposed action reflects the main focus points of the New European Consensus on Development and the 2015 Review of the European Neighbourhood Policy on the basis of which the new EU-Egypt Partnership Priorities and the EU's Single Support Framework for Egypt 2017-2020 were adopted.

The overall objective of the present action is to contribute to lowering Egypt's population growth rates. The specific objective is to support the implementation of the NPS, with a particular focus on voluntary FP. To this end, the proposed action focuses on three key pillars: 1. appropriate and sufficient supply of FP services and commodities, 2. the increase of the demand for and awareness/acceptance of FP, and 3. the strengthening of population governance. The main institutional counterpart is the NPC, a public entity mandated to foster, co-ordinate and oversee the implementation of the NPS together with 43 ministries and federal agencies as well as local governments. The active participation of specialised non-state actors and community and religious leaders, as well as media, forms part of the methodology of both the NPS and the proposed action. The implementation of the programme's three lines of action will be delegated to UNFPA. Being the international lead institution in the field of population and demographics, it has been closely involved in the drafting and launching of Egypt's NPS and disposes of privileged working relations with relevant public and non-state actors.

1 CONTEXT

1.1 Sector/Country context/Thematic area

Egypt's complex political transition towards democracy following the 2011 revolution has not been without challenges and set-backs. Many of the root causes of the popular

uprising, including economic and social distress, high unemployment, in particular of youth, a lack of accountability and insufficient space for civil society and democratic opposition, persist. In addition, over the past decade, economic and environmental resources have been increasingly strained by pronounced demographic growth. Between 1996 to 2016, the population grew by 48.5%, from 62 million to 92.3 million. Population growth significantly accelerated since the mid-2000s, adding over 20 million people during the past 10 years alone. If the current growth rate of around 2.4%, close to 2 million per year, is not reversed, the population might reach 151 million by 2050. Combined with an unbalanced spatial distribution of the population and demographic characteristics favouring low levels of productivity, demographic growth represents one of the biggest challenges to Egypt's sustainable development and stability.

Strong economic growth is needed for Egypt to provide jobs to the expanding labor force and bring down unemployment (currently at 12%). The IMF-supported reform program has taken important steps in resolving the country's balance of payments problems, restoring competitiveness and putting the country on a path to high sustainable growth rates of around 6% (as opposed to the current 4.2% preliminary rate for fiscal year 2017). Fiscal consolidation remains an important challenge for the success of the program and in this respect, demographic trends are putting particular pressure on public finances. The current national poverty rate is around 25%. Another 25% is finding itself at risk of slipping into poverty. In rural Upper Egypt, where fertility rates are particularly high, up to 50% of the population lives under the poverty line. Together with education, family size is considered the strongest correlate of poverty. Due to lacking social safety nets, poor families continue to perceive children as important sources of future family income and prosperity. Unemployment has slowly come down to 12% from the high point of 13.2% in 2013, but with youth unemployment still at almost 40% and the currently 800,000 new job seekers per year, Egypt's capacity to offer employment opportunities and perspectives of a decent life to its youth could be enhanced with a slower rate of labor market growth. With 33% of the current population younger than 15 years, the number of – often poorly trained or unskilled – youth entering the job market will continue to increase dramatically.

Today's high population growth rate is based on a sharp increase in the total fertility rates (TFR) over the past 10 years, combined with mortality rates in constant decline for several decades. TFR rose from 3% in 2008 to 3.5% in 2014. The number of births increased from 1.85 million in 2006 to 2.6 million in 2012. This 40% increase in only six years shows that the concept and practice of voluntary family planning (FP) has lost its momentum in Egypt. Indeed, the percentage of married women using contraceptives decreased from around 60% in 2008 to 57% in 2014. The contraceptive discontinuation rate has also remained persistently high at around 30%. The estimated unmet need for family planning increased from 11.6% in 2008 to 12.6% in 2014. Egypt's current female population aged 20 to 40 is around 14 million (over 18 million between 15 to 44 years).

1.1.1 Public Policy Assessment and EU Policy Framework

Egypt's national FP programme achieved good results during the 1990s and early 2000s. In 2008, long-term USAID support to the programme was phased out as pre-established benchmarks had been achieved. In the following years, FP was increasingly neglected by pre- and post-revolution governments, and fertility rates sharply rebounded. The 2014 Constitution as well as Egypt's National Development Plan "Vision 2030" endorses a comprehensive approach integrating population and development. In 2015,

the National Population Council (NPC), a collegial body under the Ministry of Health and Population (MoHP), presented the National Population Strategy (NPS) 2015-2030. It aims at reducing the fertility rate to 2.4% by 2030 (from 3.5% in 2016), which would lead to an estimated population of 110.9 million by 2030 (instead of 118.9 million if current rates persist). The coordinated involvement of all levels of Government, non-state actors (NSA) and communities is fomented by the NPS. Focus on social groups and geographical areas with above-average fertility rates and unmet needs for family planning, as well as below-average use of and/or demand for FP commodities, is foreseen. Effective women empowerment and pro-youth policies form part of the NPS' long term goals. Two years after its launch, the NPS' short-term objectives have not been achieved as planned. Nevertheless, the culturally sensitive subject of demographic growth is now high on Egypt's political agenda and broad consensus in perceiving population growth as one of its key developmental challenges has been generated.

The new sense of urgency to tackle demographic growth is most prominently reflected by the President's 2016 statement that overpopulation poses a "bigger threat to Egypt's stability than terrorism". In July 2017, he reiterated at the National Youth Conference that "terrorism and overpopulation are the two main challenges facing Egypt". The Prime Minister (PM) personally chaired an inter-ministerial meeting in spring 2017 to – finally - jump-start the NPS' implementation. Moreover, NPS progress will now be monitored by the PM at monthly Cabinet meetings. A further milestone was the unprecedented statement by the Grand Imam of Al-Azhar that it is acceptable for Muslims to have less children in order to be able to meet the latter's' needs. In June 2017, a group of 200 Parliamentarians proposed a controversial draft bill suspending governmental subsidies in sectors like education or health to parents with more than three children. While the appropriateness and feasibility of such drastic measures might be questionable, the fact that they are now being publicly discussed is remarkable. In terms of concrete financial commitments for FP related expenditure, an annual increase of 10% in budgetary allocations for the procurement and distribution of contraceptives has been announced for the coming years. In view of 2015 and 2016 budgets amounting to approximately LE 130 million/year for free or reduced contraceptives for vulnerable populations and estimated financing needs of around LE 300 million (EUR 15 million) per year, the announced 10% annual increase remains moderate in absolute terms. In particular, considering the 2016 devaluation of the LE. However, in times of severe budgetary constraints, it certainly marks a noteworthy trend.

Amid the current momentum, the main challenge is to move from advocating to effectively implementing the NPS. The EU, through its bilateral envelope, is well placed to assist Egypt in this process, both technical and financially. Such support is in line with the main focus points of the New European Consensus on Development and with the 2015 European Neighbourhood Policy (ENP) Review on the basis of which the EU-Egypt Partnership Priorities (PPs) of July 2017 and the EU's SSF 2017-2020 for Egypt were recently defined. The ENP and PPs, respectively, consider stabilisation as the Southern Neighbourhood's and Egypt's most urgent challenge. Poverty, inequality, injustice, weak socio-economic development and lack of opportunity, particularly for youth, were found to be the main sources of instability. The ENP also puts emphasis on finding ways to mitigate the root causes of migration, mainly by fostering local economies and improving prospects for the local population in order to make partner countries places where people want to build their future. Undoubtedly, rapid population

growth and overpopulation are key drivers of the before-mentioned root causes of both instability and migration.

It has traditionally proven difficult for the EU to support population programmes in its Southern Neighbourhood. Due to the particular cultural and religious sensitivities related to FP, in general, and to the negative perception of foreign involvement in FP programmes, in particular. The current favourable conditions for EU engagement in the implementation of Egypt's NPS provide a unique window of opportunity.

1.1.2 Stakeholder analysis

At political-level, the launch of the implementation of the NPS is steered by a PM chaired group of seven Ministries (Health; Local Development; Education; Youth; Planning; Culture; Religious Endowment). The NPS' executive body is the NPC that coordinates all related government activities with 43 ministries and agencies, as well as local governments. The NPC and these institutions are the main direct beneficiaries.

The MoHP's Family Planning Sector manages the FP programme at the central, governorate, district and service delivery levels. This includes procurement of contraceptives, training and supervision of service providers. It is, hence, a key partner for the programme's supply component. The Ministry of Youth plays a crucial role in managing and implementing population actions promoting a change in the perception of FP among young people, with a particular focus on young men. It runs the youth centres and youth clubs used by the strategy for informal population education, and capacitates young people to lead community initiatives in favour of voluntary FP. The Ministry of Education will be involved in the action's demand-related component that also targets school curricula and population/ sexual and reproductive health education. To this end, universities and regional training centres will be important partners providing technical assistance and capacities development. The Ministry of Social Solidarity (MoSS) introduced the "Takafol" programme as the first national conditional cash transfer programme for impoverished and vulnerable families in Egypt. As a part of this programme, the MoSS developed a database of 1.5 million of vulnerable families in Upper Egypt. These data should be used as an entry point for community-based initiatives related to population growth and FP in Upper Egypt. The Ministry of Planning, Monitoring and Administrative Reform supports social reforms in Egypt and follows up on achievements of SDGs in all dimensions. Its horizontal role is essential to improve population governance and policy co-ordination. The Central Agency for Public Administration (CAPMAS), Egypt's official statistics office, is currently conducting the 2017 population census and will provide key statistical data to the programme.

NSA will be closely involved in the programme. Particular emphasis is put on civil society organisations (CSO) gathered under the umbrella of the largest grassroots youth network, both globally and in Egypt: the Youth Peer Education Network of Organisations and Institutions (Y-PEER). In Egypt, it includes 125 organisations working in 23 governorates with thousands of active members. It is working on a variety of issues, including sexual and reproductive health and rights, youth participation, gender empowerment and gender based violence. Despite the increasing legal and regulatory constraints faced by CSO in Egypt, Y-PEER is expected to be able to continue operating without major obstacles due to its solid relations with and support received from the MoSS. Other NGOs, think tanks, researchers and consultancies, as

well as media companies including TV channels will collaborate with the programme as well. The role of religious communities and leaders in endorsing the NPS and promoting smaller families is critical. Ensuring their support to voluntary FP forms part of the NPS' integrated approach. Accordingly, religious institutions, including Al Azhar University and the Coptic Church, will be invited to participate in the programme.

UNFPA, upon Government of Egypt request, led the drafting process of the NPS, assisted in its launch and promotion, and will now facilitate the NPS' actual implementation and interinstitutional co-ordination. It has a solid partnership and relation of trust with concerned governmental stakeholders, as well as a positive and politically neutral image towards the wider public. Given the particular sensitivities and complexity of the sector, UNFPA is in a privileged position to assume the implementation of the proposed action.

The final beneficiaries are Egyptians in reproductive age that will have more choices to decide on family size, the timing of having children, and the spacing between children.

1.1.3 Priority areas for support/problem analysis

Demand for FP services and commodities in Egypt: Decreasing demand contributed to turning Egypt's relatively stable fertility levels between 1995 and 2008 into a sharp increase during the past decade. Reasons for this shift include the lack of outspoken political support to FP after the withdrawal of international support to the national population programme, as well as of advocacy, information and outreach activities, which until 2008 had been mainly financed with foreign funding. The resulting information gap has also contributed to the spread of misconceptions about side effects of contraceptives on fertility. Importantly, lower demand has coincided with increasing political tensions leading to the 2011 Revolution and the rise of political Islam and more conservative social and religious mind-sets in Egypt. Demand has been affected too by the sustained economic crisis and its severe impact on household income, creating important financial barriers for people to seek or purchase FP services and commodities.

Supply of quality family planning services and commodities: After the withdrawal of external support to ensure the supply of FP services and commodities, the political instability of the late Mubarak years and during the transition period 2011-2014 led governments to increasingly focus institutional and financial resources on the short-term mitigation of political, at times violent conflicts, social unrest, stalled economic growth and quickly rising unemployment and poverty. This shift had a direct impact on the delivery and quality of health services and commodities, in general, and in the area of reproductive health and FP, in particular. The declining prioritisation and public funding for FP services and commodities exacerbated the structural deficiencies in the planning, procurement, logistics, distribution, management and quality in Egypt. The resulting shortage in skilled staff and adequate contraceptives, as well as decaying facilities and ill-maintained equipment led to a rapid deterioration in FP supply and services.

Population governance, policy co-ordination and monitoring: The decline of Egypt's earlier national population programme was accelerated by the lack of a well-functioning and clearly mandated institutional implementation structure, which for instance existed in the field of immunisation and ensured the continuity of immunisation campaigns during Egypt's turmoil years. The effective implementation of the 2015 NPS, so far, has also been hampered by weak co-ordination, miscommunication, discontinuity within the institutional framework, pronounced centralisation of responsibilities and policy

decisions. The existing institutional framework – in particular, the NPC's current location under the Ministry of Health and Population – has complicated the NPS' goal to address the challenges of high fertility levels in a more integrated and multisectorial way. Sound implementation and monitoring mechanisms at both national and local levels do not fully work yet. In addition, the social and economic root causes of low demand and insufficient supply of family planning services and commodities need to be tackled in a more co-ordinated, participatory and targeted way. All levels of government are to be actively involved. The effective opening up of the NPS' implementation and monitoring to key non-state actors is critical but still pending.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Increased instability at country/ regional level leads affects programme implementation.	M	The lack of social justice and economic development prospects including decent employment, is considered a key driver of political and institutional instability. The negative impact of the Economic Reform Programme, supported by the IMF, on the country's most vulnerable has further increased the risk of social unrest. Priority of EU and international aid is to assist Government of Egypt in its efforts to mitigate the situation by focusing reform on social protection, inclusive economic growth, and employment creation. Situation to be closely monitored.
Decreased Government of Egypt commitment to prioritise population policies.	L	Government of Egypt sees uncontrolled demographic growth as a threat to national security and has created a large coalition that includes all levels of government religious communities, private sector and academia. The programme counts with an important political advocacy dimension at both national and governorates level. With regard to Government of Egypt financial commitments, particular emphasis to be put on raising awareness on FP cost-effectiveness. Monitoring of political situation and active engagement with high-ranking government officials throughout the programme implementation.
Weak co-ordination and ownership of key stakeholders	M	At highest political level, co-ordination and ownership among the – very numerous - stakeholders are recognised as key to the success of the NPS. However, risks remain due to the complexity and crosscutting nature of the subject. The programme foresees a specific component to foster population governance. It also includes targeted advocacy measures to strengthen ownership. Continuous dialogue with representatives of ministries and public bodies during implementation will be ensured.

Limited technical capacity in reproductive health commodity security can affect proper forecasting and delay implementation	L	Programme will engage with national counterparts to maintain adequate implementation capacities, including efficient use of existing capacity assets. UNFPA-programme organigram with strong focus on providing technical expertise on supply chain management/reproductive health commodity security.
The new, highly restrictive Egyptian "NGO Law" will limit local civil society partners' ability to contribute to the programme's implementation.	M	Obtaining clearances through established channels (MoSS; MoIIC) of both EU/UNFPA, to secure approval of partner organisations. Working, where possible, with CSO of uncontested expertise, like Y-PEER and members, that count with MoSS support.
Assumptions		
<ol style="list-style-type: none"> 1. Process of internal stabilisation continues in political and institutional terms. The Government of Egypt's social and economic development agenda, with focus on most vulnerable, will support this process. 2. Awareness of importance of population policy for country's development consolidated and continuing to increase. 3. Concerned public and non-state stakeholders will collaborate to achieve the expected results. 4. UNFPA is the only agency with technical capacity and expertise to provide integrated NPS support. 5. CSO involvement can be ensured through close follow-up/collaboration with Government of Egypt. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

In order to decrease fertility rates through enhanced contraceptive use, an integrated strategy fostering supply and demand of FP services and commodities as well as population governance is required. The strategy has to be multisectorial and shall duly address the diverging needs and behavioural patterns of partners, target groups and final beneficiaries. Evidence also indicates that engaging women and men in FP programmes can improve access and use of FP. Last but not least, the implementation of a population strategy has to be mandated to clearly identified institutional structures which are sufficiently robust to continue functioning should political support temporarily decrease.

Due to its complex crosscutting and multi-layer dimension, a precondition for international support to the implementation of the NPS is broad political and social consensus on the fact that high population growth represents a key developmental challenge to the country. This is also necessary to ensure that relevant, at times reluctant public bodies accept and foment the crucial involvement of NSA, community/ religious leaders, and the media. Experience shows, however, that political support to population policies and programmes remains permanently exposed to changes in the wider political, economic, social and ideological context, and can easily fade. In particular, in crisis situations like the late years of the Mubarak presidency and the subsequent transition. Combined with the 2008 donor withdrawal from the earlier FP programmes, this shift in political prioritisation and public perception was instrumental in reversing Egypt's previously positive population trends. Nevertheless, in terms of sustainability, the 1990s and early 2000s population programmes also illustrated that donor-support to fomenting voluntary contraceptive use can translate into measurable declines in unintended pregnancy and improvements in women's ability to space their pregnancies leading to a lower number of births. The fact that a lower number of people were born during the reference period and require basic services like health and education or seek

employment or housing throughout their lifetime, represents a direct, tangible result of that support because lower fertility rates reached during a given period cannot be reversed or undone at a later stage. They, hence, are sustainable project results.

In view of previous experiences, donor-support to the NPS today is particularly sensitive to ensuring explicit long-term political commitment by the Government of Egypt to curbing population growth. Based on the assumption of relative political continuity, the current positive political momentum and wide political and social consensus, indeed, provides a reasonable degree of assurance with regard to the political and institutional sustainability of the proposed action. In line with Egypt's expected – modest - economic recovery, the Government of Egypt's financial commitment to a moderate but continuous increase in local FP spending, in particular for FP service infrastructure, staff and commodities, provides reasonably positive perspectives for the action's financial sustainability as well. To ensure financial sustainability, it is also important to continue to raise Egyptian stakeholders and decision-makers' awareness of the high cost-benefit/internal rate of return for FP investment. The latter is estimated by UNFPA at 199% (based on savings in government expenditure on health, education, food subsidies and housing due to the number of births averted by the FP program over a given period). Despite this relatively positive outlook, given the urgency of the matter and severe current budgetary constraints, on the short term it is critical for Egypt's foreign partners to consider co-funding FP supplies and equipment in order to effectively jump-start the NPS' implementation without further delay. On the medium to long term, the expected gradual increase in local FP spending should allow for donor funding to gradually shift to technical co-operation, capacity development and advocacy, including technical support to local procurement efforts and to obtaining better value for money in order to foment financial sustainability. The proposed action follows this rationale.

3.2 Complementarity, synergy and donor co-ordination

The promotion of women's rights is a strategic objective of the NPS that is well integrated in the proposed action. Complementary actions in this field include the “Advancing Women’s Rights in Egypt” programme that provides the third phase of EU support to Egypt's National Strategy for Combating FGM. Synergies with the NPS' goals of youth and women's social and economic empowerment exists with regard to the "EU Facility for Inclusive Growth and Job Creation" and the "Emergency Employment Investment Project". Among others, these two major programmes promote job creation and employability, with strong focus on youth/women and on marginalised areas. The present programme is also complementary to several smaller EU-funded actions promoting gender equality, women's rights and youth empowerment (thematic etc.).

The number of donors and international development partners active in Egypt's complex population sector has been very limited in the past years. However, amid the renewed political support to the NPS and its implementation, since 2015/2016, there have been signs of increasing donor engagement. Since 2016, GIZ is providing capacity building to the NPC and its staff. In view of a possible EU support, in 2017 the Swiss Co-operation awarded a 2-years bridging grant that supports preparatory works such as the draft of the NPS' implementation plan, set-up of local taskforces and mapping exercises. USAID as well re-entered the population sector in 2016, on a lower scale, mainly fomenting FP through private sector initiatives. It now plans a far broader intervention (around USD 20 million) providing funding for technical assistance, media campaigns and training. The Italian Co-operation has also signalled its intention to consider supporting the NPS.

All mentioned development partners are in close contact with the EU Delegation and UNFPA to ensure utmost complementarity of their ongoing and planned actions.

3.3 Cross-cutting issues

Gender equality, women empowerment and the abolition of gender-based violence are key cross cutting areas of both the NPS and the present action. They are particularly relevant to the impact and sustainability of the programme and were taken into due account when designing it. By giving Egyptians – women and men - more choices to decide on family size, the timing of having children, and the spacing between children, the action promotes and facilitates a role of women in Egypt's society that Government of Egypt's beyond their traditional role limited to being a mother and wife. Accordingly, an increased social acceptance and actual use of voluntary FP is expected to contribute to increasing women's ability to enter new fields of action and/or assume new tasks, which go beyond the limitations defined by traditions and customs. For instance, women's ability to obtain higher levels of education and training, pursue economic and income-generating activities, or increase their interaction and involvement at community-level. Creating such opportunities for women directly contributes to their empowerment. As regards gender equality, the project activities, in particular on the demand-side, put emphasis on the fact decisions about family size, the timing of having children, and the spacing between children have to be taken jointly by women and men.

The programme's focus on fostering the involvement of NSA in the implementation and monitoring of the NPS, should contribute to demonstrating that organised civil society can and should play a constructive role in tackling particularly complex and culturally sensitive developmental challenges like Egypt's high population growth. In times of increasing frictions and mistrust between the State and civil society, this is expected to contribute to strengthening NSA and legitimising their important work for the country.

The action per se does not have a particular objective related to environment or climate change, nor is there a specific risk that any of the former could be negatively affected by the programme or some of its activities. However, it is clear that high population growth is a "crosscutting challenge" and unsustainable for many reasons. Therefore, the successful implementation of the NPS and of the present action, certainly, would positively affect many different areas, including the environment (relatively lower increase in water use; pollution of air/water, solid waste generation; soil degradation...), as well as climate change (relatively lower increase in CO2 emissions...).

The rights-based approach (RBA) principles – including the legality, universality and indivisibility of Human Rights, participation and access to the decision making process, non-discrimination and equal access, accountability and access to the rule of law, as well as transparency and access to information - underpin the proposed project. The AAAQ (Availability, Accessibility, Acceptability and Quality) framework – used by the implementing entity, UNFPA, in all operations - will be duly applied during the action's execution.

4 DESCRIPTION OF THE ACTION

4.1 Objectives and Results

General objective: Decrease population growth rates in order to foster Egypt's sustainable development

Specific objective: Increased use of voluntary FP services and methods in Egypt

Result 1: FP services/ contraceptive commodities scaled-up and more accessible;

Result 2: Youth and population in reproductive age educated/ better informed on FP, general public awareness/ acceptance of value of smaller family size raised;

Result 3: Institutional capacities for monitoring and co-ordination of the implementation of the NPS strengthened.

The present programme is relevant for Agenda 2030. It contributes to the achievement of Sustainable Development Goal (SDG) 3, Ensure universal access to sexual and reproductive health-care services, integration of reproductive health into national strategies and programme, and SDG 5, Ensure universal access to sexual and reproductive health and reproductive rights in accordance with Programme of Action of the International Conference on Population and Development and Beijing Platform for Action/ outcome documents of their review conferences. Main activities

Activities for Result 1 ("Supply-side"):

A.1.1 Developed and implement national costed implementation plan for FP;

A.1.2 Strengthen supply chain management in order to enhance quality of care and support choice of methods by reducing contraceptives' stock outs and equipment;

A.1.3 Enhance capacity of service providers (5,500 FP clinics);

A.1.4- Integrate FP services and supply into frequently used public sector maternal and new-born health services at Primary Health Care Level;

A.1.5- Ensure regular FP supplies to maternal/ new-born health facilities;

A.1.6 Integrate FP services into Primary Health Centres for married people

A.1.7 Extend FP services/supply to women whose mobility is constrained by social norms (14,000 MoHP outreach workers trained as a community health workers);

A.1.8 Extend FP to "women health clubs" revitalized as FP clinics (2,500);

A.1.9 Develop and apply accreditation and award system for MoHP FP clinics;

Activities for Result 2 ("Demand-side"):

A.2.1 Introduce comprehensive population education in educational system;

A.2.2 Provide entertainment education utilised in in-school and out-of-school settings;

A.2.3 Launch comprehensive media campaign on all platforms – digital, electronic, print, and audio – to educate the public on population, FP issues and to promote small family concept, reaching 60,000,000 people;

A.2.4 Link marriage databases, birth registers, other relevant databases with FP delivery points and providing newly married couples/ new parents with FP information;

A.2.5 Raise awareness of religious and community leaders on population, FP issues;

Activities for Result 3 ("Population governance"):

A.3.1 Support establishment and working of national high-level inter-ministerial population task-force and of population task-forces at governorate-level which oversee and co-ordinate NPS' implementation;

A.3.2 Support creation and working of NPC-managed NPS monitoring/reporting system.

4.2 Intervention Logic

For population growth rates to decrease, fertility rates have to be lowered. An effective way to achieve this is by increasing the voluntary use of FP services and contraceptives. To this end, demand for FP needs to be boosted, among others, through population education and comprehensive awareness raising. The aim is for FP-related concepts to be well-known to and accepted by the concerned individuals and their communities. Through health, welfare and family size messaging, the applied model is comprehensive and engages both women and men. It is age-sensitive recognizing the changing needs of beneficiaries, and socially sensitive by taking into account social and economic contexts of beneficiaries. Importantly, it is also culturally sensitive as it focuses on married couples' FP needs and the role of religious and community leaders, as well as older married women, in influencing the size of the family of their married sons and daughters. Each programme activity, including in service delivery, is adapted to contribute to generating demand. The core piece of awareness raising efforts is a transmedia campaign combining TV series, complementary TV programming, radio, digital, social media, and on-the-ground community mobilisation activities. It is built on the assumption that the main barriers to use FP services are not only low levels of FP knowledge but generalised anti-contraceptive attitudes and dominant social norms favouring high fertility. Therefore, outreach activities target people's beliefs, feelings and ideas that drive behaviour, can remove social barriers and empower people to act.

In order for FP use to effectively increase and become an "ordinary part of family life" in Egypt, the adequate supply and free or subsidised provision of FP services and commodities – in particular for vulnerable segments of the society - has to be ensured. Supply has to increase in line with demand. To achieve this, in addition to the provision of contraceptive commodities and equipment for FP facilities, the programme promotes structural change through performance improvement at FP facilities, training and capacity development, specialised technical assistance, and better commodity planning and logistics systems. Innovative channels for FP service delivery, including both public and non-state actors, will be promoted too, e.g., by creating strategic FP linkages with mother and child care services, revitalising women health clubs as FP clinics, integrating FP services for married young people into Primary Health Centres, or linking FP initiatives to social programmes targeting vulnerable families in rural Egypt.

Due to the complexity and crosscutting nature of the subject, sound population governance is a precondition for both increasing demand and providing adequate FP supplies in line with the NPS' goals. The present action will contribute to strengthening the NPS' governance, co-ordination and monitoring structures that are led by the NPC and implemented by interdisciplinary task-forces at national and governorate-level.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing Agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of the entry into force of the financing Agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this Decision and the relevant contracts and agreements; such amendments to this Decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with an international organisation

This action will be implemented in indirect management with the United Nations Fund for Population Action – UNFPA, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. The implementation entails the three components of EU support to the implementation of Egypt's National Population Strategy in the areas of demand, supplies and governance. This implementation is justified because of UNFPA's undisputed technical expertise in supporting population policies in Egypt and globally, as well as its track-record and privileged working relations with relevant stakeholders.

The entrusted entity will carry out the budget-implementation tasks of tendering and contracting a set of services and supplies required for the achievement of the results as described in section 4 of this Action Document and concerning an important share of the total budget. The entrusted entity will put in place and implement the control and monitoring mechanisms necessary to guarantee the execution of service and supply contracts in line with EU regulations and standards.

5.4 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 origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

Module	Amount in MEUR
Component 1 – improved FP supplies	16.6*
<i>*estimated breakdown:</i>	
<i>9 MEUR - Supply of contraceptives</i>	
<i>7.6 MEUR - Capacity building, supply planning/ chain/ procurement strengthening, logistics system, service providers/community health workers capacity building...</i>	

Component 2 – increased FP demand <i>**estimated breakdown:</i> <i>1.95 MEUR – Population curriculum at colleges/schools, actions at youth clubs and centres; FP entertainment events...</i> <i>3 MEUR – media campaign audi; TV; digital; print; theatre; ...</i> <i>4.05 MEUR – targted outreach/information (religious community leaders; young married couples; beneficiaries of social cash-transfer programmes...)</i>	8**
Component 3 – population governance	2
Communication and visibility	0.1
Sub-total Indirect management with UNFPA including max 7% of indirect costs	26.7
Evaluation and audit/verification	0.3
Total	27

5.6 Organisational set-up and responsibilities

The three components of the programme will be implemented by UNFPA through the signature of a delegation agreement.

A specific Steering Committee (SC) will be set up to oversee the implementation and validate the overall direction and policy of the three components. It will meet at least twice a year and will be chaired by the Ministry of Investment and International Co-operation (MIIC) on behalf of the Government of Egypt and will be composed by:

National Population Council

Ministry of Health and Population

Ministry of Education.

Ministry of Social Solidarity

Ministry of Youth

Ministry of Planning

Representatives of Local Authorities, concerned communities and CSO

EU Delegation.

The SC has the right to invite representatives of any of the stakeholders whenever deemed appropriate. UNFPA will act as SC secretariat. The Terms of Reference and detailed composition of the SC shall be established during the inception phase. The SC can be convened whenever the project requires strategic decisions or changes. The committee will receive, discuss and revise the periodical work plans, budgets and technical and financial reports of the programme.

In addition, UNFPA will organise monthly technical follow-up and review meetings to take stock of the level progress made in the implementation of project activities and in

the achievement of expected results, as well as to inform about and prepare for upcoming activities and events, including SC meetings.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of the programme 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 implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

5.8 Evaluation

Having regard to the nature of the action, a mid-term, final and/or ex-post evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation may be carried out for problem solving, learning purposes, in particular with respect to the gathering of information, review of the Results Oriented Framework (RoF – Annex I) and assessing the project's implementation progress towards the objectives. A final or ex-post evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the impact and sustainability of the Programme.

The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation 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. 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.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in the second year and one in the sixth year of the implementation of the programme.

5.9 Audit

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

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.55 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing Agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Major communication campaigns and awareness raising activities form part of the programme, mainly under its "demand-component". In these activities, the visibility of EU support to the NPS will be ensured as much as possible taking into account the particular sensitivity of the subject of population growth. In addition, the specific visibility budget of 100,000 EUR as indicated in section 5.5, is earmarked to foment the visibility of the programme and its EU funding as such, mainly with regard to well-defined target groups and key stakeholders (public and non-state, international development partners etc).

6 ANNEXES - INDICATIVE LOGFRAME MATRIX

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Decrease population growth rates to foster Egypt's sustainable development	Total fertility rate	3.5 (2016)	3.1 (2023)	Egypt Demographic and Health Survey (DHS)	
Specific objective(s): Outcome(s)	Increased use of Family Planning (FP) services and methods	- Contraceptive Prevalence Rate (CPR) - Contraceptive discontinuation rate - % of unmet need for FP	58.5% (2016) 30% (2016) 12.6% (2014)	64% (2023) 19% (2023) 8.6% (2023)	DHS	
Output 1	FP services and contraceptive commodities scaled-up and more accessible ("Supply-component")	% difference between forecasted and dispensed contraceptives at end of fiscal year	TBD	10% (2023)	Logistics Management Information System (LMIS) Annual reports (MoHP)	- LMIS is duly applied by relevant services; - Implementation of LMIS is duly monitored;
		- % of supplies managed by electronic LMIS; - Existence of information system reports at all levels of the health system showing: a) inventory balance b) quantity of dispensed contraceptives	0% No (2017)	100% (2023) Yes (2023)	Health district, governorate and central Levels reports (MoHP)	- Information reports are being used as management and quality control tool;
		- number of FP clinics with staff trained by programme - % of providers at Public Health Centres (PHC) level who are capacitated to use DMT (decision-making tool) for effective counselling	1200 (2016) 10% (2016)	5,500 (2023) 100% (2023)	Progress reports of programme UNFP CO Annual report	- Capacitated PHC staff has time to apply knowledge on FP counselling to patients; - Patients accept counselling by PHC staff
		- % of all ante-natal care clinic staff that have undergone training on FP - number of PHC where staff have undergone training on youth friendly reproductive health services including FP.	0 (2016) 12 (2016)	75% (2023) 2,500 = 50% of PHCs (2023)	Monitoring reports PHC Reports	- To-be parents are receptive, interested in FP - Youth is interested/accepts to receive youth-friendly FP services
		- number of hospitals implementing immediate postpartum contraception	0 (2016)	100 (2023)	Reports of public sector maternal and new-born health facilities; MoHP records, monitoring reports	- New parents are receptive, interested in receiving immediate FP services
		number of PHC with youth-friendly FP services	32 (mid 2017)	2500 (2023)	MoHP facilities records UNFP CO Annual report	- Youth is interested/accepts to receive youth-friendly FP

						services
		- Community Based Distribution (CDB) in place; - number of trained community health workers (CHW) administering prescribed short-term contraceptives; - number of women receiving FP services CHW	No (2017) 0 (2016) 0 (2016)	Yes (2023) 10,000 outreach workers trained; 5,000,000 (2023)	MoHP facilities records	- Women approach (and are allowed to approach) CHW, and accept to receive FP services provided by CBD schemes
		- number of women health clubs revitalized as FP clinics; - number of women reached through revitalized women health clubs	0 (2016) 0 (2016)	2,500 (2023) 250,000 (2023)	MoHP facilities records	- Women approach/ accept being approach by women health clubs on FP issues
		- number of FP clinics awarded the logo of excellence	0 (2016)	500 (2023)	MoHP facilities records	- Awards are considered as motivation to excell
Output 2	Youth and population in reproductive age educated on FP, public awareness on the value of smaller family size raised ("Demand-component")	- % of Colleges, Universities with population education in line with new curriculum	0 (2016)	100% (2023)	ME Reports	- Teachers effectively apply new curriculum
		- number of Youth Centres that launched Population Clubs for FP/ Reproductive Health Peer Education	15 (2016)	4,300 (2023)	Ministry of Youth annual activity reports	- Clubs are attended by youth
		- number of FP-related entertainment education events in schools	3 (2016)	200 (2023)	IPs/NGO reports	- Pupils/students attend events
		- number of events in out-of-school settings	50 (2016)	250 (2023)	IPs & UNFPA Field visit reports	- Youth attends out-of-school events
		- number of students attending events	7,900 (2016)	100,000 (2023)	YPEER reports	
		- number of people reached with campaign	20,000,000 (est. 2016)	60,000,000 (2023)	- Media coverage, reports on campaigns	- Campaign is well received by audience, media, stakeholders
		- Shift towards more positive opinion/perception of small size family/FP	TBD (formative research 2017)	TBD	- Perception survey - Web/ social media analytics	
		- number of newly married couples who received FP counselling through marriage databases	0 (2016)	1,700,000 (2023)	Family planning counselling logs	- Young married couples / new parents are receptive, interested in receiving FP counselling
		- number of new parents who received FP counselling through use of birth registers	TBD	TBD (research with MoSS 2017)	MOSS reports	
		- specific population awareness and sensitisation campaign launched/ executed	No (2017)	Yes (2023)	- Monitoring reports	- Specific campaigns reach target groups
		- number of religious/community leaders reached	0 (2016)	220,000 (2023)	- Al Azhar and BLESS reports	- leaders willing/able to address FP issues in communities
Output 3	Institutional capacities for monitoring and co-ordination of NPS implementation strengthened ("Population governance - component")	- TF approved by PM; Terms of Reference agreed	No (2016)	Yes (late 2017)	- NPC report	- Political momentum and decisiveness to address population policies remains strong.
		- number of TF meetings held	0 (2017)	20 (2023)	- Monitoring reports	- Decisions taken by TF will effectively be implemented.
		- number of governorates with TF ToR agreed	0 (2017)	27 (2018)	- Minutes/attendance lists of TF meetings	- Monitoring reports will be used as management tool
		- number of TF meetings per governorate	0 (2017)	60 (2023)		
		- system adopted	No (2017)	Yes (2023)	Reports of Monitoring System	
		- number of reports on NPS implementation progress generated by system	0 (2016)	5 (2023)	Annual Implementation Status reports;	
		-number of institutions providing data to system	16 (2016)	36 (2023)	5-year NPS implementation report	

