

## ACTION FICHE FOR EGYPT

### 1. IDENTIFICATION

Title	Support to the Implementation of the Action Plan (SIAP)		
Total cost	€17,000,000		
Aid method / Management mode	Project approach – decentralised management		
DAC-code	15040	Sector	Government Administration

### 2. RATIONALE

#### 2.1. Sector context

The Action Plan (AP) signed between Egypt and EC in the context of the European Neighbourhood Policy (ENP) commits the two sides to support a comprehensive set of reform priorities in the political, social, economic and trade areas in the coming years. The implementation of the AP will allow Egypt and the EU to further develop their strategic partnership through a close and enhanced relationship. This will involve a significant degree of economic integration and deepening of political, cultural and social co-operation, aiming at promoting the modernisation of the Egyptian economy and society.

Three main priorities have been identified in the Country Strategy Paper (CSP) on Egypt for the period 2007-2013: political reform and good governance, competitiveness and productivity of the economy and socio-economic sustainability of the development process.

To support Egypt's efforts towards administrative reform and facilitate the implementation of the recently signed ENP Action Plan, the European Commission is launching the Support to the Implementation of the Action Plan (SIAP), as indicated in the National Indicative Programme (NIP) 2007-2010.

The implementation of this programme will be fully consistent with the Egyptian Government's reform policies and aim to administrative capacity upgrading, improvement of public services and strengthening of governance.

The programme will mainly fund the twinning between selected services of the Egyptian administration with their European counterparts. It will also fund technical assistance activities. The overall objective will be the capacity upgrading of the Egyptian administration in strategic areas. This is expected to have a major beneficiary impact on the Egyptian administration and facilitate the implementation of ENP's AP.

## **2.2. Lessons learnt**

Administrative upgrading will play a crucial role in Egypt's reform efforts. Currently, weaknesses in the Egyptian administration are a major bottleneck in the implementation of reform initiatives and in the alignment of the country's legislative and regulatory framework with international standards.

The twinning instrument can efficiently address these needs through the transfer of know-how by experienced European senior civil servants to their Egyptian counterparts. Constant coordination and dialogue with the Egyptian administrations will be the basis for identifying specific twinning priorities, especially those which strategically impact the reform process as well as facilitate the implementation of the AP.

The new programme will build on the lessons learnt and experience gained from other EC programmes and particularly from the ongoing Support to the Association Agreement Programme (SAAP) which provides €25m for twinings (and to a lesser degree Technical Assistance). Launched in early 2006, the programme has initiated the first twinning exercises while the totality of its budget has been already earmarked on the basis of an agreed list of twinning prospects between the Egyptian and European sides.

Best practices from other similar twinning programmes in partner countries will also be considered.

## **2.3. Complementary actions**

Administrative reform is directly supported by the SAAP (€25m) with which the new programme will directly link. Both these two programmes are very similar in objectives and expected results and will use the same administrative structure, the Programme Administration Office (PAO) within the Ministry of International Cooperation.

Coordination with other donors' programmes supporting administrative reform will be sought. Twinings and TAIEX (in the form of expert missions, study visits of Egyptian civil servants to Member States) could also strengthen the legislative and regulatory framework of cooperation activities funded by Member States in sectors like energy, transport, and sustainable environment.

## **2.4. Donor coordination**

Donor coordination is actively pursued in Egypt in the context of the Donor Assistance Group (DAG) and its nine thematic sub-groups. Administrative capacity upgrading is a common concern to all donors and therefore it is cross cutting in the workings of the DAG.

Cooperation coordination among EU Member States is carried out in the context of the meetings of the EU Development Counsellors in which Member States and Commission exchange information on their respective programmes and discuss possibilities for synergies.

### **3. DESCRIPTION**

#### **3.1. Objectives**

The *overall objective* of this programme is to help the administrative reform efforts of the Egyptian Government through the alignment to European regulatory and legislative standards and best practices in various key areas.

The *specific objective* of SIAP is to help the approximation of the Egyptian legislative and regulatory framework to that of the EU, taking into consideration the reform priorities of the Egyptian Government and the implementation needs of the AP and the AA.

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

The proposed programme is expected to have the following results:

- improvement of the Egyptian Government's administrative capacity,
- facilitation of the implementation of the AP and the AA,
- increased approximation of Egypt's legislative, regulatory and administrative framework to that of the EU.

The main activities will be twinnings and technical assistance. Under the first, Egyptian and European institutions will commit themselves, in the context of long-term cooperation (12 to 24 months), to jointly work so that the beneficiary Egyptian Institution approximates (or even adopts) EU legal and regulatory frameworks and operational practices.

A relatively small share of SIAP's budget will be also allocated to short- and medium-term technical assistance (mobilisation of European expertise to the benefit of the Egyptian administration).

Technical assistance shall be provided as such to strengthen institutional capacities of public administrations, or be used as preparatory phase for twinning.

Twinnability of candidate institutions shall be directly dependent upon the potential contribution of the area/sector to the European and/or the Egyptian priorities, the expected impact on governance reform, political commitment, technical readiness of the respective beneficiary institution and relevance to the implementation of the ENP EU – Egypt Joint Action Plan.

#### **3.3. Stakeholders**

The direct beneficiaries of the Programme will be different entities of the Egyptian administration playing a crucial role in the Government's reform efforts as well as in the successful implementation of the overall objectives of the AP and the AA (not only line Ministries but also Agencies, Administrations, Organisations etc).

### 3.4. Risks and assumptions

The Government's commitment in political, governance, economic and social reform is a crucial assumption for the success of this programme.

### 3.5. Crosscutting Issues

Next to gender and sustainable environment, issues like administrative reform, good governance and human rights will be cross-cutting in the definition and implementation of the activities funded under this project.

## 4. IMPLEMENTATION ISSUES

### 4.1. Implementation method

The implementation method will be decentralised management through the signature of a financing agreement with the Government of Egypt. The Programme Administration Office (PAO) within the Ministry of International Cooperation will manage the project, except for audits and evaluations, and for the framework contracts which are managed by the Commission. The management responsibility of the PAO includes procurement and grant award procedures as well as payments.

The Commission controls ex ante the contracting procedures for procurement contracts >50.000 euro and ex post for procurement contracts ≤ 50.000 euro.

Through the programme estimates, payments are decentralised for operating costs and contracts up to the following ceilings:

Works	Supplies	Services	Grants
< €300.000	< €150.000	< €200.000	• €100.000

Other payments are managed centrally by the Commission.

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

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

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. The maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question.

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question. Twinning contracts are awarded and implemented in accordance with the applicable twinning manual.

### 4.3. Budget and calendar

The financial contribution of the European Community to the project will be EUR 17,000,000.

The indicative breakdown of the budget is foreseen as follows:

Programme management (PAO):	EUR	1,000,000
Operational fund:	EUR	15,300,000
Technical assistance to the PAO:	EUR	400,000
Audit and evaluation:	EUR	170,000
Visibility:	EUR	50,000
Contingencies:	EUR	80,000
Total	EUR	17,000,000

The operational fund will be mainly used for technical assistance and twinning contracts.

The Egyptian Programme Director will be provided by the Ministry of International Cooperation. This Ministry will also provide the working environment for the operation of the Programme Administration Office - office space, furniture and office equipment.

The programme will last 48 months starting from the date of signature of the Financing Agreement.

### 4.4. Performance monitoring

The overall project will be monitored by the EC Delegation in Cairo.

### 4.5. Evaluation and audit

An independent evaluation will be carried out by a contractor recruited by EC.

Each twelve months the Programme shall be subject to an external audit, to be undertaken by independent auditors directly contracted by the EC.

### 4.6. Communication and visibility

Activities to improve awareness and exchange of information as regards the ENP main priorities, reform aspects of the selected twinning areas/sectors, ongoing activities of the twinning projects, and European best practices are envisaged. Various visibility mechanisms will be utilized such as holding conferences, workshops and roundtables with direct stakeholders, as well as using visibility printed materials and the media.

