

*Evaluation of European Commission's
Support to Egypt –
Country level Evaluation*

Final Report

Volume II: Annexes

December 2010

Evaluation for the European Commission





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Framework contract for
**Multi-country thematic and regional/country-level strategy
evaluation studies and synthesis in the area of external co-
operation**

LOT 4:

**Evaluation of EC geographic co-operation strategies for
countries/regions in Asia, Latin America, the Southern
Mediterranean and Eastern Europe (the area of the New
Neighbourhood Policy)**

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**Evaluation of European Commission's
Support to Egypt
Country level Evaluation**

FINAL REPORT

December 2010

This evaluation was carried out by ADE



The evaluation was managed by the Joint Evaluation Unit (EuropeAid, DG DEV and DG Relex).

The author accepts sole responsibility for this report, drawn up on behalf of the European Commission. The report does not necessarily reflect the views of the European Commission.

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1. MANDATE AND OBJECTIVES

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC), as a means of accounting for the management of the allocated funds and of promoting a lesson-learning culture throughout the organisation. Of great importance also, particularly in the context of the programmes of the Relex Family of Directorates-General¹, is the increased focus on impact against a background of greater concentration of external co-operation and increasing emphasis on result-oriented approaches.

The evaluation of the Commission's co-operation with Egypt is part of the 2008 evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with Egypt ;
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

2. BACKGROUND

Economic and social situation

Regarding the **economic situation**, Egypt, with a population of about 75.5 million in 2007 (UN statistics), is ranked as a lower-middle income country (GDP per capita current US \$ 1,484). (United Nations database) The three main economic sectors of the Egyptian economy are the following (i) industry (ii) agriculture and (iii) services.

Tourism is characterised by rapid growth rate which is expected to continue (tourism receipts, international in million US \$ in 2000: 4,657 and in 2006: 7,206 - although now there is more uncertain following the global financial crisis). Energy remains a key contributor of the economy. (Oil exports generate 40% of export earnings, while oil and electricity make up 20% of GDP. Gas earnings are increasing, including from exports to the EU.)

Egypt's deficit was reduced significantly in the fiscal year 2007 and the government has committed itself to gradually reduce it to 3% of GDP by 2011. At the same time, the general government debt is on a steeply declining path and the annual inflation rate has been declining due to decrease in international commodity prices.

Egypt's exports to the EU have risen consistently since the entry into force of the Association Agreement in 2004, reaching €16.3 billion, placing the EU as Egypt's major trading partner (with 40% total volume).

¹ Directorates General of External Relations, (RELEX), Development (DEV) and the EuropeAid Co-operation Office (AIDCO).

At Euro-Mediterranean level, Egypt is in the process of negotiating with the EU on liberalisation of services, right of establishment and agriculture. On international trade relations, Egypt has signed a number of free trade agreements, including GAFTA, COMESA and sub-regional agreements, such as the Agadir Agreement and the FTA with Turkey.

Regarding the **social situation** in Egypt, the poverty rate is high. Despite some improvements in social indicators over the past few decades, over the period 1990-2002 an estimated 44% of the Egyptian population was living on less than €1.7 a day (under poverty line). According to the 2007 UNDP Human Development Indicators, Egypt is ranked 112th out of 117 countries. In 2007, Egypt adopted a national five year plan for socio-economic development, including poverty reduction, aimed at ensuring that the effects of the economic growth have a result on people's daily lives.

Experience in Egypt confirms that poverty is closely and inversely correlated with education, with almost half of the poor in the country being illiterate (versus less than 30% of the "non-poor").

Unemployment is a major concern in Egypt and one of the priority objectives of the government. It reached 10.5% in 2006 although declined to 9% in 2007. With approximately 600 000 young workers entering the labour market each year, job creation remains a fundamental priority. Unemployment affects all population groups but in particular women and the young.

Social reforms have not followed the same rate of development like the economic ones after 2004. A National Plan was produced by Egypt with the support of the ILO in order to combat the worst forms of child labour. An average working child's revenue makes up 29% of his or her family's income. (73% of working children are employed in agriculture.)

A draft sector intervention in basic education is under discussion with significant European support, to implement the recently adopted strategy for education. Issues of organisation, quality, efficiency in delivery, attainment levels as well as persistence of the illiteracy remain key areas. As far as vocational training is concerned, a task force developed an outline action plan for the implementation of a national qualifications framework. The technical and vocational education programme supported by the EC is at the centre of the government's reform on technical and vocational education, operating on the basis of a demand driven approach.

Government spending on health has increased but more slowly than in the group of middle income countries. The population dynamics, modest growth rates and low spending on national health services have led to a financially unsustainable health system and health scheme. Further reforms should be carried out in order to lead to significant improvements.

Political Situation

According to the ENP Action Plan Progress Reports, reforms in the political field could be further enhanced in the areas of the electoral procedure, the human rights, the judiciary system, the migration problem, the fight against terrorism, organised crime, drugs and keeping the peace and stability role in the region.

The first ever multi-candidate Presidential elections in 2005 suffered from serious restrictions e.g. the exclusion of certain political movements and groupings from the political arena. Some progress has been made in recent years on protection of human rights by creating the National

Council for Human Rights and special departments for human rights (HR) within some ministries, the Parliamentary committee for HR and HR subjects at schools.

The legal and administrative framework for civil society cooperation established by the 2002 law on non-governmental organisations and foundations imposes certain legal, administrative and security restrictions on the activities of civil society organisation in terms of licensing, funding and organisational autonomy. In 2007 the National Council for Human Rights made a recommendation to lift restrictions on civil society organisations.

The functioning of the judiciary is hampered by the lack of independence and comprehensive legal reforms need to be adopted in order to improve judicial efficiency and certainty. Egypt has in the fight against terrorism and different forms of organised crime, it can further improve its position on these issues and continue playing a positive role for peace and stability in the region.

EC Cooperation objectives

In accordance with Article 177 of the Treaty establishing the European Community, Community policy in the sphere of development co-operation shall foster:

- the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- the smooth and gradual integration of the developing countries into the world economy;
- the campaign against poverty in the developing countries.

Paris Declaration/Accra all endorsed and supported by the EU

In February 2006 "The European Consensus" (2006/C46/01) - a joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the EU Development Policy – was adopted. "The European Consensus" presents common objectives and principles for development co-operation (poverty eradication, ownership, partnership, delivering more and better aid, promoting policy coherence for development) as well as it sets out the renewed European Community Development Policy.

External and regional environment

Egypt is a member of the United Nations Organisation, the Organisation of Islamic Conference and the African Union and participates in all sectoral institution/bodies of the above organisations.

Egypt, as one of only two Arab countries to have concluded a peace treaty with Israel, contributes actively to regional stability through its mediation efforts in the Arab-Israeli conflict.

EC Cooperation framework with Egypt

The Euro-Mediterranean Partnership launched at the 1995 Barcelona Conference established the principles of cooperation between the European Union and its Euro-Med partners on political security, economic, financial, social, cultural and human issues. In 2004 this dialogue

evolved further into the European Neighbourhood Policy (ENP), which goes beyond existing relationships to offer deeper political and economic integration.

Since 2004 the legal basis for Egypt's relationship with the EU is the Association Agreement (AA) which charts a course for the evolution of social, economic and political relations between the two partners. To complement the objectives of the AA, An Action Plan setting out broad policy objectives was agreed to between Egypt and the EU in 2007, within the framework of the ENP.

Characteristics' and Evolution of EC Cooperation framework with Egypt

The EU is one of the main donors to Egypt. Assistance provided by the European Community alone has totalled nearly €1 billion since 1995. This includes the MEDA programme and support under thematic budget lines such as the European Initiative for Democracy and Human Rights. From 2007 onwards the various forms of funding to Egypt have been consolidated into the European Neighbourhood Policy Instrument, which is used to support the advancement of the Association Agreement and the implementation of the Action Plan. Specific programmes are set out in the multi-year National Indicative Programmes (NIP's), with the current NIP running from 2007 to 2010 with a total budget of €568 million.

Since 2004 there has been a shift from large-scale technical assistance programmes to budget support in areas where the Government has started ambitious reforms such as customs reforms, economic and sustainable water use, textile restructuring and vocational training and other financial reforms. The EU-Egypt Association Agreement has helped in facilitating opening of the economy, on economic modernisation/transition and support for socio-economic development.

The EU's strategic approach to relations with Egypt has been developed in the framework of the ENP and through implementation of the joint ENP Action Plan. The objectives for the EU's strategy towards Egypt over the period 2007-2013 are:

- Supporting Egypt's reforms in the areas of democracy, human rights, good governance and justice
- Developing the competitiveness and productivity of the Egyptian economy
- Ensuring the sustainability of the development process with effective social, economic and environmental policies and better management of natural resources.

3. SCOPE

The scope of the evaluation is the Commission's development co-operation strategies and their implementation for the period 1998 – 2008

The Consultants should assess:

- the relevance, coherence and complementarity of the Commission's co-operation strategies for the period ;
- the consistency between programming and implementation for the same period;

- the implementation of the Commission’s co-operation, focusing on effectiveness, efficiency, impact, sustainability and EC added value for the period 1998 – 2007 and on intended effects for the period 2007 – 2013 ;
- the following co-operation areas: Macroeconomic development/Budget Support, Financial Environment, Water Sector, ICT sector, Democracy, Human Rights, Good Governance/Civil society, Justice, Trade, Conflict Prevention, Health, Education, Unemployment, Poverty Reduction, Transport, Energy, Environment.
- whether the recommendations of the previous Egypt evaluation have been taken into account
- to what extent, the cooperation programming contributes to the fulfilment of the Association Agreement and Action Plan commitments (particular contribution of Twinning instrument)

The evaluation team is requested to take advantage of all the existing relevant evaluations and monitoring reports available (see Annex 1). Particularly important are the projects and programme evaluations, reports on Results oriented monitoring (ROM), as well as sector and global evaluations, where Egypt has been selected as one of the case studies)

4. KEY DELIVERABLES

The overall methodological guidance to be used is available on the web page of the EuropeAid evaluation unit under the following address:

http://ec.europa.eu/europeaid/evaluation/methodology/index_en.htm

Within 14 days after the reception of the ToR, the Consultants will present a **launch note**² which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs³;
- a proposed budget⁴.

Following the launch note, the main key deliverables are:

- The inception meeting;
- The inception report;
- The desk report;
- The final reports and seminar in the country.

² In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

³ All birthday dates must be written in the following Format: dd/mm/yyyy

⁴ In the frame of a "framework contract"

4.1 The inception meeting

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage leading to the production of an inception report.

The main part of the work consists in the analysis of all key relevant documents regarding the Commission's co-operation (past and present) with **Egypt**. The Consultants will also take into account the documentation produced by other donors and international agencies.

On the basis of the information collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants will also identify appropriate judgement criteria.

A meeting will be held with the reference group to discuss and validate:

- the evaluation's regulatory framework, its context, main users and expected uses;
- the evaluation's central scope;
- the scope extended to related policies;
- the intervention logic according to official documents;
- the evaluation questions;
- explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).

Upon validation by the Reference Group, the evaluation questions become part of the ToR.

4.2. Inception report

At the end of the inception phase, the consultants must deliver an **inception report**, which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the Commission's headquarters and delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;
- a chain of reasoning for answering the question;
- a concise description of the development co-operation context of the Commission with Egypt related to the evaluation questions;
- a detailed work plan for the next stage.

The report will also confirm if necessary:

- the final composition of the evaluation team and
- the final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

This phase may include a short preparatory and exploratory visit of the Consultants to the field.

4.3. Desk report

Upon approval of the inception report the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- the evaluation questions with the agreed judgement criteria and its quantitative and qualitative indicators;
- the first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;

- progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;
- methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the country indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods in **Egypt**;
- an exhaustive list of all the activities covered during the period and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase (including ROM) have to be representative;
- a work plan for the field phase: a list with brief descriptions of activities, projects and programmes for in-depth analysis in the field. The consultants must explain the value added of the visits.

The field mission cannot start before the evaluation manager has approved the desk report.

4.4. Field reporting

The fieldwork shall be undertaken on the basis set out in the desk report and approved by the reference group (which includes the Delegation). The work plan and schedule of the mission are agreed in advance with the Delegation concerned. If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Evaluation Unit before any changes may be applied. At the conclusion of the field study the Consultants present the preliminary findings of the evaluation:

- (1) presentation during a de-briefing meeting with the Delegation;
- (2) presentation to the reference group shortly after their return from the field.

4.5. Final reports and seminar in the country

4.5.1 The Draft Final Report

The Consultants will submit the draft final report in conformity with the structure set out in annex 2. Comments received during de-briefing meetings with the Delegation and the reference group must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants don't want to take them in the report, they must explain in a separate document the reasons why.

If the evaluation manager considers the report to be of sufficient quality (cf. annex 3), he/she will circulate it for comments to the reference group. The reference group will convene to discuss it in the presence of the evaluation team.

4.5.2 The Seminar

The Consultants will make the appropriate amendments based on comments expressed by the reference group and the Evaluation Unit. The revised draft final report will be presented at a seminar in **Egypt**. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the National Authorities, the Delegation as well as to all the main stakeholders concerned (EU Member States, representatives of civil society organisations and other donors).

The Consultants shall prepare a presentation (*Power point*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports and the data basis. For the **seminar** 60 copies of the report and 10 reports with full printed annexes (see annex 2 of the ToR) have to be produced. There will be the need of 60 copies of the Executive Summary of the report translated in the Arabic language for the seminar.

4.5.3 The Final Report

The Consultants will prepare the final report based on the comments expressed at the seminar and on the basis of further comments from the reference group, the Delegation and/or the evaluation manager. The presentation (*Power point*) will be revised in accordance to the final report.

110 copies of the **Final Main Report** must be sent to the Evaluation Unit with an additional 10 reports with all printed annexes. A CD-Rom with the Final Main Report and annexes has to be added to each printed report.

The evaluators have to hand over on an appropriate support (electronical or paper) all relevant data gathered during the evaluation.

The contractor shall submit a methodological note explaining how the quality control and the capitalisation of lessons learned have been addressed.

The Evaluation Unit makes a formal judgement on the quality of the evaluation (cf. annex 3).

5. EVALUATION QUESTIONS

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EC value added. The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The following two apply to all EC policies. The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Relevance of the strategy/programme:** this includes both relevance to the general objectives of the EC and relevance to the needs and priorities of **Egypt** (including the choice of target groups).
- **Design, and coherence of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen were adequate in relation to the objectives set out in the programming documents.

- **Consistency of the implementation in relation to the strategy:** the Consultants shall verify the extent to which the work plan, schedule and implementation of the activities (all types of interventions, geographical and sectoral distribution, instruments, and aid delivery channels included) were consistent with the strategy. They shall demonstrate who were the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.

The Consultants will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) were appropriate to the objectives.

- **Achievement of main impacts/effects:** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which EC programmes were supposed to produce an impact.
- **Efficiency of the implementation:** for the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources contributed to, or hindered the achievement of the objectives and results.
- **Sustainability of the effects:** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- **Key cross-cutting issues:** for example gender, environment and climate change, human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent to which account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention. **The 3Cs (co-ordination, complementarity and coherence):** co-ordination / complementarity with EU Members States and other donors; coherence with EU policies (including the Member States' own policies and eventual interventions of the EIB).
- **Value added of the EC interventions:** The extent to which the development intervention adds benefits to what would have resulted from Member States' interventions only in the partner country. The criterion is closely related to the principle of subsidiarity and relates to the extra-benefit the activity/operation generates due to the fact that it was financed/implemented through the EC.

There may be three practical elements to illustrate possible aspects of the criterion:

- 1) The EC has a particular advantage over Member States and how far is that visible;
- 2) The EC has a particular mandate in the framework of the '3Cs' and can draw member states to a greater effort together;
- 3) EC cooperation is guided by a common political agenda embracing all Member States and how far is that visible.

6. RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group.

Information will be given to the Consultants after the signature of the contract concerning the documents referred in Annex 1.

7. THE EVALUATION TEAM

The evaluation team should possess a sound level of knowledge and experience in:

- evaluation methods and techniques in general and in the field of development and cooperation;
- the country in question;
- the following fields: Budget Support, Democracy, Human Rights, Good Governance, Justice, Trade, Conflict Prevention, social sectors (Health, Education, Unemployment), Environment.

Additional expertise could be requested after the drafting of the specific evaluation questions.

- The following language(s): English. All persons in the team must be able to read the background documentation. All interviews in the field will be carried out in English, so that all experts need to speak it fluently. The report shall be written in English.

The Evaluation Unit strongly recommends that the evaluation team should include local consultants (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

It is highly recommended at least for the team leader to be fully familiar with the methodological approach set by the EC.

8. TIMING

After the approval of the launch note and the signature of the contract, the timing of activities will be set according to the following indicative work plan. The dates mentioned in the following section are indicative and may be changed with the agreement of all concerned.

<i>Evaluation Phases and Stages</i>	<i>Notes and Reports</i>	<i>Dates</i>	<i>Meetings/Communications</i>
Desk Phase			
Structuring Stage	Short presentation (logical diagram and EQ)	End Jan09	RG Meeting
	Draft Inception Report	Mid Feb09	Optional: Short preparatory visit of the consultants to the field.
	Final Inception Report	End Feb09	A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule.
Desk Study	Draft Desk Report	End March09	RG Meeting
	Final Desk Report	Mid May09	
Field Phase		Beg June09- Mid June 09	De-briefing meeting with the Delegation.
	Presentation	End June09	RG Meeting
Synthesis phase (seminar in the country)			
	1st draft Final report	End July09	RG Meeting
	Revised draft Final report	End Aug09	Seminar in Egypt 60 copies of the report and 10 reports with full printed annexes.
	Final Main Report	Oct09	110 copies of the Final Main Report must be sent to the Evaluation Unit. Additional 10 reports with all printed annexes must be sent to the Evaluation Unit as well.

NB: The timing of activities has to be realistic.

A country level evaluation takes about 12 months between signature of contract and approval of the final report.

Some regional evaluations take about 15-16 months between signature of contract and approval of the final report.

9. COST OF THE EVALUATION

The overall costs include:

- The **evaluation** as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for **quality control**;
- A **seminar** in the country.

The total of these 3 elements must not exceed **€200.000**.

NB: The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

10. PAYMENTS MODALITIES

The payments modalities shall be as follows:

- 30% on acceptance of the Inception Report, plus 2.5% of the agreed budget to be used for quality control;
- 50% on acceptance of the Draft Final Report;
- the balance on acceptance of the final report.

Seminar related costs are to be invoiced and paid separately.

ANNEX 1:Key documentation for the evaluation

NB: the following list is indicative

- All legal texts, Council Regulations and political commitments for the period covered, communications of the Commission, various regulations
- CRIS (information on the projects and annual ROM) and other databases concerning the financed projects, engagements, payments, etc.
- All Country Strategy Papers/National Indicative Programmes (and equivalent) for the periods covered
- Egypt CSP 2007 - 13
- Annual reports 2000 - 2007 from the Commission to the Council and the European Parliament on the EC development policy and the implementation of the External Assistance: http://europa.eu.int/comm/europeaid/reports/index_en.htm
- Mid-term reviews for the evaluation period
- Relevant documentation from local authorities and other local partners
- The relevant Commission Regulations
- Other Commission/Government Agreements
- Key Local Organisations and Government Policy and Planning Documents
- Previous Evaluations and Monitoring Reports relating specifically to Egypt Evaluations: http://ec.europa.eu/atoz_en.htm
- Evaluation of the EC's assistance to Third Countries supporting Good Governance, 2006
- Previous Evaluations and Monitoring Reports (ROM database) relating specifically to Egypt
- Relevant documentation from other donors
- Paris Declaration on Aid Effectiveness
- The EU Code of Conduct on Complementarity and Division of Labour in Development Policy
- European Instrument for Democracy and Human Rights (EIDHR)- Strategy Paper 2007 - 2010 and its Programming Documents covering years 1999-2006 (http://ec.europa.eu/europeaid/where/worldwide/eidhr/working-documents_en.htm).
- For Budget Support: http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm

Delegation's Annual Reports, conclusions of the Mid-term and End-of-Term Reviews;

Evaluation reports of projects and programmes;

External Assistance Management Reports;

Relevant documentation from other donors;

Other Commission/Government Agreements;

Key Government Policy and Planning Documents;

Documentation provided by the local authorities and other partners, and financial backers, etc.

The three following documents are to be handed to the Consultants:

1. Information on access to data on the ROM system;
2. Methodological note from Euréval concerning North-South approach to country level evaluations;
3. Template for the cover page.

In addition, the consultant will have to consult the documentation available on Internet (DAC/OCDE and EU Inventory websites in particular) as well as the documentation listed or available within the Evaluation Unit (AIDCO/0/3 Library).

ANNEX 2: Overall Structure of the Final Report

The overall layout of the report is:

- **Final report**

- Summary
- Context of the evaluation
- Answers to the evaluation questions
- Conclusions (1)
- Recommendations (2)

Length: the final report must be kept short (70 pages maximum excluding annexes). Additional information regarding the context, the programme and the comprehensive aspects of the methodology and of the analysis will be put in the annexes .

(1) Conclusions

- The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the 5 DAC criteria;
- The chapter on "Conclusions" has to contain a paragraph or a sub-chapter with the 3 to 4 principal conclusions presented in order of importance;
- The chapter on "Conclusions" must also make it possible to identify subjects, for which there are good practices and the subjects, for which it is necessary to think about modifications or re-orientations ;

(2) Recommendations

- Recommendations have to be linked to the conclusions without being a direct copy of them;
- Recommendations have to be treated on a hierarchical basis and prioritised within the various clusters (groups) of presentation selected;
- Recommendations have to be realistic, operational and feasible. As far as it is practicable, the possible conditions of implementation have to be specified;
- The chapter on "Recommendations" has to contain a sub-chapter or a specific paragraph corresponding to the paragraph with the 3 to 4 principal conclusions. Therefore, for each conclusion, options for action and the conditions linked to each action as well as the likely consequences should be set out.

• **Annexes (non exhaustive)**

- National background
- Methodological approach
- Information matrix
- Monograph, case studies
- List of institutions and persons met
- List of documents consulted
- Power point presentation with 4 slides for each evaluation questions illustrating in a synthetic and schematic way the evaluation process: 1st slide) logical diagram with the evaluation question, 2nd slide) judgment criteria, indicators and target level, 3rd slide) findings compared with success criteria, and 4th slide) interventions of the EC plus limits of the evaluation.

NOTE ON THE EDITING OF REPORTS

- The final report must:
 - § be consistent, concise and clear;
 - § be well balanced between argumentation, tables and graphs;
 - § be free of linguistic errors;
 - § include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
 - § contain one (or several) summaries presenting the main ideas. For example, the answers to the evaluation question and the main conclusions could be summarised and presented in a box.
- The executive summary has to be very short (max. 5 pages);
- The final version of the report shall be typed in 1,5 lines spacing and printed double sided, in DIN-A-4 format;
- The font shall be easy to read (indicative size of the font: Times New Roman 12);
- The presentation shall be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
- The main report shall not exceed 70 pages including the cover page, the table of content, the lists of annexes and abbreviations. The annexes shall not be too long;
- The content must have a good balance between main report and annexes;
- Reports shall be glued or stapled; plastic spirals are not acceptable due to storage problems.

For the Cover page, please use the template mentioned in Annex 1.

Please, note that:

- The Consultant is responsible for the quality of translations and their conformity with the original;
- All data produced in the evaluation are property of the EC.

ANNEX 3 - Quality assessment grid

Concerning these criteria, the evaluation report is:	Unacceptable	Poor	Acceptable	Good	Excellent
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
5. Sound analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					

Annexe 2: Evaluation questions, Judgement Criteria and Indicators

List of Evaluation Questions	
EQ Number	
1	To what extent has the Commission cooperation strategy with Egypt been consistent with and supportive of: (i) the needs of the country and its population, (ii) the policy objectives and priorities of the Government of Egypt and (iii) the objectives and priorities agreed by both partners in the EU-Egypt agreements?
2	To what extent have Commission's interventions been articulated with each other so as to promote mutual synergies and avoid conflicts and to what extent have they been supported by and/or supportive of regional strategies and interventions?
3	To what extent have the Commission's interventions contributed to the implementation of reforms in the area of human rights, democracy and the rule of law?
4	To what extent has the Commission's support to the modernisation of Egypt's business environment (including the regulatory, institutional and administrative frameworks, the operation of banking and financial institutions and external trade facilitation) contributed to developing Egypt's external trade?
5	To what extent has the Commission supported employment, job creation and access to the labour market, including where relevant through supporting labour market reforms?
6	To what extent have Commission's interventions facilitated the implementation of social sector reforms in the areas of health and education?
7	To what extent has the move towards the use of sector budget support in key areas/sectors facilitated the implementation of reforms and contributed to improved institutional and regulatory frameworks in - and to improved management and performance of - these areas/sectors ?
8	To what extent were the financing modalities and implementation mechanisms adapted to the objectives of the interventions and to the (absorption/ implementation/ administrative) capacities of beneficiary institutions so as to enable timely and cost-effective implementation?
9	To what extent have the Commission's strategies, programmes and activities been designed and implemented in coherence with all EC policies or in coordination and complementarity with the EU Member States, EIB and other donors?

EQ1	<p>To what extent has the Commission cooperation strategy with Egypt been consistent with and supportive of: (i) the needs of the country and its population, (ii) the policy objectives and priorities of the Government of Egypt and (iii) the objectives and priorities agreed by both partners in the EU-Egypt agreements?</p>
	<p><i>Evaluation Criterion and link with intervention logic:</i> This EQ aims to investigate whether, at a programming level, the choices made by the Commission and the GoE in terms of priority sectors/areas to be supported by cooperation responded to identified needs and were relevant to the wider objectives of the cooperation: the advancement of Egypt towards realising the objectives of the EU-Egypt Agreements (Association Agreement and Action Plan) which are themselves aligned on the objectives of the Barcelona Declaration and the EC Treaty. The question is thus mainly addressing the relevance issue, relevance of choices made within a particular context and against a particular set of intermediate and global objectives. It also addresses the sustainability issue in the sense that it seeks to verify whether the support responded to needs and to national priorities and had thus full ownership of the GoE and beneficiaries which is a key factor for ensuring sustainability. The question spans all stages of the intervention logic: it seeks to verify whether a logical chain existed at programming stage between the selection of instruments/activities within focal sectors and their operational targets, their likely contribution to sector objectives and to intermediate impacts that were expected to lead to progress in fulfilling the overarching objectives of the EU-Egypt agreements and ultimately the objectives of the Barcelona Declaration and the EC Treaty.</p>
	<p><i>Coverage of the question:</i> The question analyses the formulation of the Commission's bilateral and regional strategies and the decision process referred to in the CSP and RSP. It concerns all activities funded under the MEDA/ENPI programmes but it also takes into account funding provided via other channels such as the support to the promotion of human rights via the European Initiative for Democracy and Human Rights (EIHDR) which form part of the comprehensive cooperation strategy of the Commission. The question will verify in particular that:</p> <ul style="list-style-type: none"> - the programming documents are based on an identification and analysis of Egypt's needs and constraints against the wider framework of reaching the overarching objectives; - the Commission support programmes also verify the commitment and priorities of the Government of Egypt with respect to the pursued objectives; - the Commission support programmes explicitly elaborate how they are supporting the pursuit of the objectives of the EC-Egypt agreements (EU-Egypt Association Agreement and EU-Egypt Action Plan).

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Groups	Statistical work on inventory
				Commission officials	GoE Officials	Beneficiaries	Other			
J.1.1	<i>The choice of interventions is based on a diagnosis of the needs of the country and its population and addresses these needs</i>									
I.1.1.1	Existence in programming documents (CSP/NIP) of an analysis of needs and challenges to address to reach the EC-Egypt Agreements objectives	CSP, NIP	x							
I.1.1.2	Existence in the MoU / FA of an analysis of needs and challenges to be addressed	MoU/FA	x							
I.1.1.3	Programming documents explicitly show how proposed interventions will address the identified challenges	CSP/NIP	x							
I.1.1.4	Interventions (FA/MoU) are specifically designed to address the challenges identified	MoU/FA	x							
I.1.1.5	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified	Interviews Evaluation documents	x	x	x	x		x		
J.1.2	<i>The choice of interventions is aligned with the policy objectives and priorities of GoE's medium-term development plan</i>									
I.1.2.1	Existence in the programming documents (CSP/NIP) of explicit reference to GoE objectives and priorities	CSP/NIP	x							
I.1.2.2	Programming documents (CSP/NIP) explicitly show how the Commission's priorities are aligned on these objectives	CSP/NIP	x							
I.1.2.3	Explicit links established between selected interventions (FA/MoU) and GoE priorities and objectives in the targeted sector/area	MoU/FA	x							
I.1.2.4	Views of stakeholders on appropriateness of Commission's interventions with respect to GoE priorities	Interviews Evaluation documents	x	x	x	x		x		
J.1.3	<i>Strategic and programming documents refer to and support the efforts of the partner to achieve one or several of the EC-Egypt agreements' objectives</i>									
I.1.3.1	Evidence in the programming documents of the strategic contribution of interventions to one or several of the EC-Egypt agreements (Association Agreement and/or Action Plan)	CSP/NIP	x							
I.1.3.2	Existence in the MoU/FA of an explanation of the link between the proposed interventions and of their strategic contribution to one or several of the agreements objectives and/or the Barcelona objectives	MoU/FA	x							
I.1.3.3	Views of stakeholders on appropriateness of the priorities chosen with respect to the objective of the achievement of the EC-Egypt agreements goals	Interviews Evaluation documents	x	x	x	x		x		

EQ2	To what extent have Commission’s interventions been articulated with each other so as to promote mutual synergies and avoid conflicts and to what extent have they been supported by and/or supportive of regional strategies and interventions?					
<p>Evaluation criteria and link with intervention logic: The question relates to the internal coherence of Commission support interventions and in particular whether the objectives pursued have been articulated in a manner enabling to maximise their contribution to overall objectives and whether the selected interventions have been designed with a view to be mutually supportive and furthering synergies such as to obtain an overall result that is greater than the sum of individual operations' results. The question also assesses the coherence between the regional and the bilateral approach of the Commission.</p>						
<p>Coverage of the question: The question will look at the overall articulation of objectives and interventions within the CSP/RSP and include the MEDA/ENPI interventions as well as those financed by specific budget lines. For the short-list of interventions selected for detailed study under this evaluation, the question will also investigate whether they were designed to maximise complementarity with other Commission interventions.</p>						
		Sources of information		Approach to extract the information required by the indicators		
				Deskwork	Interviews with	
				Commission officials	GoE Officials	Beneficiaries
				Other	Detailed studies on selected interventions	Focus Group
				Statistical work on inventory		
J.2.1 Commission's interventions (including Commission funds managed by the EIB) aiming for similar objectives have been designed so as to create complementarities with each other						
I.2.1.1	Programming documents (CSP/NIP) identified interventions that contribute to similar objectives and designed them in a way that maximises their complementarities	CSP/NIP	x			
I.2.1.2	FA/MoU explicitly refer to other interventions undertaken either in the same or in other sectors/areas so as to promote complementarities	MoU/FA	x			x
I.2.1.3	Programming documents (CSP/NIP) selected interventions in the full knowledge of and in complementarity with interventions financed under thematic budget lines (EIDHR, LIFE third countries, etc.)	CSP/NIP	x			
I.2.1.4	Views of stakeholders on complementarities achieved within Commission interventions	Interviews		x	x	x
J.2.2 Commission's bilateral and regional interventions have been designed so as to be mutually supportive						
I.2.2.1	Programming documents at bilateral and regional level indicate cross-references to each other's set of interventions	CSP/NIP and RSP/RIP	x			
I.2.2.2	Interventions at bilateral level are designed in the full knowledge of and in complementarity with regional interventions	MoU/FA	x			x
I.2.2.3	Interventions at regional level are designed in the full knowledge of and in complementarity with bilateral interventions	MoU/FA	x			x
I.2.2.4	Stakeholder views on complementarity between national and regional Commission interventions	Interviews		x	x	x

EQ3	To what extent have the Commission’s interventions contributed to the implementation of reforms in the area of human rights, democracy and the rule of law?
	<p>Evaluation criterion and link with intervention logic: The question relates mainly to effectiveness but also touches upon relevance and ownership/sustainability. Under this EQ, Commission support to initiatives that strengthen the respect of human rights and fundamental freedoms, that support the democratic processes and that strengthen the respect for the rule of law and access to an independent justice system will be analysed; it will enable the evaluators to assess the extent to which these Commission interventions may have contributed to advance the taking account of these politically sensitive issues by the Government of Egypt in its reform agenda.</p> <p>The question also relates to the Commission added value which is closely related to the principle of subsidiarity and relates to the extra-benefit the interventions in this area generate due to the fact that they were financed/implemented through the Commission.</p>
	<p>Coverage of the question: The question will cover interventions financed under MEDA/ENPI as well as under the European Initiative for Democracy and Human Rights (EIHDR) budget line. The former will enable to verify the extent to which the Commission was able to find a consensus with the GoE on these important issues of good governance and to support efforts in areas such as the rule of law, administration of justice and security whilst the latter will inform on specific (selected) interventions in the area of human rights and democracy. To complement findings from this analysis and give a more global overview of progress in this important pillar of the Barcelona process, the progress reports on the implementation of the Action Plans in the ENP will be consulted. An important element of the investigation will be to check (i) whether indicators have been elaborated or used within these interventions to measure the achievement of their objectives and how these indicators performed and (ii) the views of stakeholders on the adequacy and outcome of interventions.</p>

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.3.1	The Commission has identified specific areas for support in the field of human rights, democracy and the rule of law									
I.3.1.1	Strategy and Programming documents (CSP/NIP, EIDHR strategy paper and action programme) identified specific needs in these areas	CSP/NIP, EIDHR Strategy Papers	x							
I.3.1.2	Strategy and Programming documents (CSP/NIP, EIDHR strategy paper and action programme) considered the state of play of Government reforms in these areas and in particular assessed the areas where the Commission support would be accepted	CSP/NIP, EIDHR Strategy Papers	x							
I.3.1.3	FA/MoU have been designed so as to initiate reforms in these areas and/or to support the implementation of the reforms in these fields	MoU/FA	x				x			
I.3.1.4	The policy dialogue has focused on a sharing of views on the issues of human rights, democracy and the rule of law	Interviews, Action Plan implementation progress reports	x	x	x		x			
J.3.2	In complementarity to supporting these reforms, the Commission supported initiatives of non state actors in the areas of human rights, democracy and the rule of law									
I.3.2.1	Programming documents (CSP/NIP) selected specific interventions to support the initiatives of non public organisations in the promotion of HR, democracy and the rule of law	CSP/NIP	x							
I.3.2.2	Programming documents (CSP/NIP) selected specific interventions to support the capacities of non public organisations in the promotion of HR, democracy and the rule of law	CSP/NIP	x							
I.3.2.3	Non programmatic instruments (such as the EIDHR budget line in particular) funded specific interventions to support initiatives of non public organisations in the promotion of HR, democracy and the rule of law	Inventory of Commission interventions (CRIS database)	x				x		x	
I.3.2.3	FA/MoU have been designed so as to support non public organisations in the promotion of HR, democracy and the rule of law	MoU/FA	x				x			
I.3.2.4	Views of stakeholders on the appropriateness of the support received in strengthening the capacities of public and non public institutions promoting human rights, democracy and the rule of law	Interviews			x	x		x		
J.3.3	Commission's interventions have contributed to implement tangible changes in the fields of human rights, democracy and the rule of law									
I.3.3.1	Indicators of good governance have been identified in the MoU/FA and show progress over the implementation period	MoU/FA, monitoring and evaluation reports	x				x			
I.3.3.2	Evidence of changes in these fields: frequency of recourse to justice, frequency of references to international treaties in delivery of justice, media coverage of human rights and democracy issues	Interviews, newspaper articles	x	x	x	x	x		x	
I.3.3.3	International indicators in the field of human rights, democracy and rule of law have improved	International indicators, monitoring reports, studies and analyses	x							
I.3.3.4	Views of stakeholders on the evolution of the situation as regards human rights, democracy and the rule of law	Interviews		x	x	x	x		x	

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.3.4	Commission's interventions have contributed to establishing sustainable bases for improved governance									
I.3.4.1	Evidence that beneficiaries have been involved in the design and implementation of interventions	Interviews		x	x	x	x		x	
I.3.4.2	Evidence that capacity building measures have been included where needed	Interviews		x	x	x	x		x	
I.3.4.3	Evidence that achievements have outlasted Commission support	Interviews		x	x	x	x		x	
J.3.5	Commission support in the fields of human rights, democracy and the rule of law added benefits to what would have resulted from EU MS alone									
I.3.5.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in the area of human rights, democracy and rule of law	NIPs, MoU/FA	x					x		
I.3.5.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention	Strategy documents, evaluation reports, interviews	x	x	x	x				
I.3.5.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them	Strategy documents, evaluation reports	x							
I.3.5.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of human rights, democracy and rule of law	Interviews		x	x	x	x			
I.3.5.5	Evidence that the Commission and EU MS have a common political agenda in the area of human rights, democracy and rule of law	Strategy documents, evaluation reports, interviews	x	x	x		x			
I.3.5.6	Evidence of a mandate given to the Commission by the MS in the area of human rights, democracy and the rule of law	Strategy documents, evaluation reports, interviews	x	x	x		x			
I.3.5.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of human rights, democracy and the rule of law	Interviews		x	x	x	x			

EQ4	<p>To what extent has the Commission's support to the modernisation of Egypt's business environment (including the regulatory, institutional and administrative frameworks, the operation of banking and financial institutions and external trade facilitation) contributed to developing Egypt's external trade?</p>
	<p><i>Evaluation Criterion and link with intervention logic:</i></p> <p>The question is one of effectiveness, focusing on the outputs and results of the Commission interventions in the productive and legislative/regulatory framework for Egypt's external trade. It relates to the materialisation of the specific objective of developing a competitive economy with a strong and productive private sector providing employment opportunities to the Egyptian population and which is supported by a business-friendly institutional and regulatory environment which can ensure sustainability of the results. The achievement of this objective is a key factor in making progress towards establishing shared prosperity in the geographical region including the progressive establishment of a free trade area, accelerating the pace of socio-economic development and integration into the world economy.</p> <p>The question also relates to the Commission added value which is closely related to the principle of subsidiarity and relates to the extra-benefit the intervention generates due to the fact that it was financed/implemented through the Commission.</p>
	<p><i>Coverage of the question:</i></p> <p>The question will investigate the Commission's support to promote an enabling environment for trade, private sector development and job creation, in particular its support to the reform of the regulatory and administrative framework (including in particular the support via the twinning arrangements for the promotion of the Association Agreement, the capacity strengthening for the provision of essential infrastructure and the support to the banking and financial sector including easing credit to the SME sub-sector) and to the restructuring of critical productive sectors (where Commission value added might be of particular importance).</p> <p>The EQ will attempt to assess the contribution of these efforts in terms of expanded and diversified production and the improved export performance of Egypt which ultimately places it in a better stance to furthering progress towards integration in the regional and international economies.</p>

		Sources of information	Approach to extract the information required by the indicators						
			Deskwork	Interviews with				Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			Detailed studies on selected interventions
J.4.1	<i>The Commission's interventions stimulated reforms of the institutional and regulatory environment enabling productive sector activities</i>								
I.4.1.1	Commission's interventions have supported reforms of the regulatory, administrative and financial framework for business development (fiscal and financial legislation, access to credit for SMEs, reforms in tariffs and customs procedures, enterprise registration and support for business development, etc.)	CSP/NIP, Mid Term Review, Annual reports	x				x		x
I.4.1.2	Commission's interventions have supported reforms and efforts to modernise the administrative capacities of institutions responsible for the provision of economic infrastructure essential for business development (transport, energy, communications, environment, information society)	CSP/NIP, Mid Term Review, Annual reports	x				x		x
I.4.1.3	Commission's interventions have supported existing reform programmes in sectors which are critical for the Egyptian economy (contribution to GDP, employment, foreign exchange earnings) whilst making these reforms benefit from EU experience in these areas	CSP/NIP, Mid Term Review, Annual reports	x				x		x
J.4.2	<i>The Commission's interventions have contributed to facilitating the development of productive sector activities</i>								
I.4.2.1	Indicators measuring ease of doing business (international comparisons, national indicators and/or specific indicators defined in the MoU/FA) have improved	International and national publications and statistics, MoU, project monitoring and evaluation reports	x				x		
I.4.2.2	Commission's interventions have reinforced financial markets and increased the capacity of local financial institutions to finance small and medium sized and micro enterprises	Interviews, National statistics	x		x	x	x		
I.4.2.3	Indicators of dynamism of critical sectors have improved: number of firms active, number of jobs created, volume and value of production increased	National statistics	x						
I.4.2.4	The number of SMEs and micro-enterprises in the rural sector having access to commercial bank credit has increased	National statistics	x			x			
I.4.2.5	Rural production has been diversified, rural self-employment and rural employment in non agricultural productive activities have increased	National statistics	x						
I.4.2.6	Stakeholders views on evolution of administrative constraints	Interviews		x	x	x	x		x

		Sources of information	Approach to extract the information required by the indicators						
			Deskwork	Interviews with				Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			Detailed studies on selected interventions
J.4.3	<i>The Commission's interventions have contributed to improve the infrastructure essential to developing competitive production capacities</i>								
I.4.3.1	Access to and availability of essential infrastructure has been eased: - number of power cuts diminished - waiting time for telephone line connection diminished - number of telecom operators increased - quality of roads improved - treatment time at ports diminished - number/area of services industrial sites increased	National statistics	x						
I.4.3.2	Private sector investment (domestic and foreign) increased	Balance of Payments statistics	x						
I.4.3.3	Stakeholders views on evolution of quality of economic infrastructure	Interviews			x	x		x	
J.4.4	<i>EC interventions in the area of trade (trade policy, trade facilitation, capacity strengthening, ...) have contributed to improve Egypt's external trade environment</i>								
I.4.4.1	EC interventions have strengthened public administration's capacity to harmonise legislation and regulations with international (and in particular EU) frameworks and to subsequently enforce them	Twinning reports, studies, publication of relevant legislation	x		x	x			
I.4.4.2	Indicators measuring the degree of protection of the economy have improved (tariff levels, number of non tariff barriers etc.)	Intrenational and national publications and statistics	x						
I.4.4.3	Increased number of trade agreements signed by Egypt with countries in the region	Trade agreements, WTO	x		x				
I.4.4.4	Indicators of participation in external trade improved: volume and value of exports increased, number of new export products launched, level of foreign exchange earnings of the sector increased	National statistics	x						
I.4.4.5	Views of existing and new operators in the sectors on the depth, scope and outcome of reforms implemented	Interviews			x	x		x	

		Sources of information	Approach to extract the information required by the indicators						
			Deskwork	Interviews with				Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			Detailed studies on selected interventions
J.4.5	Commission support has contributed to stimulate job creation, increase production and increase Egypt's exports								
I.4.5.1	GDP and employment growth trends have improved	National statistics	x						
I.4.5.2	Number of export oriented enterprises increased	National statistics	x						
I.4.5.3	Growth in volume and value of exports has accelerated	National statistics	x						
I.4.5.4	Market shares of Egyptian products in main export markets have increased	National statistics	x						
I.4.5.5	Trade with the EU and MPC has increased	National statistics	x						
I.4.5.6	Egypt's external trade situation has improved (trade and service balance, foreign direct investment, remittances, ...)	National statistics	x						
J.4.6	Commission support in the area of trade added benefits to what would have resulted from EU MS alone								
I.4.6.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area	NIPs, MoU/FA	x				x		
I.4.6.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention	Strategy documents, evaluation reports, interviews	x	x	x	x			
I.4.6.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them	Strategy documents, evaluation reports	x						
I.4.6.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of trade	Interviews		x	x	x	x		
I.4.6.5	Evidence that the Commission and EU MS have a common political agenda in the area of trade	Strategy documents, evaluation reports, interviews	x	x	x		x		
I.4.6.6	Evidence of a mandate given to the Commission by the MS in the area of trade	Strategy documents, evaluation reports, interviews	x	x	x		x		
I.4.6.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of trade	Interviews		x	x	x	x		

EQ5	To what extent has the Commission supported employment, job creation and access to the labour market, including where relevant through supporting labour market reforms?
	<p><i>Evaluation Criterion and link with intervention logic:</i> The question is mainly one of effectiveness and sustainability. It aims at verifying the contribution of the mix of interventions supporting the adjustment of the labour market to the needs of an economy in transition. The question has close links both to question 4 (which looks at the Commission contribution to economic transition) and to question 6 (which looks at the Commission contribution to social sector reform). The focus of the question will be placed on identifying the possible contribution that Commission interventions in different sectors may have had on : reducing unemployment, increasing employment opportunities, stimulating job creation, improving the balance between employment needs and available workforce qualifications. The question also relates to the Commission added value which is closely related to the principle of subsidiarity and relates to the extra-benefit the intervention generates due to the fact that it was financed/implemented through the Commission.</p>
	<p><i>Coverage of the question:</i> The question covers Commission interventions that may directly or indirectly have had employment outcomes in the areas specified above such as the interventions supporting economic transition (promotion of private sector investment, restructuring of productive sectors and enterprises), support to small businesses (credit schemes favouring rural and low income households) and support to improving education levels (education sector programmes and support to technical and vocational education and training).</p>

		Sources of information	Approach to extract the information required by the indicators						
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
Commission officials	GoE officials	Beneficiaries		Other					
J.5.1	Employment and labour market reform have been priorities for the Egyptian Government								
I.5.1.1	Evidence that labour market supply and needs have been diagnosed	National development Plan, diagnostic studies and policy papers	x		x				
I.5.1.2	Evidence that GoE has developed an employment strategy and a labour market reform strategy	National Development Plan, Sector Policies and strategies, Yearly reports	x		x				
I.5.1.3	Evidence that the GoE is undertaking an education sector reform that is targeted to labour market needs	National Development Plan, Sector Policies and strategies, Yearly reports	x		x				
I.5.1.4	Evidence that the GoE is undertaking reforms of tertiary and technical education and vocational training	National Development Plan, Sector Policies and strategies, Yearly reports	x		x				
I.5.1.5	Evidence that the GoE undertakes specific interventions in the productive areas to create employment opportunities	National Development Plan, Sector Policies and strategies, Yearly reports	x		x				
J.5.2	The Commission has supported the priorities identified by the GoE for employment and labour market reform								
I.5.2.1	Evidence that the Commission supported the education sector reform (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)	CSP/NIP, MoU/FA, monitoring and evaluation reports	x	x	x			x	x
I.5.2.2	Evidence that the Commission supported the TVET reform (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)	CSP/NIP, MoU/FA, monitoring and evaluation reports	x	x	x			x	x
I.5.2.3	Evidence that the Commission supported interventions in the productive sectors that directly or indirectly aimed at creating employment opportunities (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)	CSP/NIP, MoU/FA, monitoring and evaluation reports	x	x	x			x	x
I.5.2.4	Views of stakeholders on the appropriateness of Commission support in these areas with regards to the employment objective	Interviews		x	x	x	x		
J.5.3	The sustainability of systems put in place for technical and vocational training have been enhanced by reforms undertaken								
I.5.3.1	Beneficiary institutions have been leading or closely involved in the design of the interventions	CSP/NIP, MoU/FA, interviews	x	x	x	x			
I.5.3.2	Reforms have encompassed institutional and administrative improvements	Sector Policy and reform documents	x						
I.5.3.3	Financial sustainability of service provision is ensured	Sector studies	x						
I.5.3.4	Public expenditure trends in supporting TVET demonstrates support and sustainability	budget data	x						

J.5.4 Reforms of the education systems supported by Commission interventions have led to improved adequacy of the labour force to market needs										
I.5.4.1	Indicators of access to the different education levels/types: primary, secondary, tertiary, technical and vocational education services (geographical coverage of services, enrollment rates)	Sector reports and studies, project reports	x						x	
I.5.4.2	Indicators of outturn of primary, secondary, tertiary and technical education/vocational training	Education sector statistics	x							
I.5.4.3	Employment rates if possible broken down by education level	National statistics	x							
I.5.4.4	Views of employers on qualitative and quantitative availability of work force	Interviews, media reports, studies	x			x	x			x
I.5.4.5	Views of beneficiaries (firms and employees) on appropriateness and success of support	Interviews	x	x		x	x	x	x	
J.5.5 Interventions supporting economic transition and the creation of small businesses have contributed to improve employment opportunities										
J.5.5.1	Existing industries supported by the Commission have been revitalised enabling full utilisation of their productive capacities and higher employment levels	Monitoring and evaluation reports, national and sector statistics	x		x				x	
J.5.5.2	Rural production has been diversified, rural self-employment and rural employment in non agricultural productive activities have increased	Monitoring and evaluation reports, national and sector statistics	x		x				x	
J.5.5.3	GDP and employment growth trends have improved	National and sector statistics	x							
J.5.6 Commission support to employment added benefits to what would have resulted from EU MS alone										
I.5.6.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area	NIPs, MoU/FA	x						x	
I.5.6.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention	Strategy documents, evaluation reports, interviews	x	x	x	x				
I.5.6.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them	Strategy documents, evaluation reports	x							
I.5.6.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of employment	Interviews		x	x	x	x			
I.5.6.5	Evidence that the Commission and EU MS have a common political agenda in the area of employment	Strategy documents, evaluation reports, interviews	x	x	x			x		
I.5.6.6	Evidence of a mandate given to the Commission by the MS in the area of employment	Strategy documents, evaluation reports, interviews	x	x	x			x		
I.5.6.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of employment	Interviews		x	x	x	x			

EQ6	To what extent have Commission's interventions facilitated the implementation of social sector reforms in the areas of health and education?
	<p><i>Evaluation Criterion and link with intervention logic:</i> The question is mainly one of effectiveness and sustainability. It aims at verifying the contribution of the mix of interventions supporting social service reforms to the implementation of these reforms (design of reforms/sector policy dialogue, institutional capacity building, organisation changes induced, financing of the sector's operating and investment costs etc.). As reforms are not undertaken for their own sake, the question will also look at the results of the sector reforms (when already measurable) in terms of improved functioning of the social sectors including the use made by beneficiaries of these services. The assessment of these results will enable to verify to what extent these reforms (and the Commission contribution to them) have put into place the building blocks for a sustainable socio-economic development: social services that provide equitable and wide access and that respond to the needs and demands of the population. The social sector reforms that will be considered under this question include the health and education sector reforms.</p> <p>The question also relates to the Commission added value which is closely related to the principle of subsidiarity and relates to the extra-benefit the intervention generates due to the fact that it was financed/implemented through the Commission.</p>
	<p><i>Coverage of the question:</i> The question covers the support provided to social sector reforms (such as in education and health). The budgetary sustainability of the reforms engaged will be duly taken into account as it is a key issue to ensure the sustainable delivery of social services.</p>

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
			Commission officials	GoE officials	Beneficiaries	Other				
J.6.1	<i>The Commission has supported reforms in basic social service delivery sectors</i>									
I.6.1.1	Evidence that GoE is undertaking reforms in social sectors (health, education) that aim for more equitable service delivery	National Development Plan, Sector Policies and strategies, Yearly reports	x		x					
I.6.1.2	Evidence that Commission support stimulated these reforms (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)	CSP/NIP, MoU/FA, monitoring and evaluation reports	x	x	x					
I.6.1.3	Views of stakeholders on the appropriateness of Commission support to these reforms	Interviews		x	x	x	x			x
J.6.2	<i>The sustainability of social services delivery systems has been enhanced by reforms undertaken</i>									
I.6.2.1	Beneficiary institutions have been leading or closely involved in the design of the interventions	CSP/NIP, MoU/FA, interviews	x	x	x					
I.6.2.2	Reforms have encompassed institutional and administrative improvements	Sector Policy and reform documents	x							
I.6.2.3	Financial sustainability of service provision is ensured	Sector studies	x							
I.6.2.4	Public expenditure trends in social sectors (primary health care, primary education) demonstrates support and sustainability	budget data	x							
J.6.3	<i>Social conditions measured in education and health have improved</i>									
I.6.3.1	Indicators of access to and use of basic social services (access to potable water and sanitation, primary health care centres, schooling, housing, vaccination rates, school enrolment rates, education achievement rates, etc.)	Sector reports and studies, national statistics	x							
I.6.3.2	Indicators of quality of social services	Sector reports and studies, national statistics	x							
I.6.3.3	Views of beneficiaries on changes experienced in basic social service delivery	Interviews	x	x		x	x	x	x	
J.6.4	<i>Commission support in the area of social services added benefits to what would have resulted from EU MS alone</i>									
I.6.4.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area	NIPs, MoU/FA	x					x		
I.6.4.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention	Strategy documents, evaluation reports, interviews	x	x	x	x				
I.6.4.4	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them	Strategy documents, evaluation reports	x							
I.6.4.5	Views of the beneficiaries on the comparative advantage of the Commission in the area of social services	Interviews		x	x	x	x			
I.6.4.6	Evidence that the Commission and EU MS have a common political agenda in the area of social services	Strategy documents, evaluation reports, interviews	x	x	x		x			
I.6.4.7	Evidence of a mandate given to the Commission by the MS in the area of social services	Strategy documents, evaluation reports, interviews	x	x	x		x			
I.6.4.8	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of social services	Interviews		x	x	x	x			

EQ7	To what extent has the move towards the use of sector budget support in key areas/sectors facilitated the implementation of reforms and contributed to improved institutional and regulatory frameworks in - and to improved management and performance of - these areas/sectors ?
	<p>Evaluation criterion and link with intervention logic: This question is complementary to questions 1, 4, 5 and 6 and to question 8 (which treats of efficiency) and is totally transversal to all issues and sectors within the intervention logic since Sector Budget Support has been extensively used in Egypt in all focal sectors/areas. The question concerns more particularly the criteria of relevance and effectiveness: according to the methodology employed (see below), the question thus concentrated on the inputs, direct outputs and induced outputs of SBS.</p> <p>The question also relates to the Commission added value which is closely related to the principle of subsidiarity and relates to the extra-benefit the intervention generates due to the fact that it was financed/implemented through the Commission.</p>
	<p>Coverage of the question: The question will cover all areas and sectors which have benefited from SBS and will be more particularly looking at those SBS operations contained within the set of selected interventions. The question will in particular try to ascertain the existence and the quality of the dialogue with the government enabled by SBS, the institutional capacity strengthening associated with the provision of budget support, as well as the effectiveness of SBS interventions in accompanying the partner's reforms. The question also analyses the interventions conducted under SBS in order to assess to what extent these instruments contributed to improved delivery of public services to the targeted populations.</p>
	<p>Methodological issue: As requested by the RG, the question follows Step 1 of the methodology for BS evaluation presented in the Issue Paper of May 2008 ('Methodologies for Evaluations of Budget Support Operations at Country level', by E.Caputo (DRN), A.Lawson (ODI), M.v.d.Linde (ECORYS)). Step 1 of the methodology covers the first three levels of the evaluation framework as follows: (i) GBS/SBS inputs by donors defined as including funds, policy dialogue, conditionality, technical assistance/capacity building (TA/CB), alignment to government policies and systems, harmonisation between donors (page 7 of the Issue Paper), (ii) direct outputs (improvements expected in relationship between external assistance and the national budget and policy processes), and (iii) induced outputs (positive changes expected in the financing and institutional framework for public spending and public policy, and consequent improvements in public policy management and service delivery). Step 1 thus excludes the appreciation of outcomes (level 4) and impacts (Level 5). These are to some extent treated in EQs 3, 4 and 5 (but from the point of view of support interventions implemented rather than from the point of view of financing instrument used).</p>

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.7.1	The designs of the Commission's sector budget support interventions were adapted to the specific sectors' contexts									
I.7.1.1	Evidence that the EC sector budget support responded to a need (demand from GoE, existing sector dialogue, joint donor initiative, harmonisation and alignment, ...)	Sector reviews, interviews	x	x	x			x		
I.7.1.2	Evidence that the choice of disbursement triggers is based on a policy dialogue and a shared (EC/GoE) identification of constraints to be overcome and that they are owned (and thus understood) by the GoE and aligned with those of other donors	MoU/FA, Sector policy and action plan, sector reviews, interviews	x	x	x		x	x		
I.7.1.3	Evidence that financing made available through SBS contributed to closing the gap of the sectors' medium term financing plan and contributed to cover the annual financing need of the sectors	sector action and financing plan, MOU/FA	x		x			x		
I.7.1.4	Evidence that accompanying non financial support (institutional building provided as a component of the BS and/or under a separate project) addressed identified weaknesses and expressed needs	Sector diagnosis, sector reviews, TA reports, interviews	x	x	x	x	x	x		
J.7.2	The sector budget support interventions strengthened the sectors reform process and contributed to tangible improvements in the sectors' policy, strategic, organisational, managerial and/or regulatory frameworks									
I.7.2.1	Evidence that a sector reform programme was ongoing: existence of a sector policy, a sector strategy, a detailed costed and time bound action programme and a monitoring mechanism of its implementation	National dev't policy, sector policy, strategy and action plans	x		x					
I.7.2.2	Evidence that SBS funding allowed fiscal space for implementing the required reforms	Sector MTEF	x							
I.7.2.3	Evidence that accompanying non financial support (institutional building provided as a component of the BS and/or under a separate project) contributed to relieve specific constraints, showed clear results and thus facilitated the implementation of the reform process	Sector reviews, TA reports, M&E reports, interviews	x		x	x		x		
I.7.2.4	Evidence that triggers retained for SBS disbursement were functional and have been respected	Compliance reports, interviews	x	x	x			x		
I.7.2.5	Evidence that budget support contributed to an improved sector framework (policy, strategy, managerial and institutional capacities and organisation, monitoring systems, regulations) which is better geared towards government strategic priorities and more apt to deliver the targeted results	Sector reviews	x					x		
J.7.3	The EC sector budget support interventions contributed to improve the sectors' performance in service delivery									
I.7.3.1	Evidence of improved budgetary performance (funding mobilisation, budget allocations and budget execution)	budget data	x						x	
I.7.3.2	Evidence of improved performance of sector indicators: provision of public services (quantity and quality)	Sector reviews and studies	x							

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
Commission officials	GoE officials	Beneficiaries		Other						
J.7.4	The EC Sector Budget Support interventions have contributed to improving public financial management									
I.7.4.1	Evidence that SBS interventions specifically included public financial management issues as triggers for disbursement and as elements of the policy dialogue	MoU/FA, sector reviews, interviews	x	x	x					
I.7.4.2	Existence of a public finance management dialogue, of a strategic reform process and action plan to improve public finance management	PFM Reform Strategy	x							
I.7.4.3	Evidence that the shift to budget support has been accompanied by improved budgetary discussions between beneficiary sectors and the Ministry of Finance	PFM monitoring reports, interviews	x		x					
I.7.4.4	Evidence of improved coordination between the Ministry of Finance and the sector ministries in budget preparation, activity planning and budget implementation and monitoring	PFM monitoring reports, interviews	x		x					
I.7.4.5	Evidence that disbursements of sector budget support were predictable, timely and coordinated with GoE and other donors.	MoU/FA, dates of disbursement	x							
I.7.4.6	Evidence that budget support contributed to greater harmonisation of donor interventions, alignment on Government priorities and Government budgetary procedures and reduced transaction costs	Sector reviews, sector financing	x		x	x				
J.7.5	The EC interventions have contributed to improve the policy preparation and implementation, including the use of the budget as a policy instrument									
I.7.5.1	Evidence of the quality of the sector policy dialogue: led by the Government of Egypt, conducive of sector strategy, coordinated with all donors	Sector review reports, interviews	x	x	x	x	x			
I.7.5.2	Evidence of the Commission participating actively in the policy dialogue during preparation and implementation of the SBS programmes	Sector review reports, interviews	x	x	x	x				
I.7.5.3	Evidence of clear policy priorities within the budget at general and sector level	budget data	x							
I.7.5.4	Evidence of budget planning respected at execution level	budget data	x							
I.7.5.5	Evidence of sector budget support aligned to the medium term expenditure plan	budget data	x							
I.7.5.6	Evidence of improved budget management in the sector, in particular with regards to allocative efficiency (and in particular provisions for priority expenditure and for operation and maintenance costs of investments) and to budget controls (internal and external audit included)	budget data	x							

		Sources of information	Approach to extract the information required by the indicators						
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
Commission officials	GoE officials	Beneficiaries		Other					
J.7.6	Commission support through the budget support modality added benefits to what would have resulted from EU MS alone								
I.7.6.1	Evidence of a comparative advantage of the Commission participation in the preparation and implementation of sector budget support interventions	Interviews		x	x	x	x		
I.7.6.2	Evidence of a mandate given to the Commission by the MS in the context of supporting sector reforms	Strategy documents, evaluation reports, interviews	x	x	x		x		
I.7.6.3	Evidence that the Commission and EU MS have a common political agenda in the reforms supported through budget support interventions	Strategy documents, evaluation reports, interviews	x	x	x		x		
I.7.6.4	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the context of supporting sector reforms	Interviews		x	x	x	x		

EQ8	To what extent were the financing modalities and implementation mechanisms adapted to the objectives of the interventions and to the (absorption/ implementation/ administrative) capacities of beneficiary institutions so as to enable timely and cost-effective implementation?									
	<i>Evaluation criterion and link with intervention logic:</i> This question mainly covers the efficiency of interventions and focuses particularly on the link between the choice of financing instrument and implementation mechanisms and their appropriateness to on the one hand the outputs, results and expected impacts of the intervention and on the other hand the specific policy, institutional, and human resource capacity context of the intervention. By questioning the appropriateness of choice of instrument the questions thus also covers the issue of relevance.									
	<i>Coverage of the question:</i> All financing instruments (project financing, twinning, EIB risk capital/interest rate subsidies, budget lines, SBS) and the main implementation mechanisms (project/PAO, project/GoE, project/NGO, grants to CSO/NGO, international/local TA, supplies/equipments/construction, twinning arrangements, SBS including policy dialogue and disbursement triggers linked to the implementation of essential reforms) will be considered. The efficiency will be measured both at the overall level of cooperation (the appropriateness of the mix of instruments and mechanisms used to the overall objectives of Commission cooperation in Egypt) and at sector level and individual intervention level (the appropriateness of the mix of instruments and mechanisms used within a sector/area of intervention to their expected results/objectives and the appropriateness of the instruments and mechanisms used or of their mix within one intervention to the expected outputs/results).									
		Sources of information	Approach to extract the information required by the indicators							
			Interviews with					Detailed studies on selected interventions	Focus Group	Statistical work on inventory
			Deskwork	Commission officials	GoE officials	Beneficiaries	Other			
J.8.1	<i>The financing modalities and their mix have been chosen so as to allow the attainment of the objectives pursued</i>									
I.8.1.1	Evidence of justification in the programming documents (NIP and MoU/FA) of the choice of financing instrument	CSP/NIP, MoU/FA	x							
I.8.1.2	Evidence that interventions used appropriate financing modalities: - Project financing (in particular TA services) and twinning were used to build institutional and human resource capacities - SBS was used to support implementation of sector policies and reforms - IDHR was used to support non-public initiatives	data base, CSP/NIP, MoU/FA and monitoring and evaluation reports	x					x		x
I.8.1.3	Evidence that the mix of financing instruments within the CSP/NIP was justified in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued and the time span covered	CSP/NIP	x	x	x					
I.8.1.4	Views of the stakeholders on appropriateness of financing instruments with regards to the objectives pursued	Interviews		x	x	x				

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.8.2	<i>The implementation mechanisms and their mix have been chosen so as to be adapted to the institutional context and to the objectives pursued</i>									
I.8.2.1	Evidence of justification in the programming documents (NIP and MoU/FA) of the choice of implementation mechanisms	CSP/NIP, MoU/FA	x							
I.8.2.2	Evidence that interventions used (a mix of) appropriate implementation mechanisms mainly: - TA services and twinning arrangements were used to build institutional and human resource capacities - Project administration (PAO, Government or TA) was adapted to available administrative capacity of implementing agencies and aimed for most effective and efficient project implementation - SBS (policy dialogue and disbursement triggers) and twinning arrangements were used to support implementation of sector policies and reforms - NGOs were used in areas touching upon human rights and democracy	data base, CSP/NIP, MoU/FA and monitoring and evaluation reports	x				x		x	
I.8.2.3	Evidence that the mixes of implementation mechanisms within the CSP/NIP and the FA/MoU were justified in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued, the time span covered and the institutional capacities of beneficiary implementing agencies	CSP/NIP, MoU	x	x	x					
I.8.2.4	Views of the stakeholders on appropriateness of implementation mechanisms with regards to the management of the project implementation, the organisational and managerial strength of the beneficiary agency and the objectives pursued	Interviews		x	x	x				
J.8.3	<i>Financing modalities and implementation mechanisms took account of beneficiary institution's capacities</i>									
I.8.3.1	Programming documents (MoU/FA) refer to analysis of beneficiary capacities and justify their choice of financing modality and implementation mechanism accordingly	MoU/FA, interviews	x	x	x		x			
I.8.3.2	Timeliness of implementation and cost-effectiveness of interventions are explicitly referred to in programming documents to justify the choice of financing modality and implementation mechanism	MoU/FA, interviews	x	x	x		x			
J.8.4	<i>A mix of financing modalities and implementation mechanisms was used in the same sector to maximise adaptability to absorption capacities and timely implementation</i>									
I.8.4.1	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities and ensure the timeliness of implementation	CSP/NIP, MoU/FA, database	x	x					x	
I.8.4.2	Evidence of mix of different implementation mechanisms used within a sector and within programmes (MoU/FA) to adapt to intended results, objectives and implementation capacities	CSP/NIP, MoU/FA, database	x	x					x	
I.8.4.3	Views of beneficiaries on appropriateness of financing mix and implementation mechanisms used	interviews				x				
J.8.5	<i>Interventions are carried out within their allocated budget and planned schedule</i>									
I.8.5.1	Disbursement rates of Commission support by year relative to programmed disbursement	Monitoring and evaluation reports	x	x	x		x		x	
I.8.5.2	Nature of delays affecting disbursement and implementation	Monitoring and evaluation reports	x	x	x		x			

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.8.6	<i>Intervention implementation takes account of monitoring and evaluation results</i>									
I.8.6.1	Evidence of monitoring reports available on regular basis	Resource persons		x	x			x		
I.8.6.2	Availability of Mid-Term and final evaluation reports	Resource persons		x	x			x		
I.8.6.3	Number of terminated projects for which an evaluation report is accessible/total number of terminated projects.	Monitoring and evaluation reports	x	x	x			x		
I.8.6.4	Planned schedule of activities and disbursements adapted in course of implementation following monitoring and evaluation results	Monitoring and evaluation reports						x		

EQ9	To what extent have the Commission's strategies, programmes and activities been designed and implemented in coherence with all EC policies or in coordination and complementarity with the EU Member States, EIB and other donors?
	<p><i>Evaluation criteria and link with intervention logic:</i> The question relates to the Coherence, Coordination and Complementarity issues. It focuses on the one hand on the coherence of the Commission's support to Egypt with other Community policies and on the other hand on the coordination between the Commission and Member States as well as the complementarities with the interventions of the other donors and of the EIB.</p>
	<p><i>Coverage of the question:</i> The question assesses : (i) to what extent the Commission's support to Egypt has been designed and implemented in coherence with other Community policies (ii) to what extent coordination with EU MS, EIB and other donors has taken place, at design and implementation levels, and whether it has improved the effectiveness and efficiency of interventions by allowing better complementarity and coverage of support, and reduced transaction costs for the beneficiary.</p>

		Sources of information	Approach to extract the information required by the indicators							
			Deskwork	Interviews with				Detailed studies on selected interventions	Focus Group	Statistical work on inventory
				Commission officials	GoE officials	Beneficiaries	Other			
J.9.1 The Commission's interventions are designed and implemented in view of taking advantage of EC policies in the same field, or of mitigating their negative consequences										
I.9.1.1	Evidence that Commission support is in line with EC policies	Programming documents and interviews. Studies by NGO, international institutions, academics;	x	x	x	x	x			
I.9.1.2	Evidence that when it is not the case, Commission support attempts to mitigate the possible negative consequences of its policies.	Programming documents and interviews. Studies by NGO, international institutions, academics;	x	x	x	x	x			
J.9.2 Commission's interventions are co-ordinated with the set of other donors' interventions										
I.9.2.1	Reference in the CSP/RSP to EIB and other donors interventions	Strategy/programming documents	x							
I.9.2.2	Existence and modalities of coordination of the Commission with other donors (in particular EU MS) and the EIB at programming stage	Documents, interviews	x	x	x	x	x			
I.9.2.3	Existence and modalities of coordination of the Commission with other donors (in particular EU MS) and the EIB at implementation stage	Documents, interviews	x	x	x	x	x			
I.9.2.4	Evidence of a sector or geographical specialisation of donors and of an active participation of the Commission in thematic working groups involving several donors	Documents, interviews	x	x	x	x	x			
J.9.3 Commission's interventions are complementary to the set of other donors' interventions										
I.9.3.1	Evidence of synergies between Commission's interventions and those of other donors (in particular EU MS) and the EIB	Documents, interviews	x	x	x	x	x			
I.9.3.2	Evidence of conflicts, duplication or overlapping between Commission's interventions and those of other donors (in particular EU MS) and the EIB	Documents, interviews	x	x	x	x	x			
I.9.3.3	Evidence of a Commission's leadership in the promotion of cooperation and complementarities	Documents, interviews	x	x	x	x	x			

Annexe 3: National Background

3.1 Political background

Political institutions

Power in Egypt is organized under a multi-party semi-presidential system, whereby the executive power is theoretically divided between the President and the Prime Minister, but rests in practice almost solely with the President, who appoints the Cabinet of Ministers, military officials, promulgates laws and concludes treaties. Since Egypt became a Republic in 1953, the President had been elected by the People's Assembly through single-candidate elections. In 2005, a revision of the Constitution established presidential election by universal suffrage in multi-candidates elections applying stringent eligibility conditions. President Hosni Mubarak was re-elected in September 2005 for a fifth mandate by 88.6% of the voters representing less than 25% of the country's 32 million registered voters.

There are two Chambers, the People's Assembly (444 members elected and 10 appointed by the President) and an upper Chamber with limited legislative power, the Shura Council (264 members of which 88 appointed by the President). There currently exist eighteen recognized political parties with the National Democratic Party, headed by President Mubarak, holding a large majority in both Chambers. The formation of political parties based on religion is prohibited by the Constitution. The official opposition and political pressure groups, like the Muslim Brotherhood, are active in Egypt and make their views public; they are represented at various levels in the political system including in the Parliament, where their candidates have been elected as independent candidates. The general elections that took place in November 2000 are unanimously considered the fairest that have ever been held in the country.

Below the national level, authority is exercised by and through governors and mayors appointed by the central government and by popularly elected local councils.

Judiciary

Egypt has a long established judiciary system; justice is very slow and the political independence of the courts is questioned even though the Supreme Constitutional Court's recent declaration of the government's new NGO law as unconstitutional shows that it can and does act independently. Its ruling on the constitutional shortcomings of the 1995 general elections led to the judicial supervision of the latest elections (previously a responsibility of the Ministry of the Interior). The Egyptian judicial system and legal code are derived from the French (Napoleonic) code except that applying to marriage and personal status which are derived from Sharia and Islamic principles.

Corruption is pervasive. With a score of corruption at 2.8 (out of a scale of 0 to 10 with 0 being the worst degree of corruption), and a ranking of 115th out of 180 countries at the Transparency International Corruption Perception Index, Egypt's performance is particularly poor; some improvement in the corruption indices was noted at the end of the 1990's but the situation deteriorated again after 2001 (with a short lived improvement in 2004) so that the score in 2008 is marginally poorer than a decade ago (in 1998 the score was at 2.9).

Civil society and human rights

The Egyptian government has an ambivalent position regarding civil society organisations. On the one hand it supports the creation of NGOs and facilitates their work while on the other hand it puts restrictions on their activity. NGOs are allowed to undertake activities in a variety of areas provided these activities do not relate to political or human right issues.

Local and international human rights organisations have for many years criticized Egypt's human rights record. Egyptians have been living under emergency law since 1967, except for an 18-month break in 1980, and emergency laws have been continuously extended since 1981. Thirty-four constitutional changes voted on by Parliament in March 2007 prohibit parties from using religion as a basis for political activity; allow the drafting of a new anti-terrorism laws to replace the emergency legislation in place, giving police wide powers of arrest and surveillance; give the president power to dissolve parliament; and end judicial monitoring of elections.

Egypt participated with the international community in its efforts to establish the principles of fundamental human rights and freedoms. Egypt has adopted the following International conventions:

International conventions	Ratified or adopted in
Convention on Slavery, Servitude, Forced Labour and Similar Institutions and Practices, signed at Geneva on 25 September 1926, and the Protocol amended.	1928
Convention on the Prevention and Punishment of the Crime of Genocide, opened for signature on 9 December 1948.	1952
Convention No. 29 of the International Labour Organisation concerning Forced Labour, Geneva, 1930.	1955
Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, Geneva, 1956.	1958
Convention No. 105 of the International Labour Organization concerning Abolition of Forced Labour, Geneva, 1957.	1958
Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others, 1950.	1959
International Convention on the Elimination of all Forms of Racial Discrimination, 1965.	1967
International Convention on Suppression & Punishment of the Crime of Apartheid 30 Nov. 1973.	1977
Convention relating to the Status of Refugees, 1951.	1980
Protocol relating to Amendments to the Convention of the Status of Refugees, 1966.	1980
African Charter on Human and Peoples' Rights, 1980.	1984
The Charter on the Rights of the Arab Child of the League of Arab States, 1983.	1993
African Charter on the Rights and Welfare of the Child, 1990.	2001

Source: National Council for Human Rights, "Annual Report of the National Council for Human Rights"

The status of women remains discriminatory. Violence against women is still widespread, 90% of women are subject to female genital mutilation, the literacy rate is significantly lower among women (59.7%) than among men (83.3%), and women participation in the labour force is limited (23% of the total labour force in 2007 according to ILO statistics).

In 2003, the government established the National Council for Human Rights, headquartered in Cairo and headed by former UN Secretary-General Boutros Boutros-Ghali, who directly reports to the president.

Media

Egyptian media are highly influential both in Egypt and the Arab World, attributed to large audiences and increasing freedom from government control. Freedom of the media is guaranteed in the constitution and media have reportedly made increasing use of this over the last five years, bringing human rights issues to the limelight of public discussions despite many laws still restricting this right. In that respect, the 2008 EU Annual Report on Human Rights mentions that the authorities have put several journalists and newspaper editors on trial, resulting in court sentences.

International relations

Egypt was the first Arab state to establish diplomatic relations with the state of Israel in 1979 after the signing of the Egypt-Israel Peace Treaty at the Camp David Accords.

Egypt has a major influence amongst other Arab states and has historically played an important role as a mediator in resolving disputes between various Arab nations, and in the Israeli-Palestinian dispute. Most Arab nations still give credence to Egypt playing that role. The Arab League, whose General Secretary is traditionally an Egyptian, briefly moved its headquarters from Egypt to Tunis in 1978, as a protest to the signing by Egypt of a peace treaty with Israel, but returned in 1989.

3.2 Economic background

Economic growth and inflation

With a GDP per capita¹ estimated at USD 1,580 in 2007, Egypt belongs to the group of lower middle-income countries.

¹ World Bank, Development Report 2008

Table 3.1 : Egypt, economic indicators

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
GDP at current prices (USD bn)	89.9	99.2	95.4	87.5	81.4	78.8	89.8	107.4	130.3	162.2
Unemployment rate (% of labour force)				9.4%	10.5%	11.1%	10.5%	10.9%	8.9%	8.8%
GDP growth (% at constant prices)	6.1%	5.4%	3.5%	3.2%	3.2%	4.1%	4.5%	6.8%	7.1%	7.2%
GDP per capita at current prices (USD)	1,435.9	1,549.9	1,461.0	1,313.4	1,197.3	1,136.6	1,269.8	1,488.6	1,739.3	2,108.8
GDP per capita (USD at PPP)	3,661.0	3,859.9	4,008.8	4,124.8	4,260.8	4,466.4	4,713.9	5,096.8	5,495.1	5,904.5
Inflation (%) (consumer prices)	3.7%	2.8%	2.4%	2.4%	3.2%	8.1%	8.8%	4.2%	11.0%	11.7%
Trade balance (% of GDP)						-9.9%	-11.5%	-11.2%	-12.1%	-14.4%
Current account balance (% GDP)	-1.9%	-1.2%	-0.0%	0.7%	2.4%	4.3%	3.2%	0.8%	1.4%	0.5%
External debt (% of GDP)			32.8%	36.1%	37.9%	29.9%	28.9%	30.9%	30.0%	33.9%

Source : IMF / World Economic Outlook database and Article IV Reports

After a period of stagnation in the 1990s, economic conditions have started to improve considerably from the adoption of more liberal economic policies by the government, as well as increased revenues from tourism and a booming stock market. Some major economic reforms undertaken by the government since 2003 include a dramatic reduction and simplification of customs and tariffs. A new taxation law implemented in 2005 decreased corporate taxes from 40% to the current 20%, resulting in a stated 100% increase in tax revenue by the year 2006. In its 2009 survey of business conditions, the World Bank still ranks Egypt 114th out of 181 countries at the ease-of-doing-business index, but singles out this country as one the top 10 reformers.

The annual GDP rate of growth has doubled from 3.3% in the early 2000 to 7.0% over the years 2006-2008, thus outstripping regional average annual growth rates and Foreign Direct Investment into Egypt has increased considerably reaching on average 7% of GDP over the three years 2005-2007 as compared to 1% in the early 2000s.

Inflation, which had remained low in the first half of the 2000s, has accelerated since then as a consequence of the deregulation of administered prices, of a dynamic domestic demand and, in 2008, of strongly increasing prices of imported commodities. Consumer prices, which had increased at an average yearly rate of 2.7% from 1998 to 2003, have exhibited two-digit rates of growth in 2007 and 2008.

Trade

According to the World Bank Tariff Restrictiveness Index (ITRI), Egypt's trade regime is more open than the average Middle-East and North Africa and lower-middle-income countries. The World Bank points out that the country has made substantive reduction of its tariff since its early 2000s average and can be counted among the world's most prolific liberalizers.

Table 3.2 : External Trade

	Tariffs (1)		Tariffs + NTM (2)	
	2000-2004	2006-2008 Latest	2000-2004	2006-2008 Latest
North Africa & Middle East	17.02	12.09	34.32	26.65
Egypt	13.17	5.62	38.90	25.58
Algeria	15.09	12.42	41.24	35.79
Iran	...	13.07	...	...
Jordan	18.61	9.03	33.77	27.19
Lebanon	15.72	5.03	30.06	18.61
Morocco	26.16	18.01	48.37	26.68
Tunisia	25.91	20.27	37.99	33.90

Source: World Bank

(1) This index summarises the impact of each country's non-discriminatory trade policies on its aggregate imports. It is the uniform equivalent tariff that would maintain the country's aggregate import volume at its current level – the level associated with the present heterogeneous tariffs.

(2) This index summarises the impact of each country's non-discriminatory trade policies on its aggregate imports. It is the uniform equivalent tariff that would maintain the country's aggregate import volume at its current level – the level associated with the present heterogeneous tariffs and non-tariffs measures (NTM).

Nevertheless as regards exports Egypt's access to global markets is less favourable than its peers. Egypt largely utilises the non-reciprocal trade preferences granted by industrialised countries under the GSP arrangements, but these only represent 2.6 percent of its exports.

Between 2000 and 2007 Egypt's exports have grown at a steep rate of 12.4% a year in volume terms while the growth rate of imports stood at 11.4%.

Egypt main exports are fuels and mining products (54.6% of total exports in 2007), followed by manufactures (35.9%). The main outlets of its exports are the European Union (29.1% of total exports), India (11.3%) and the United States (5.8%). Egypt is importing manufactures (52.8% of total imports) but also a significant volume of agricultural and food products (23.1%). Its main suppliers are the EU (23.0% of total imports), the United States (9.5%), Saudi Arabia (8.3%) and China (6.0%).

In spite of the favourable development of its exports, Egypt's trade balance exhibits a large trade deficit equivalent in 2007/2008 to 14.4% of its GDP. This trade deficit is however balanced by an equally large surplus of Egypt's exchange of services mainly due to tourism receipts and the duties paid by vessels travelling through the Suez canal.

Table 3.3 : Current Account Balance

Million USD	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Exports	7.1	8.2	10.5	13.8	18.5	22.0	29.4
of which Oil	2.4	3.2	3.9	5.0	7.4	7.4	11.5
Gas	0.0	0.0	0.0	0.3	2.8	2.7	3.0
Imports	-14.6	-14.8	-18.3	-24.2	-30.4	-37.8	-52.8
Trade balance	-7.5	-6.6	-7.8	-10.4	-12.0	-15.8	-23.4
Net balance of services	3.9	4.9	7.3	7.8	7.3	10.6	15.0
Transfers	4.3	3.6	3.9	5.4	5.5	7.1	9.3
Current account balance	0.6	1.9	3.4	2.9	0.9	1.9	0.9

Source : IMF, Article IV surveys

Public finance

In spite of measures taken by the government to increase public revenues, the government deficit remains stubbornly high in a range of 8% to 9% of GDP. The Egyptian government, following advice by the IMF, intended to implement a medium-term fiscal consolidation programme based on streamlining the subsidy system, and reforming pension and healthcare systems. The objective was to bring the deficit down to 6% of GDP. However in a context of world financial and economic crisis, implementation of this programme is likely to be postponed.

The government net debt, including government guaranteed debt, stands in 2008 at 63% of GDP and interest payment make close to 20% of government expenditure. However most of the government deficit is financed from domestic savings. At 33.9% the external debt to GDP ratio does not raise any serious worries regarding its sustainability.

Table 3.4 : General Government Fiscal Operations (% of GDP)

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Public revenue including grants	25.4%	26.2%	25.6%	24.8%	28.6%	27.7%	27.6%
Tax revenue	13.4%	13.3%	13.8%	14.1%	15.8%	15.3%	15.3%
Non Tax	10.8%	12.0%	10.7%	10.2%	12.4%	11.8%	12.3%
Grants	1.1%	0.8%	1.0%	0.5%	0.4%	0.5%	0.2%
Public expenditure	32.5%	32.2%	31.7%	31.8%	36.3%	32.9%	34.1%
Salaries	8.1%	8.2%	7.8%	7.8%	7.7%	7.1%	7.1%
Goods and services	2.3%	2.1%	1.9%	2.4%	2.3%	2.3%	2.1%
Interest	5.4%	5.7%	5.7%	5.7%	5.8%	5.3%	4.6%
Subsidies, grants & social benefits	7.0%	7.0%	7.2%	7.7%	13.9%	11.9%	13.9%
Other current	4.4%	4.4%	4.3%	4.0%	3.9%	2.9%	2.7%
Investment	5.2%	4.9%	4.7%	4.3%	3.4%	3.4%	3.8%
Cash balance	-7.1%	-6.0%	-6.1%	-7.0%	-7.7%	-5.2%	-6.4%
Net acquisition of financial assets	2.1%	3.0%	2.2%	1.4%	1.4%	2.4%	1.4%
Overall balance	-9.2%	-9.0%	-8.3%	-8.4%	-9.2%	-7.5%	-7.8%

Source: IMF, Article IV surveys

3.3 Social background

Egypt has a total population of 75 million inhabitants. It has passed the apex of the demographic bulge; with a fertility rate of 3.1 for almost a decade, population growth has stabilised at 2.0% a year.

Table 3.5 : Egypt, population

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population (millions)	62.639	63.975	65.298	66.628	67.976	69.33	70.717	72.131	73.574	75.045
Population rate of growth (%)	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: IMF, World Economic Outlook database

Based on the national poverty line, one out of five Egyptians (19.6%) had consumption expenditure below the poverty line in 2007 compared to 24.3% in 1990. A faster decline of the poverty rate would however be needed to meet the Millennium Development Goals (MDG) target of halving by 2015 the proportion of poor in the total population.

Unemployment is a major concern and an important factor of monetary poverty. Thanks to stronger growth during the recent years the unemployment rate decreased from 11.1% in 2003/04 to a still high level of 8.8% in 2007/08. Underemployment remains widespread, and in spite of the high unemployment rate a significant share of the demand for skilled work remains unsatisfied, reflecting cultural, basic education and vocational training constraints. Unemployment and underemployment affect all population groups but in particular women and youth. Social security covers only 16% of the population and does not adequately reach the poorest. The Egyptian government is committed to implement a Universal Health Insurance system and is preparing a Universal Pension scheme, these two measures being part of 55 social contracts programmes aimed at eradicating extreme poverty within less than ten years and at fulfilling the MDGs.

The Human Development Index for Egypt has increased from 0.665 in 2000 to 0.716 in 2006 with Egypt still ranking 111th out of 179 countries. Progress has been uneven across governorates; while consistent progress has been registered in overall health and education indices, less than half of the twenty nine governorates have kept pace with the overall improvement.

Table 3.6 : Egypt, Human Development Index

	2000	2006	
	Index	Index	Ranking
Human Development Index	0.665	0.716	116/179
Human Poverty Index (HPI-1)		20.0	73/135

Source: UNDP, Human Development Report

Over the last 12 years there has been little improvement in gender equity in labour markets, and women's representation in local councils is negligible: 1.8% of council members are women. Representation in the People's Assembly has even regressed from 4.0% in 1990 to 2.0% at present. But gender differentiated social service outcome indicators have shown

good progress: Egypt will come closer to achieve the MDG target for the proportion of births attended by skilled health personnel, which has increased from 56.5% in 2000 to 80.0% in 2006. The maternal mortality rate has declined from 60.7 per 100,000 live births in 2001 to 52.9 in 2006. In the area of education, the ratio of females to males in primary education has increased from 0.88 in 2000/01 to 0.93 in 2005/06.

Table 3.7 : Poverty and social service outcome indicators

	2000		2006	
	Egypt	MENA region	Egypt	MENA region
Poverty headcount ratio at national poverty line (% of	17%	...	...	...
Income share held by the lowest 20%	9%	...	...	...
Life expectancy at birth, total (years)	69	68	71	70
Fertility rate, total (births per woman)	3	3	3	3
Adolescent fertility rate (births per 1,000 women aged 15-19)	51	38	41	31
Contraceptive prevalence (% of women aged 15-49)	56%	...	59%*	60%
Births attended by skilled health staff (% of total)	61%	...	74%	77%
Mortality rate under 5 (per 1000)	51	51	35	42
Malnutrition prevalence, weight for age (% of children under 5)	4%	...	5%*	...
Immunisations, measles (% of children aged 12-23 months)	98%	91%	98%	91%
Primary completion rate, total (% of relevant age group)	98%	82%	98%	90%
Ratio of girls to boys in primary and secondary education	92%	90%	...	93%*

Source: World Bank, World Development Indicators, 2008

3.4 Environmental background

Egypt's environmental problems stem from its aridity, extremely uneven population distribution, shortage of arable land, and pollution.

Scarcity of fresh water resources is a major issue for the sustainability of Egypt's economic and social development. The country's total renewable water resources are estimated at 86.8 cu km. Actual fresh water withdrawal is put at 68.3 cu km of which 86% is used for farming purposes. With recent improvements, about 97% percent of the population have access to pure water.

Soil fertility has declined because of excessive cultivation and agricultural land has been lost to urbanization and desert winds. In addition, the nation's beaches, coral reefs, and wildlife habitats are threatened by oil pollution. Heavy use of pesticides, inadequate sewage disposal and uncontrolled industrial effluents have created major water pollution problems. The expanded irrigation of desert areas after completion of the Aswan High Dam in 1970 has increased soil salinity and aided the spread of waterborne diseases.

Egypt's cities produce 3.0 million tons of solid waste per year. Only 79% of the population living in rural areas have adequate sanitation facilities. Half of Cairo's raw sewage is carried to the sea in open sewers and some 100 of 120 towns do not have sewer systems at all. Even the existing sewers are in urgent need of renovation.

Centuries of human habitation in the Nile Valley has decimated Egypt's wildlife in that region. Altogether, less than 1% of Egypt's total land area is protected. The hunting of any bird has been prohibited by law. In 2000, 15 of Egypt's 98 mammal species, 11 birds, 6 types of reptiles and 1 type of amphibian were endangered. About 59 of the nation's 2,076 plant species were threatened with extinction.

In 1997, the first full time Minister for Environmental Affairs was appointed. Its executive arm is the Egyptian Environmental Affairs Agency (EEAA). With support of UNDP, the Ministry of Environmental Affairs has designed a fifteen-year National Environmental Action Plan covering the period 2002/2017.

Table 3.8 : Egypt, Environmental indicators

	2000		2006	
	Egypt	MENA region	Egypt	MENA region
Agricultural land (% of land area)	3%	24%	4%	22%
Improved water source (% of population with access)	97%	89%	98%	89%
Improved sanitation facilities, urban (% of population with access)	79%	86%	85%	89%
Energy use (kg of oil equivalent per capita)	683	1051	841*	1234*
Electric power consumption (kWh per capita)	1011	1059	1245*	1338*
CO2 emissions (metric tons per capita)	2	4	...	...

Source: World Bank, World Development Indicators, 2008

3.5 Egypt's national policy

Egypt's long-term plan (1997-2017) defines the broad strategic orientation for the country which is further operationalised in successive five-year socio-economic development plans that define the objectives and means of the Egyptian government's national policies. During the period covered by the evaluation two such plans have been implemented:

- The fourth socio-economic development plan 1997-2001, and
- The fifth socio-economic development plan 2002-2007.

These medium-term development plans are seen as steps towards the achievement of a long term vision to 2022 of the social and economic development of Egypt, whose objectives are:

- Conservation of natural resources and direction of urban growth towards desert land
- Steady reduction of current population growth rate
- Achievement of high and sustainable GDP growth
- Gradual removal of balance of payments deficit
- Alleviation of poverty and attenuation of income disparities
- Development of human capital and attainment of full employment
- Improvement of social services.

Five year development plans present a scenario of macroeconomic and sectoral growth, define the fiscal and monetary policies that shall be implemented to create the conditions for a solid and sustainable economic growth, identify the respective roles of the government and of the private sector in the achievement of the plan targets and provide quantified guidelines for the development of public investments at sector and regional levels.

Furthermore the fifth socio-economic development plan 2002-2007 identified five pivots of development, each of which being characterised by a limited number of key objectives, detailed objectives and performance indicators, as well as associated policies and tools.

Pivot 1 is the development of human resources, whose key objectives are (i) increased income and standard of living; (ii) improved quality of life; (iii) improved quality of education; (iv) development of abilities, production capacities and training; (v) preservation of cultural identity.

Pivot 2, Development of management and institutional structures and adjustment mechanisms, encompasses the following key objectives: (i) encouraging participation and democracy principles; (ii) continuous follow-up of the political system to changes in democratic practices and participation and openness to global developments; (iii) improving methods and tools of participatory planning; (iv) developing bases and tools of accounting, supervision and transparency; (v) modernising the administrative system; (vi) reforming the legislative base.

Pivot 3 concerns the development of production, economic and natural resources. Related key objectives are (i) developing the natural resources base; (ii) restructuring service

activities; (iii) developing competitiveness of domestic production; (iv) securing basic food needs; (v) expanding and developing infrastructure; (vi) restructuring domestic industry.

Pivot 4 aims at building and developing the national base for science and technology with key objectives being (i) knowledge development; (ii) providing financial resources for research & Development (R&D); (iii) encouraging scientific research and innovation; (iv) developing R&D institutional framework.

Pivot 5 focuses on the strengthening of interactions with the regional environment and global system. Its main objectives are : (i) maximising the benefits arising from globalisation while avoiding negative impacts; (ii) maximising benefits resulting from partnerships with developed countries; (iii) maximising development benefits through Arab, African and Islamic cooperation.

Concomitantly with these five year plans which are declined from a long term 20 year vision for Egypt, the electoral programme of President Mubarak (mirrored by that of the Parliament) also influences national strategic priorities.

President Mubarak's last electoral programme included the following six priority programmes:

- Following the amendment of article 76 of the constitution (introducing competitive Presidential elections in the Egyptian political landscape), a series of **political reforms** including constitutional and legislative reforms aimed at striking a balance between the different branches of the Government in line with competitive president elections, increased responsibilities at municipal level, enhanced women's and political parties' representation in Parliament and reinforced independence of the judiciary.
- a comprehensive package of programs titled "**jobs for our youth**" which seeks to create 4.5 million through securing jobs in the industrial, agricultural and tourism sectors for Egypt's youth and which will be implemented through:
 - a micro lending system for small businesses (+100,000 jobs each year)
 - enhancing the labour market through bank financing of small scale projects (+90,000 jobs over 6 years)
 - construction of 1,000 factories (+1.5 million jobs)
 - desert reclamation together with the restructuring of the Bank for Development & Agricultural Credit, encouragement of single crop cultivation and establishment of agricultural cooperatives (+420,000 jobs in 400 new villages in the desert on one million acres over six years)
 - invigorate the tourism industry in Egypt to increase the flow of tourists to 14 million annually by 2011.
- To improve **the quality of life for citizens**, a series of initiatives in housing, education, healthcare, transportation, infrastructure, clean water and sewage system networks. It includes the following priorities:
 - medical insurance to all Egyptians by 2010 regardless of their financial resources
 - Education modernisation (construction of 3,500 new schools and training of 400,000 teachers, establishment of 250 new schools for vocational education, creation of a specialised Education Accreditation Authority and new training programme for teachers and headmasters)

- Housing programme seeking to subsidise the construction of 500,000 new housing units for youth, construct 3,500 new schools and provide medical insurance for citizens. It also includes measures on transport, potable water and sewage and sanitation.
- **Securing the future** by increasing salaries and social security (double the salaries of the 3.5 million low ranking civil servants and increase them by 75% for the remaining 1.7 million; draw up new salary scheme; sketch our income and pension schemes; increasing productivity in the private sector).
- **A strong & secure Egypt:** leading regional and international roles by (i) supporting the establishment of a Palestinian State, (ii) full integration with Sudan through invigorating Egypt's role in Sudan (iii) bolstering inter Arab relations, (iv) boosting relations between Egypt's economy and big power economies, (v) fostering Egypt's role in Africa.
- Helping **middle class people realise their aspirations** by developing kindergarten enrolment, the establishment of private universities thus linking education with the labour market and the development of distance learning and continuous learning, and encourage home ownership.

The Parliament's electoral programme mirrored in all respects that of the President.

Annexe 4: EU-Egypt cooperation context and implementation

4.1 The cooperation framework

The cooperation of the Commission with Egypt needs to be considered taking into account the overall policy and strategy for the EU's cooperation with Mediterranean countries.

The first relations between the European Economic Community (EEC) and its neighbours were established during the 1960s and included a series of bilateral trade agreements. In the following decade, Egypt, along with other countries, signed a Co-operation Agreement (1977). This agreement provided for economic cooperation and established provision for non-reciprocal trade liberalisation and market access and access to funding under Financial Protocols.

The 1995 Barcelona Conference concluded with a Declaration that paved the way for a more integrated approach focused on development, trade, political dialogue on human rights and democracy, and cultural exchanges with a view to promoting a Mediterranean “space” of prosperity and dialogue.

The Declaration defines three pillars of the Euro-Mediterranean Partnership (EMP): (i) a political and security partnership to achieve a common area of peace and stability (pillar 1); (ii) an economic and financial partnership to create an area of shared prosperity (pillar 2); and (iii) a partnership in social cultural and human affairs to promote understanding between cultures and exchanges between the respective civil societies (pillar 3).

Political and Security Partnership

The Declaration sets out a number of common objectives in matters of internal and external stability:

- respect for **human rights and fundamental freedoms** (including freedom of expression, freedom of association and freedom of thought, conscience and religion);
- Development of the **rule of law and democracy** in the political systems of the Mediterranean Partner Countries (MPCs);
- Respect for **territorial integrity**, the principles of **non-intervention in the internal affairs** of another partner and of the peaceful settlement of disputes;
- **Fight against terrorism** and organised crime.

Economic and financial partnership

This is based on a twin approach:

- (i) Gradual establishment of a free trade area (FTA) between the EU and each Mediterranean country targeted for 2010. The FTA will be set up by means of the Association Agreements (AA) and free trade agreements to be concluded between the MPCs themselves. It will cover “most trade” in compliance with the World Trade Organisation (WTO) obligations. Tariff and non-tariff barriers to trade in manufactured products will be gradually eliminated in accordance with timetables to be negotiated between the partners. Trade in agricultural products will be liberalised in stages, as will trade in services. To facilitate its establishment, four priority areas have been defined:
 - adoption of suitable measures regarding rules of origin (introduction of cumulation of origin), certification, protection of intellectual and industrial property rights, and competition;
 - pursuit and the development of policies based on the principles of market economy and integration of MPCs economies, taking into account their respective needs and levels of development;
 - adjustment and modernisation of economic and social structures, giving priority to promotion and development of the private sector, upgrading of the productive sector and establishment of an appropriate institutional and regulatory framework for a market economy;
 - promotion of mechanisms to foster transfers of technology.
- (ii) Implementation of economic cooperation and concerted action in the following areas: investment and internal savings, regional cooperation, industrial cooperation and support to small and medium sized enterprises (SME), cooperation in energy and water resources management, modernisation of agriculture, transport infrastructure, and others.

Social, cultural and human partnership

This is based on the existence and recognition of, and mutual respect for, diverse traditions, cultures and civilisations throughout the Mediterranean, and on the promotion of common roots. To this end, the Barcelona Declaration and its work programme emphasise:

- the importance of intercultural dialogue, and of dialogues between religions;
- the importance of the role the media can play in reciprocal recognition and understanding of cultures;
- development of human resources in the area of culture: cultural exchanges, knowledge of other languages, implementation of educational and cultural programmes that respect cultural identities;
- the importance of health and social development and respect for fundamental social rights;
- the essential contribution Civil Society can make to the Euro-Mediterranean partnership and the need to strengthen the instruments of decentralised cooperation so as to encourage exchanges between those active in development;
- cooperation in the field of illegal immigration, the fight against terrorism, drug trafficking, international crime and corruption.

In order to monitor progress towards the partnership's objectives, the Barcelona Declaration provides for periodic meetings of the Ministers for Foreign Affairs of the Mediterranean partners and the EU. These meetings are prepared by a Euro-Mediterranean Committee for the Barcelona process, which meets regularly at senior official level. This Committee is also responsible for taking stock of and evaluating the follow-up to the Barcelona process and for updating the work programme.

The various activities approved under the partnership are followed by ad hoc thematic meetings of ministers, senior officials and experts, exchanges of experience and information, contacts between those active in Civil Society and by any other appropriate means.

Association Agreement

An essential feature of the implementation of the Euro-Mediterranean Partnership has been the negotiation of Association Agreements between the European Union and its Mediterranean Partners to replace the Co-operation Agreements of the 1970s. The Euro-Mediterranean Association Agreements, which govern bilateral relations, provide for specific arrangements with each partner country. They share a similar structure and are intended to promote the three pillars of the Barcelona Declaration.

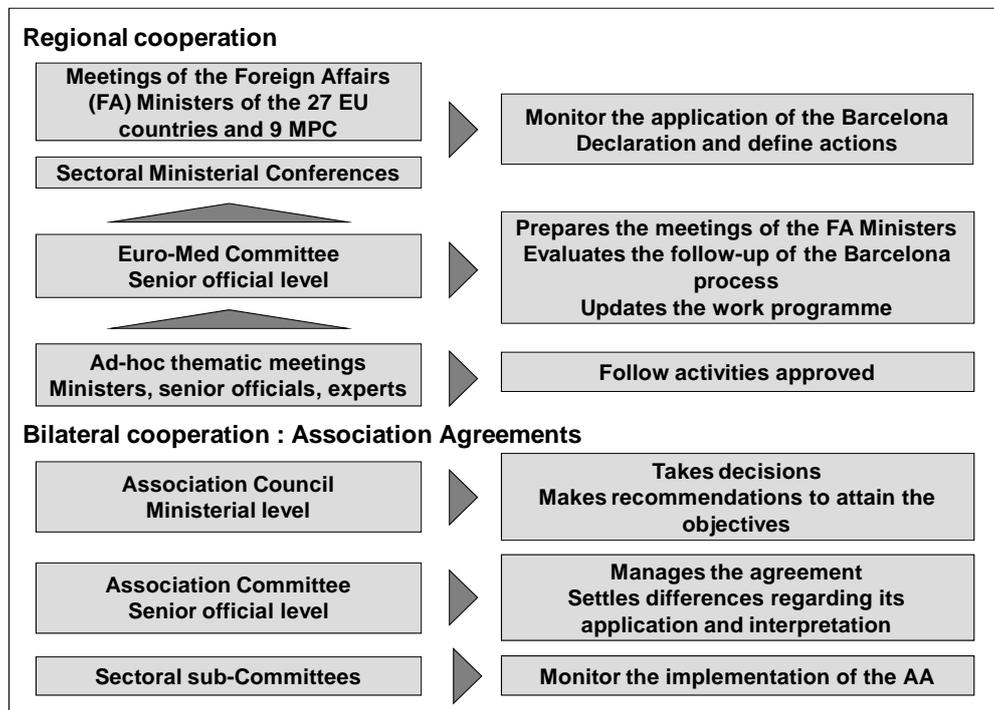
The EU-Egypt Association Agreement has been signed in 2001 and entered into force in 2004. In terms of trade, it aims to establish a bilateral Free Trade Agreement based on reciprocal tariff liberalisation (including removal of quantitative restrictions and equivalent non tariff measures) for both industry and agriculture with in particular:

- removal of duties on industrial products over a transitional period of up to 15 years following a gradual four-step approach;
- increased tariff quotas for Egypt's main agricultural exports to the EU, concession to be reviewed after 3 years, and reduced tariff duties for a number of EU agricultural exports in Egypt. Processed agricultural products will enjoy reciprocal concessions.

The Agreement further includes provisions for the supply of services, payments and capital movements, intellectual property rights and public procurement. In terms of financial cooperation areas selected for support include: economic reforms; support for the upgrading and restructuring of Egypt's industry; development of economic infrastructure; promotion of private investment and job-creating activities; accompanying measures for policies implemented in the social sectors; and support in areas directly linked to trade liberalisation (such as export capacity, protection of intellectual property rights, control of illegal immigration, competition legislation).

Commitments made under the Association Agreements are implemented through two institutions set up under each AA (see figure 4.1). An Association Council organised at ministerial level takes decisions and makes recommendations so that fixed objectives can be attained, while an Association Committee, which regroups senior officials, manages the agreement and settles differences regarding its application and interpretation. Sector sub-Committees, which involve most of the technical Directorate General (DGs) of the Commission, monitor the implementation of the AA.

Figure 4.1 : Institutional framework of the Barcelona process



Since 2004 the EU has defined its European Neighbourhood Policy (ENP) on the basis of the ring of countries joining its Eastern and Southern borders. Egypt, along with other countries, signed in March 2007 a jointly-agreed Action Plan (AP) with the EU which is a broad tool for economic and political co-operation, carrying to a further stage the commitments and objectives contained in the Association Agreement. The ENP is more focused on bilateral relationships but in principle it complements and supports the existing cooperation agreements as well as the regional dimensions such as the Barcelona Process: Union for the Mediterranean.

4.2 The cooperation strategy of the Commission over the period

During the period 1998-2008 a number of official documents have embodied the Commission-Egypt cooperation strategy as follows:

- National Indicative Programme 1997-1999
- Country Strategy Paper (CSP) 2002-2006 and National Indicative Programme 2002-2004
- National Indicative Programme 2005-2006
- Country Strategy Paper 2007-2013 and National Indicative Programme for 2007-2010.

As indicated earlier, the programming documents for the period 1998-2002 could not be located and have thus not been analysed. The evaluation report of the EC country strategy for Egypt published in February 2004 (and which covered the period since 1996) finds that the Commission's key cooperation objectives in the earlier part of the period (1998-2002) addressed mainly the second pillar of the Barcelona process which aims at 'creating an area of shared prosperity' and to some extent the third pillar (development of human resources) whilst the first pillar relating to the establishment of a common area of peace and stability was not addressed in the cooperation strategy. As will be seen this situation has evolved considerably since then.

Figure 4.2 below retraces the strategic objectives and indicative priority areas of intervention in EC-Egypt cooperation as they are presented in the cooperation strategy documents over the period 2002-2008.

The 2004 evaluation notes that the focus that early programming documents ((Country Orientation Paper (COP) 1996-1999) placed on supporting the implementation of economic reforms shifted in the later 2002-2006 CSP to the wider issue of support to economic transition. It can be argued, however, that whilst a shift may have occurred in its scope and precise targeting, support for economic reform has been a continuum of Commission-Egypt cooperation over more than a decade and stretches well beyond since the latest CSP again places support to the development of the competitiveness and productivity of the Egyptian economy as one of its three cooperation priorities for the period 2007-2013. Working towards fulfilment of the second pillar of the Barcelona objectives has thus undoubtedly been - and continues to be - a major priority of the Commission-Egypt cooperation strategy.

An important shift in the Commission-Egypt cooperation strategy in the latest 2007-2013 CSP, already perceptible in the 2002-2006 CSP, is the much more explicit and direct account taken of the first and last pillars of the Barcelona process in the cooperation priorities: whereas support to civil society was reportedly only a sub-objective of the cooperation strategy in 2000, it has become a full fledged objective in the 2007-2013 CSP with aims to support reforms in the areas of democracy, human rights, good governance and justice. Similarly the issue of social development has gradually taken a wider, more exhaustive, perspective in the cooperation strategy, moving from support focused on 'human resource development' in the 1996-1999 COP (mainly health and education) to wider poverty alleviation support in the 2000-2006 CSP (including local development issues) and to the support of stable, sustainable and balanced development in the 2002-2006 and 2007-2013 CSPs, including the support to economic infrastructure development for sustainable development. The first and third pillars of the Barcelona process have thus been given gradually more prominence in the Commission-Egypt cooperation strategy.

As will be further illustrated in the reconstruction of the intervention logic presented in the annex 13 (methodological approach), the common overarching framework for cooperation represented by the Barcelona process, more closely defined in the EU-Egypt Association Agreement and the ENP Action Plan, provides a clear continuity in the objectives of the EC-Egypt cooperation and in the type of proposed interventions supported by this

cooperation, even though, as noted above, one can identify clear shifts of emphasis of priorities over time.

Figure 4.2 below sets out the objectives and main areas of intervention in the programming documents since 2002.

Figure 4.2 : Main objectives and priority intervention areas in successive strategic programming documents for EC-Egypt Cooperation over 2002-2008

Cooperation Strategy	Main objectives/intervention areas
CSP 2002-2006	<ol style="list-style-type: none"> 1. Supporting the process of economic transition: <ul style="list-style-type: none"> • Human resources development; • Financial and investment sector co-operation; • Adoption of an ‘Innovation culture’ 2. Promoting the effective implementation of the EEAA: <ul style="list-style-type: none"> • Support to trade enhancement; • Support to the comprehensive restructuring of critical sectors. 3. Supporting stability and sustainable and balanced development: <ul style="list-style-type: none"> • Decentralised and integrated local development instruments; • Support to social development and the development of civil society structures; • Support to measures to protect Egypt’s fragile marine & land environment
CSP 2007-2013	<ol style="list-style-type: none"> 1. Supporting Egypt's reforms in the areas of democracy, human rights and justice <ul style="list-style-type: none"> • Support for political development, decentralisation and promotion of good governance • Promotion and protection of human rights and involvement of civil society in protecting the environment • Support for modernisation of administration of justice and enhancement of security 2. Developing the competitiveness and productivity of the Egyptian economy <ul style="list-style-type: none"> • Support for implementation of the Action Plan Programme (SAPP) <ul style="list-style-type: none"> ○ Technical support ○ Targeted support for sector reforms 3. Ensuring the sustainability of the development process <ul style="list-style-type: none"> • Support for reform of education • Public Health • Support for investment in the transport, energy and environment sectors

4.3 The implementation of the strategy

4.3.1 Methodology used for compiling the inventory

The evaluation team collected and used the information from Common RELEX information system (CRIS) to compile a comprehensive list of interventions providing an overview of the Commission's interventions in Egypt from 1998 to 2008. The detailed list of interventions can be found in Annex 5 and the analysis of the inventory is presented in section 4.3.2 here below.

The data research in CRIS was conducted at contract level for bilateral interventions to Egypt. It provided information of which the following was used to compile the inventory: contract number and title; start and end dates; amounts contracted and paid; budget line; and decision reference. It was then complemented by some extractions at decision level to identify the name of the decision to which each contract belongs.

On this basis, the evaluation team built a database of interventions specifying these characteristics as well as others introduced specifically to facilitate data analysis but which are not available from CRIS: these additional characteristics have been compiled by the evaluation team on the basis of the titles of the interventions and sometimes complemented with information obtained from discussions with Commission staff met during the inception phase. They include for each intervention the following:

- the area of cooperation: based on the EC-Egypt CSP & NIP over the evaluation period, each intervention has been ranked under one of the corresponding cooperation objectives as presented in Figure 4.2 above;
- the sector and sub-sector of the intervention; and
- the financing instrument used by the Commission to implement the intervention.

Ranking interventions under specific areas of cooperation has met the difficulty that identical interventions may have fallen under different strategic priority areas depending on the programming document; in illustration, support to education fell under the 'economic transition' pillar of the CSP 2002-2006 (within 'human resource development') and under the 'sustainable development' pillar of the latest 2007-2013 CSP. To remain consistent and enable easy recognition of the type of interventions considered, the evaluation team has chosen to regroup interventions under seven headings as follows:

- Promotion of EU-Egypt Association Agreement: singled out as a major objective in the first CSP (2002-2006) and in the second CSP (under the objective of developing the competitiveness and productivity of the Egyptian economy). It includes all intervention aimed at promoting the AA, external trade and the insertion of Egypt into the world economy.
- Economic transition: present in all cooperation strategy documents. It covers the support to restructuring of sub-sectors and to economic reforms, including improvements in the business environment.
- Environment: a sub-component of the pillar on sustainable development in the two CSPs.
- Human Resources/Socio-economic development: presented as sub-components in the CSPs. It includes inter alia health and education.

- Sustainable development: highlighted in the two CSPs as the third major pillar of cooperation, It would include decentralised and local development as well as the infrastructural side of development as specified in the latest CSP: investment in transport and energy mainly.
- Democracy, Human Rights and justice: present explicitly as a major objective since the 2007-2013 CSP
- Other: these may include inter alia objectives pursued through budget lines, European Investment Bank (EIB) risk capital and interest subsidies.

The interventions have been implemented in a number of sectors that have been roughly identified together with the relevant sub-sectors; they are shown here as sectors (sub-sectors):

- Social sectors (education, health, poverty and local development)
- Industry (business environment, manufacturing restructuring, Private Sector Development (PSD), high technologies)
- Agriculture & Rural development (a wide range from conservation land management to R&D to product marketing)
- Infrastructure (water, transport, energy, R&D)
- Human Rights, Civil Society and Democracy (ranging from police, rule of law, immigration, women's rights to children etc.)
- External trade (customs reform, support to AA)
- Financial sector (reform and credit)
- Environment (pollution, natural resources management)
- Other (technical training, culture ...).

The financing instruments that have been used according to preliminary information available from the CRIS database have been identified as follow:

- Sector Budget Support
- Project Financing
- EIB Interest Rate Subsidies
- EIB Risk Capital
- Neighbourhood Investment Facility

For interventions implemented as a Project Financing, the nature of the services provided can either be in the form of:

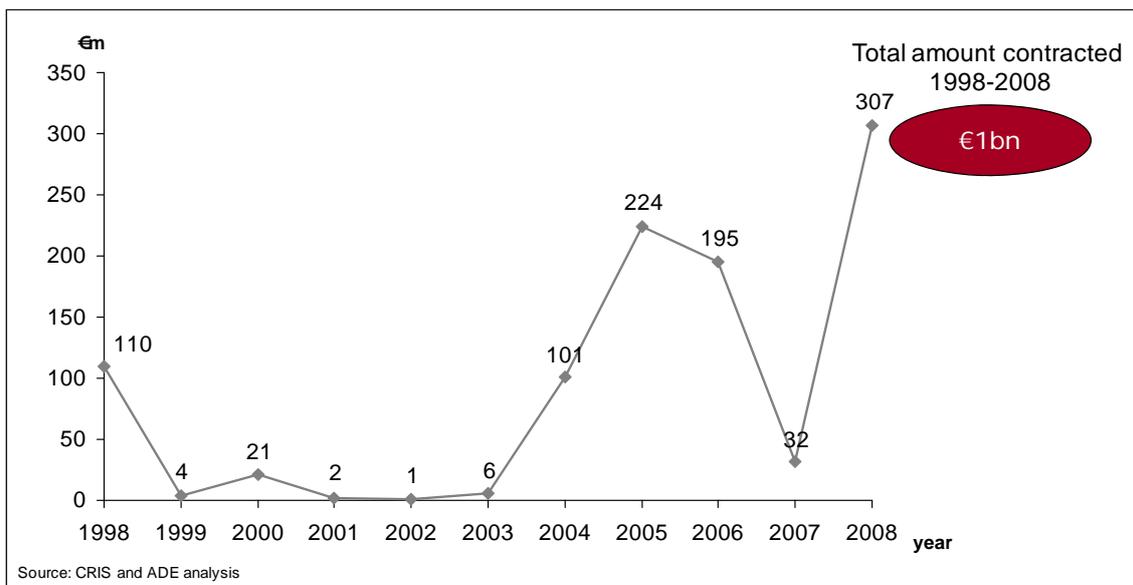
- technical assistance,
- grant,
- grant to institutions for the provision of a credit line,
- twinning or
- supplies.

The various breakdowns (in terms of area of cooperation, sector and sub-sector, financing instrument and nature of services provided when concerning project financing) are presented in the inventory so as to enable the analysis by these different characteristics as presented in the next section.

4.3.2 Analysis of the inventory

The Commission has contracted a total amount of €1bn for bilateral interventions to Egypt over the period 1998-2008. As shown in the figure below, the amounts contracted have evolved from €110m in 1998 to €307m in 2008.

Figure 4.3 : Evolution of Commission funding to Egypt from 1998 to 2008 (contracted amounts in €m)



The total amount paid by the Commission for contracts signed between 1998 and 2008 is €0.66 billion which represents 66% of the total amount contracted¹. The figure below provides an overview of the 20 largest interventions in terms of contracted amount financed by the Commission. The detailed list of all Commission's financed interventions to Egypt is provided in Annex 5.

Figure 4.4 : Commission funding to Egypt from 1998 to 2008 - 20 largest contributions

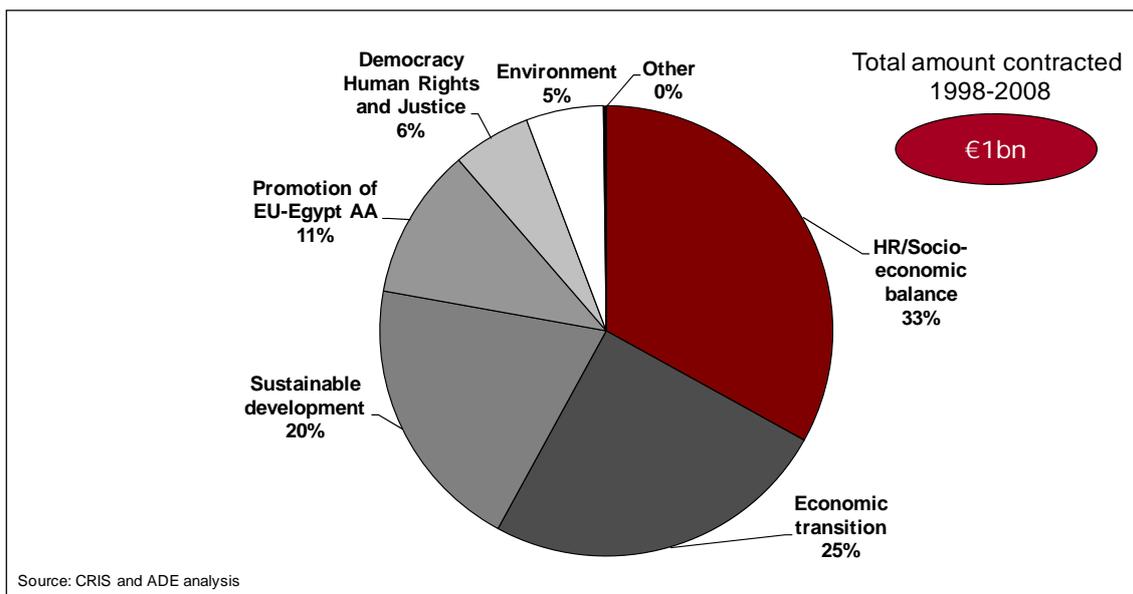
Decision reference	Intervention name	Amount contracted (€m)	Amount paid (€m)
ENPI/2007/019-248	Education Sector Policy Support Programme (ESPSP)	118	40
MED/1998/004-295	EC Support to the Health Sector Reform Programme	104	104
MED/2006/018-249	Support to health sector reform	86	60
ENPI/2008/019-608	Targeted support for sector reforms-Transport	80	-
MED/2005/017-543	EU Water Sector Reform Programme - Egypt	80	61
MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	80	75
MED/2004/005-717	South Sinai Regional Development Programme	62	45
MED/2003/004-150	Trade Enhancement Programme B, TEP-B	40	40
ENPI/2008/019-609	Support for investment in transport, energy and environment sectors	29	-
MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	25	13
MED/1998/003-391	BEI - Competitive Upgrading of Egyptian Enterprises capitaux à risque	25	25
MED/2005/017-557	"Support to the Association Agreement " (SAA)	24	21
ENPI/2008/020-261	Education Sector Policy Support Programme-Additional Commitment	20	-
MED/2003/005-722	Social Development and Civil Society: Children at Risk	19	17
MED/2006/018-253	Support to social development	19	5
MED/2002/003-396	Trade Enhancement Programme A (TEP A)	19	19
MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	18	17
ENPI/2008/019-607	Promotion and protection of human rights	17	-
MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	16	16
MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	14	12

Source: CRIS and ADE analysis

¹ The evolution of the payments for each intervention is not provided in the CRIS data extractions. Only aggregate amounts of payments since the signature of the contract are provided.

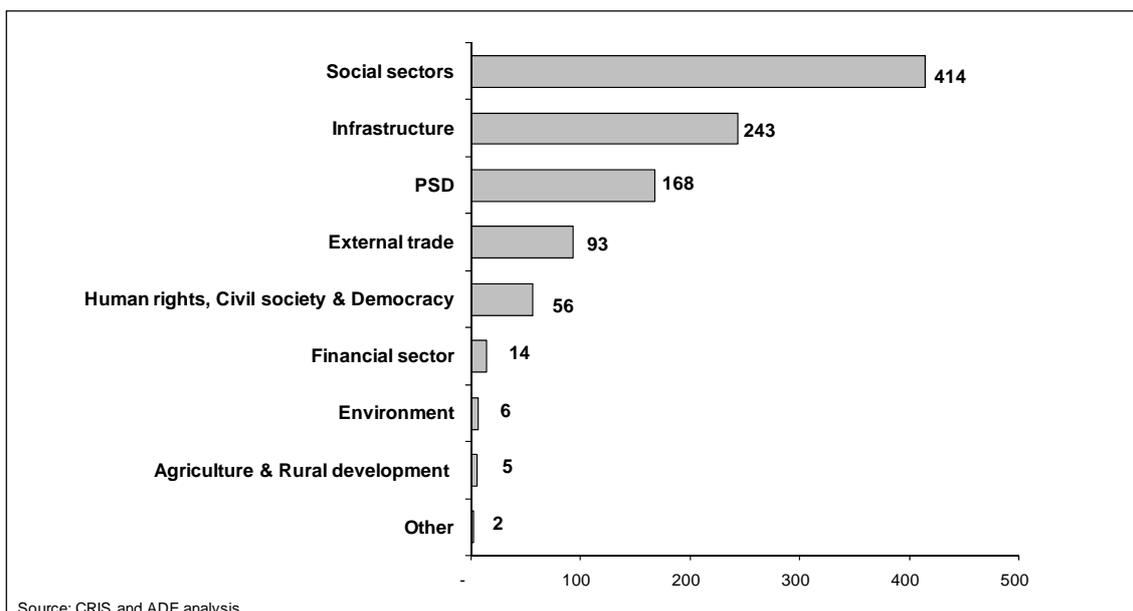
With regard to the six areas of cooperation mentioned in the CSP and NIP for Egypt over the evaluation period, the two main areas are human resource/socio-economic balance and the economic transition receiving respectively 33% and 25% of the Commission’s total funding to Egypt. The area of sustainable development represents 20% and the promotion of the EU-Egypt AA 11% (see figure below).

Figure 4.5 : Commission funding to Egypt from 1998 to 2008 - per area of cooperation (contracted amounts in €m)



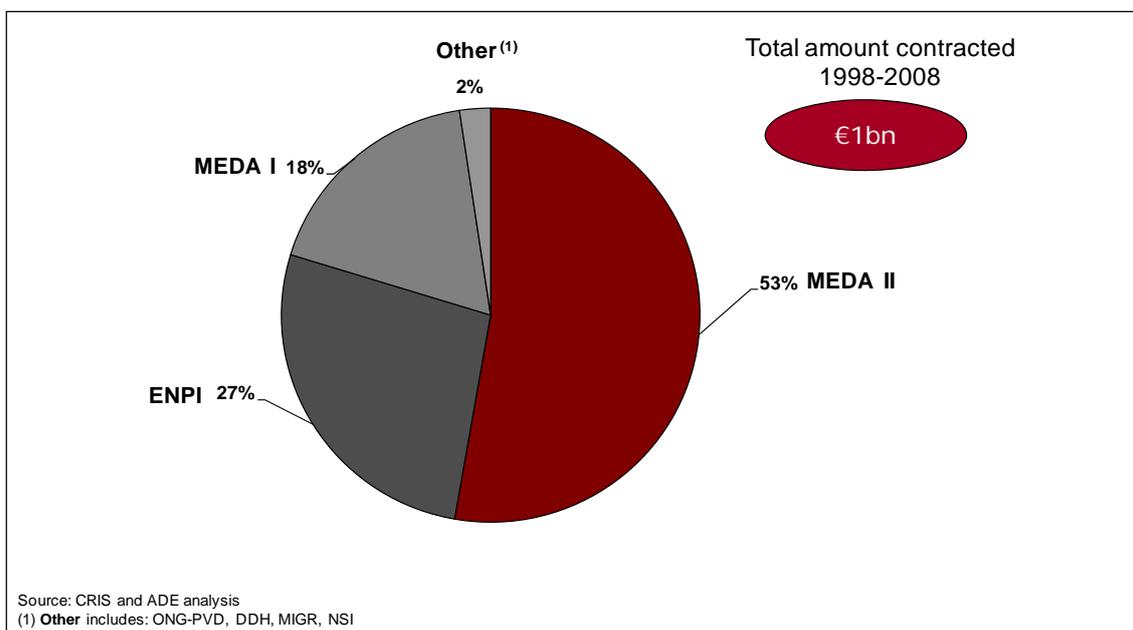
The repartition of the interventions by sectors shows that the ones receiving most funding over the evaluation period were the social sectors (mostly education and health), infrastructure (mostly in the fields of water, transport, energy and environment), private sector development, external trade, and human rights, civil society and democracy (see figure below).

Figure 4.6 : Commission funding to Egypt from 1998 to 2008 - per sector (contracted amounts in €m)



Funding originated from several Commission budget lines. The subsequent geographical MEDA (Measures to accompany the reform of economic and social structures in the Mediterranean non-member countries) I and II budget lines account for the predominant proportion, with 71% of funding (respectively 18% and 53%), then the ENPI budget line for 27%, as shown in the figure below. Four other budget lines, i.e. ONG-PVD, DDH, MIGR and NSI, financed interventions in Egypt and represents together 2% of the total funding.

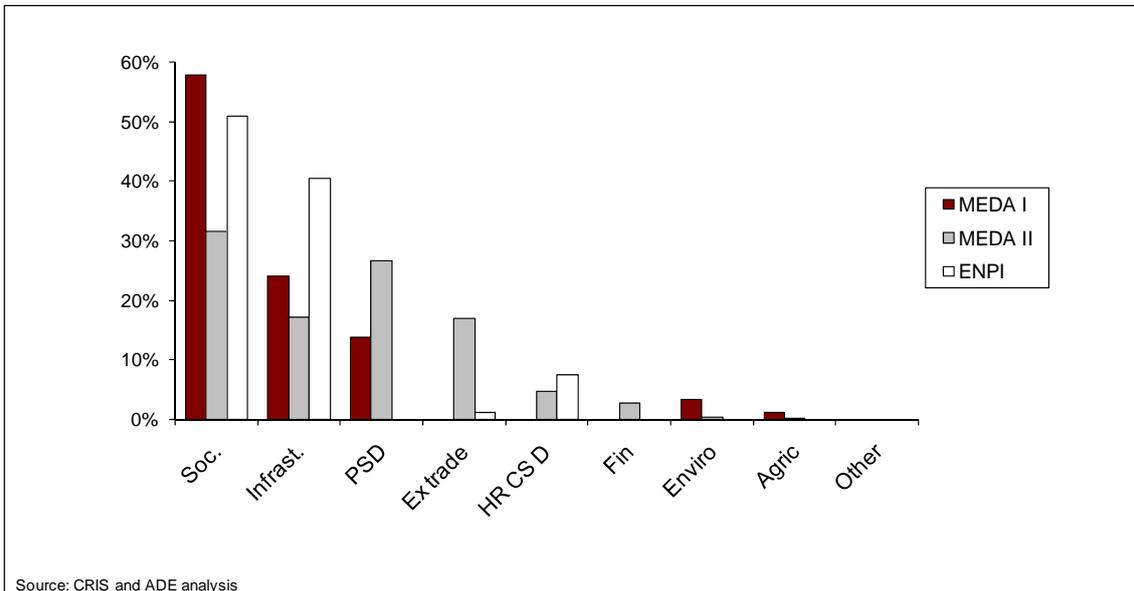
Figure 4.7 : Commission funding to Egypt from 1998 to 2008 - per budget line (contracted amounts in €m)



The analysis of the relative allocation of funding by sectors under the three main budget lines (MEDA I, MEDA II and ENPI; representing 98% of the total funding), shows that the social sectors remain high for the three budget lines. Funding for PSD, external trade and the financial sector decreases from MEDA II (46,3%) to ENPI (1%) to the benefit of the infrastructure sector which reaches 40% of the ENPI funding. The Commission’s contributions to the agriculture & rural development sector are minor over the whole period².

² A programme to support rural development in Egypt has been decided in 2008 under the ENPI budget line (Decision reference : ENPI/2008/020-493) but no funds have yet been engaged.

Figure 4.8 : Relative sector allocation under each Budget Line (Meda I, II, ENPI)

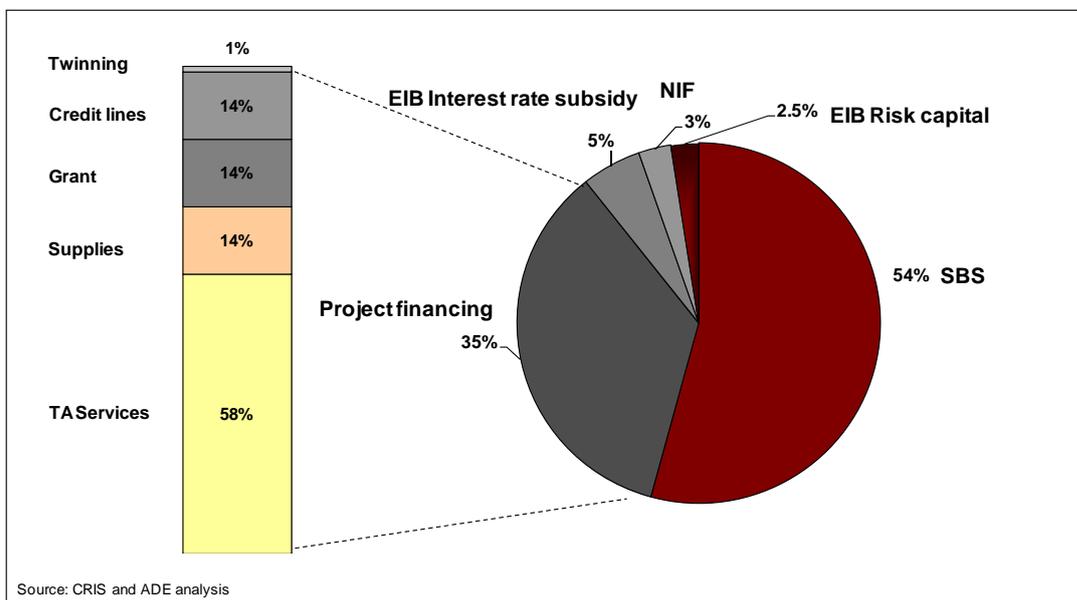


The Commission uses different financing instruments to implement its interventions in Egypt (see figure below). Sector budget support represents 54% of the total funding and encompasses interventions such as:

- Education Sector Policy Support Programme (ESPSP) (€118m)
- Support for Education Enhancement Programme (€95m)
- Support to health sector reform (€86m)
- Trade Enhancement Programme B (€40m)
- Spinning and Weaving Sector Support (€80m)
- EU Water Sector Reform Programme (€80m)

When using the project financing instrument, which represents 35% of the funding, the Commission provides TA services, supplies, grants, credit lines (under the Financial Investment and Sector Cooperation (FISC-Rural and Social)) and twinning projects (through the Support to the Association Agreement), as shown on the left hand side of the figure below. EIB operations (through the financing of interest rate subsidies and risk capital) accounts for 5% of the funding, while the Neighbourhood Investment Facility (NIF) has been used for an intervention decided in 2008 “Support for investment in transport, energy and environment sectors” for €29m.

Figure 4.9 : Commission funding to Egypt from 1998 to 2008 - per financing instruments and nature of services (contracted amounts in €m)



4.4 Other donors' cooperation

Between 1998 and 2007 Official Development Aid (ODA) commitments to Egypt from OECD/DAC donors amounted to USD 13,931.2 million³. This figure represents approximately 5.5% of the total aggregate revenues of the Egyptian General Government over this period. Therefore, although aid has a significant contribution to the financing of public expenditure, Egypt is not a highly aid dependent country.

The United States are by far the largest provider of aid to Egypt. With total commitments amounting to USD 6,668 million, they contributed close to half the total volume of development aid to Egypt over the last ten years.

EU member states come second with total commitments amounting to USD 4,140 million. Aid to Egypt from EU member states is strongly concentrated on two countries, France, which provided USD 2,080 million (50.2% of total aid from EU member states) and Germany, whose commitments amounted to USD 1,323 million (32.0% of total aid from EU member states).

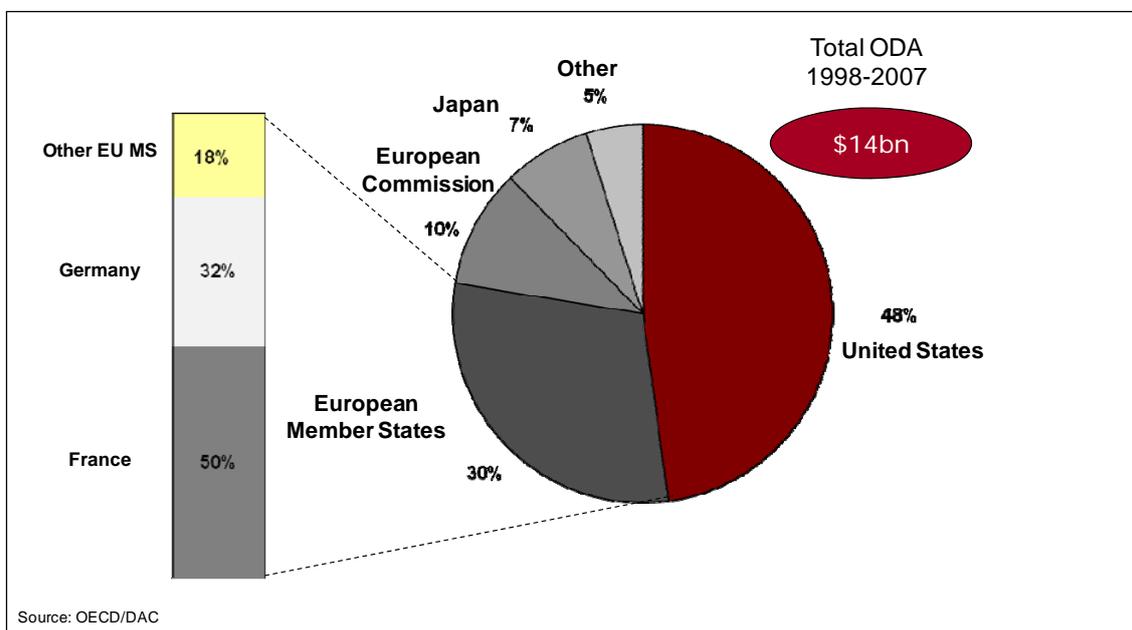
The USD 1,417 million of development aid provided to Egypt by the European Commission from 1998 to 2007 represent 10% of total OCDE/DAC donors' commitments.

³ The OECD/DAC statistics on aid disbursements to Egypt are extremely incomplete. We therefore refer to the sole statistics on commitments.

Japan, with commitments amounting to USD 1,035 million, is a significant partner of the Egyptian government.

The World Bank group is very active in Egypt. As of September 2008, the IBRD portfolio included 16 projects with a total commitment of USD 1.3 billion. However, since these IBRD loans, as well as the IFC loans that are another component of the World Bank activity in Egypt, are provided at market conditions, rather than as IDA loans at concessional conditions, they are not accounted for in the OECD/DAC ODA figures.

Figure 4.10 : ODA to Egypt - Commitments by donors - 1998-2007



The following table shows that the USD 13.2 billion ODA to Egypt have addressed all sectors and issues. It may be noted that, although Egypt never faced major external indebtedness problems, debt related aid represented during the 10 years under review USD 1.7 billion, that is 12.2% of total ODA commitments.

Table 4.1 : ODA to Egypt - Commitments by sectors - 1998-2007 in million USD

	Millions USD	%
Social infrastructure and services, of which	3,826.4	27.5%
<i>Education</i>	1,231.8	8.8%
<i>Water supply and sanitation</i>	768.4	5.5%
<i>Government and civil society</i>	576.2	4.1%
<i>Health</i>	571.7	4.1%
Economic infrastructure and services, of which	3,126.0	22.4%
<i>Business and other services</i>	1,136.8	8.2%
<i>Energy</i>	977.1	7.0%
Production sectors	2,346.9	16.8%
<i>Agriculture, forestry, fishing</i>	840.8	6.0%
<i>Trade policies and regulations</i>	784.5	5.6%
Multi-sector and cross-cutting	1,529.2	11.0%
Commodity Aid / General Programme Assistance	1,338.9	9.6%
Action relating to debt	1,701.1	12.2%
Others	62.7	0.5%
Total ODA	13,931.2	100.0%

Source : OECD/DAC

Annexe 5: List of Commission's interventions

EC funding (budget line)	Decision reference	Decision name	Contract number	Contract title	Start date (Commission signature)	End date (expiry date of contract)	Amount contracted (€)	Amount Paid (€)	Area of cooperation	Sector	Sub-sector	Financing Instrument	Nature for Trad Prog
MEDA I	MED/1998/003-389	BEI - Gabal El Asfar Wastewater Treatment Plant	52999	Subvention - BEI - Gabal al Asfar WW TTMT PLT bonification d'intérêt	1998	2006	10.000.000	10.000.000	Environment	Infrastructure	Water	EIB Interest rate subsidy	
MEDA I	MED/1998/003-390	BEI - Gasco Gas Pipeline Bonification d'intérêts	53000	Subvention - BEI - Gasco Gas Pipeline	1998	2003	6.033.402	6.033.402	Environment	Infrastructure	Energy	EIB Interest rate subsidy	
MEDA I	MED/1998/003-391	BEI - Competitive Upgrading of Egyptian Enterprises capitaux à risque	53001	Subvention - BEI - Competitive Upgrading of Egyptian Entreprises	1998	2003	24.554.138	24.554.138	Environment	n/a	Private sector development	EIB Risk Capital	
MEDA I	MED/1998/003-392	BEI - Pumping Station Rehabilitation Bonification d'intérêts	53002	Subvention - BEI Interest rate subsidy - Popping stations rehabilitation	1998	2007	3.040.000	3.040.000	Environment	Infrastructure	Water	EIB Interest rate subsidy	
MEDA I	MED/1998/003-398	BEI - Naga Hammadi Dam Bonification d'intérêts	53007	Subvention - BEI - Naga Hammadi Dam	1998	2007	10.952.586	10.952.586	Environment	Infrastructure	Water	EIB Interest rate subsidy	
MEDA I	MED/1998/003-398	BEI - Naga Hammadi Dam Bonification d'intérêts	53006	Subvention - BEI - Naga Hammadi Dam	1998	2007	517.414	517.414	Environment	Infrastructure	Water	EIB Interest rate subsidy	
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56606	Family Health funds	1998	2006	26.000.000	26.000.000	HR/Socio-economic balance	Social sectors	Health	Sector Budget Support	
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56607	WORKPLANS	1998	2008	14.229.711	14.229.711	HR/Socio-economic balance	Social sectors	Health	Sector Budget Support	
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56602	Services : BRITISH COUNCIL : Technical assistance - EC support to the Health Sector Reform (HSRP)	1998	2006	12.077.501	12.077.501	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	116753	Civil Works Contracts 38 Units, Sohag's Governorate, Maragha and Juhayna Districts	2006	2008	11.168.242	11.168.242	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	116949	Civil Works Contracts 33 Units, Sohag's Governorate, Akmin and Saquelta Districts	2006	2008	3.007.815	3.007.815	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130009	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2007	2.983.702	2.983.702	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	116953	Civil Works Contracts 33 Units, Sohag's Governorate, Akmin and Saquelta Districts	2006	2008	2.721.243	2.721.243	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	118268	Civil Works in Akmin and Saquelta (Total of 33 Units), LOT 3, Construction of 6 Units	2006	2008	2.028.399	2.028.399	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	116952	Civil Works Contracts 33 Units, Sohag's Governorate, Akmin and Saquelta Districts	2006	2008	1.917.038	1.917.038	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	118544	Civil Works for 33 Health Units in the Governorate of Sohag, Akmin and Saquelta. Lot 6, 6 Units	2006	2008	1.878.550	1.878.550	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	118267	Civil Works in Akmin and Saquelta (Total of 33 Units), LOT 1, Construction of 6 Units	2006	2008	1.850.340	1.850.340	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130018	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	1.657.690	1.657.690	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130022	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	1.529.615	1.529.615	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130019	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	1.477.792	1.477.792	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130012	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2007	1.310.600	1.310.600	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	131515	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	1.164.203	1.164.203	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	131520	EuropeAid/123262/D/SUP/EG: Tender for the Supply of Information and Technology (IT) Equipment	2006	2008	1.021.420	1.021.420	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130013	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	1.006.439	1.006.439	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130016	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	981.560	981.560	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	108608	Technical Assistance Contract for the Health Sector Reform Programme in Egypt	2006	2008	814.834	814.834	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	117432	Family Practice Nurse Training Programmes in Alexandria, Menoufia, Sohag and Qena's Governorates	2006	2007	813.565	813.565	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73044	Medical furniture 114613	2003	2006	770.651	770.651	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73067	dental, laboratory and medical equipment and furniture 114613	2003	2008	763.735	763.735	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	117425	Family Medicine Training Programmes in Alexandria, Menoufia, Sohag and Qena's Governorates	2006	2007	741.562	741.562	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130023	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	740.912	740.912	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73024	non medical furniture 114614	2003	2006	643.205	643.205	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	131517	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	588.978	588.978	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130017	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	534.290	534.290	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56605	Services : AEDES, in consortium with SPAAC	1998	2007	526.791	526.791	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130015	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	460.657	460.657	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56604	Supplies : SPARE SA	1998	2003	445.987	445.987	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	91344	ALPHA EGYPT FAMILY FOLDERS AND MEDICAL RECORDS	2004	2006	422.705	422.705	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	131519	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	374.443	374.443	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies

EC funding (budget line)	Decision reference	Decision name	Contract number	Contract title	Start date (Commission signature)	End date (expiry date of contract)	Amount contracted (€)	Amount Paid (€)	Area of cooperation	Sector	Sub-sector	Financing Instrument	Nature for Trad Prog
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	79166	Arab Consulting@ europaid/113542/D/SV/EG	2004	2008	365.115	365.115	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73037	dental and medical equipment 114613	2003	2006	304.775	304.775	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	121693	Managerial Training Programmes, EuropeAid/121454/D/SV/EG	2006	2007	290.911	290.911	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	121692	Pharmaceutical Training Programmes, EuropeAid/121454/D/SV/EG	2006	2007	284.798	284.798	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	89307	Architectural Services Akhmin Saqlita	2004	2008	264.000	264.000	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73040	medical equipment 114613	2003	2005	235.542	235.542	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130020	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	227.500	227.500	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	131521	EuropeAid/123262/D/SUP/EG: Tender for the Supply of Information and Technology (IT) Equipment	2006	2008	212.622	212.622	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	72990	supply computers lot #1 114616	2003	2005	210.243	210.243	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56611	SUPPLY - WOOD & PLEXI (non medical furniture) Europaid/113545/D/S/EG	1998	2004	208.994	208.994	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	130024	EuropeAid/123116/D/SUP/EG: Tender for the Supply of Medical and Non-Medical Furniture and Equipment	2006	2008	199.919	199.919	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	95990	Financial Audit of EC Support to HSRP	2004	2008	199.900	199.900	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56614	SUPPLY - SERVOMED Co (Medical Equipment) Europaid/113544/D/S/EG	1998	2004	199.171	199.171	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73073	laboratory, medical equipment and medical set and medical instruments 114613	2003	2006	172.001	172.001	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56619	SUPPLY - CMR Compagnie Medici Riunite srl (Medical Equipment) Europaid/113544/D/S/EG	1998	2004	171.142	171.142	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56610	Supply - SIMED international bv - LOT 5: Medical equipment sublot 5.3 (EUROPaid/113544/D/S/EG)	1998	2005	162.096	162.096	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	100031	Evaluation of EC support to the Health Sector Reform Programme	2005	2006	158.575	158.575	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	74786	EGTS printers lot 3 114616	2003	2005	151.762	151.762	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56615	SUPPLY - PTS Pyramid Technology Solution (Computers equipment) Europaid:111779/D/S/EG/2	1998	2006	147.799	147.799	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73070	medical furniture 114613	2003	2006	116.645	116.645	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73514	medical x-ray equipment 114613 EIO	2003	2006	99.387	99.387	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56621	SUPPLY - AGMIN Italy srl (medical equipment) Europaid/113544/D/S/EG	1998	2005	87.253	87.253	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	74059	medical x-ray n°2 114613 EIO	2003	2006	82.725	82.725	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56609	Supply of books: Blackwell's	1998	2004	61.230	61.230	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56612	SUPPLY - LIFE CARE TECHNOLOGY (Medical equipment) Europaid113544/D/S/EG	1998	2005	60.548	60.548	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73499	laboratory equipment 114613 BM Egypt	2003	2006	54.750	54.750	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	72935	supply computers lot #2 114616	2003	2005	49.538	49.538	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56613	SUPPLY - Middle East InternationalTrading Co; (Medical equipment) Europaid/113544/D/S/EG	1998	2004	46.042	46.042	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56618	SUPPLY - DHS Doctors & Hospital Supplies (Medical Equipment) Europaid/113544/D/S/EG	1998	2004	38.264	38.264	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56603	Services - INDEVELOP UPSALA COMPLEMENTARY PAYMENT OF CONTRACT EGY/B7-4100/97/0366	1998	2003	30.951	30.951	HR/Socio-economic balance	Social sectors	Health	Project financing	TA services
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56608	NORCROS S.L.	1998	2003	29.824	29.824	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	56616	SUPPLY - PROSLAB Information & communication Systems (Computers equipment) Europaid/111779/D/S/EG/2 - LOT n° 2	1998	2004	29.197	29.197	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/B7-4100/B/98/1050)	73494	medical set 114613 simed	2003	2006	12.420	12.420	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies

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MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/87-4100/B/98/1050)	56617	SUPPLY - CHANNEL COMPUTER SERVICES (Computers equipment)	1998	2006	10.900	10.900	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/87-4100/B/98/1050)	73064	medical equipment 114613	2003	2006	9.471	9.471	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/87-4100/B/98/1050)	72991	supply fire extinguishers lot #5 114615	2003	2005	6.348	6.348	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1998/004-295	EC Support to the Health Sector Reform Programme (EGY/87-4100/B/98/1050)	74758	Proslab lot 5 114616 network supplies	2003	2008	2.749	2.749	HR/Socio-economic balance	Social sectors	Health	Project financing	Supplies
MEDA I	MED/1999/004-025	Potato Brown Rot Project - Phase II	55083	Services - T.A. CONTRACT PLANTENZIEKTENKUNDIGE DIENST SEM/03/220/051	1999	2007	1.881.545	1.881.545	Environment	Agriculture & Rural development	Marketing of agricultural products	Project financing	TA services
MEDA I	MED/2000/003-394	Subvention - BEI - National Drainage Programme	53004	Subvention - BEI - Interest rate subsidy	2000	2008	12.700.000	12.700.000	Environment	Infrastructure	Water	EIB interest rate subsidy	
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59930	Workplan 1996-2002	2000	2004	4.070.993	4.070.993	Sustainable development	Environment	Natural resources management	Project financing	TA services
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59929	Services : DESIGN SA & TEBODIN BV EURONET CONSULTING SEM/04/220/016	2000	2004	1.368.939	1.368.939	Sustainable development	Environment	Natural resources management	Project financing	TA services
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59931	EVENT Exhibition Design	2000	2003	187.000	187.000	Sustainable development	Environment	Natural resources management	Project financing	TA services
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59924	Fournitures : CONRICO LOT 1 SEM/04/220/016	2000	2003	127.285	127.285	Sustainable development	Environment	Natural resources management	Project financing	Supplies
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59928	Fournitures : GEEST OVERSEAS LOT 4 SEM/04/220/016	2000	2003	66.742	66.742	Sustainable development	Environment	Natural resources management	Project financing	Supplies
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59927	Fournitures : GEEST OVERSEAS LOT 5 SEM/04/220/016	2000	2003	65.778	65.778	Sustainable development	Environment	Natural resources management	Project financing	Supplies
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59926	fournitures : BOSS PRO-TEC LOT 7 SEM/04/220/016	2000	2003	11.519	11.519	Sustainable development	Environment	Natural resources management	Project financing	Supplies
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59923	Fournitures : AKKERMANS Industrial Engineering LOT 8 SEM/04/220/016	2000	2003	9.409	9.409	Sustainable development	Environment	Natural resources management	Project financing	Supplies
MEDA I	MED/2000/004-702	Saint Katherine Protectorate Development Project	59925	Fournitures : INTERSOMER LOT 2 SEM/04/220/016	2000	2003	8.160	8.160	Sustainable development	Environment	Natural resources management	Project financing	Supplies
DDH	DDH/2001/002-826	The Programme for the Amelioration of Prison Conditions	50574	The Programme for the Amelioration of Prison Conditions	2001	2007	763.860	763.860	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	ONG-PVD/2002/001-092	pré-engagement P1 dont dépendront 190 contrats en faveur de pays en développement	20390	Developing More Inclusive Educational Institutions for Pre-school and Primary School Children in Egypt	2003	2007	750.000	675.000	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
ONG-PVD	ONG-PVD/2002/001-092	pré-engagement P1 dont dépendront 190 contrats en faveur de pays en développement	20251	Child Focussed Community Rehabilitation Programme, Egypt	2003	2007	737.704	677.946	Sustainable development	Social sectors	Poverty & local development	Project financing	Grant
ONG-PVD	ONG-PVD/2002/001-092	pré-engagement P1 dont dépendront 190 contrats en faveur de pays en développement	20047	SAFE AGRICULTURE FOR FARMERS (SAFE) IN EGYPT	2002	2007	696.208	696.208	HR/Socio-economic balance	Agriculture & Rural development	Stakeholder Capacity building	Project financing	Grant
ONG-PVD	ONG-PVD/2002/001-092	pré-engagement P1 dont dépendront 190 contrats en faveur de pays en développement	20247	Community Development by Women Empowerment and Elimination of Discrimination against Women in Rural Areas of Upper Egypt	2003	2007	460.243	460.243	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	85946	Trade Enhancement Programme A (TEP A) Lot 2 Commercial Diplomacy and Export Promotion	2004	2008	7.316.652	7.316.652	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	86440	Trade Enhancement Programme A (TEP A) Lot 3 WTO and EEA	2004	2008	4.473.410	4.473.410	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	85944	Trade Enhancement Programme A (TEP A) Lot 1 Programme Support Unit (PSU)	2004	2008	2.875.560	2.875.560	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	96415	Trade Enhancement Programme A (TEP A) Trade Facilitation (Component 5)	2004	2008	1.339.452	1.339.452	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	144490	Delivery, installation, commissioning and after sales services of IT infrastructure set-up for the Ministry of Trade and Industry.	2007	2008	734.940	734.940	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	121952	Support to the implementation of a consumer protection law and regime in Egypt	2006	2008	187.627	187.627	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	142535	Human Resources training for the Ministry of Trade and Industry	2007	2008	178.578	178.578	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	124382	Organisation of 6 study tours for the Egyptian Commercial Service (ECS) offices	2006	2008	143.546	143.546	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	65840	TEP A: Provisional Operating Plan & TOR	2003	2004	123.377	123.377	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	128126	Energy GATS	2006	2007	106.210	106.210	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	131647	Conferences and workshops to be organised under TEP A	2007	2008	99.852	99.852	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	129136	Provision of IT strategy services for ECGE	2006	2007	97.063	97.063	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	145149	Delivery, installation, commissioning and after-sales service of equipment for calibration laboratory, weight sets, balances and volume.	2007	2008	82.900	82.900	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	132949	Organisation of communication activities for TEP A	2007	2008	80.249	80.249	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	74826	TEP A: Component 5 Technical Assessment Mission	2004	2004	79.466	79.466	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	144922	Final evaluation of TEP A	2007	2008	73.975	73.975	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	120257	Logistic study for agriculture trade between Europe and Egypt	2006	2007	71.435	71.435	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	121895	Mid-term evaluation of the TEP A	2006	2006	69.730	69.730	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	115447	Organisation of the ECS conference	2006	2007	59.987	59.987	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	131150	Training on WTO GATS agreements	2007	2007	55.570	55.570	Economic transition	External trade	Customs reform	Project financing	TA services

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MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	143137	Human Resources Training Courses in different areas of IT for the Ministry of Trade and Industry in Egypt	2007	2008	54.335	54.335	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	136739	Delivery, installation, commissioning and after-sales service of laboratory equipment.	2007	2008	45.374	45.374	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	120147	Internship in Sussex University for three MFTI officers	2006	2007	40.678	40.678	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	141157	ISO 9001/2000 training	2007	2008	24.000	24.000	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	127699	Logistics for internship in CEDERS Institute in Aix en Provence, France for three MTI officers	2006	2007	23.852	23.852	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	137667	Delivery, installation, commissioning and aftersales service of laboratory equipment.	2007	2007	21.051	21.051	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	108889	TEP A / Component 5: Organisation of a study-tour to Finland for GOEIC	2005	2006	19.429	19.429	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	120092	Study tour to Brussels for Component 3	2006	2007	16.297	16.297	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	140921	Performance testing and accreditation of calibration and testing laboratories	2007	2007	15.739	15.739	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	130014	Seminar ISO 9000	2006	2007	14.768	14.768	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	130008	Provision of supplies for GOEIC/ Dekheila Aflatoxin lab	2006	2007	4.906	4.906	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	100865	TEP A promotional bags for the International Cairo Fair	2005	2005	4.900	4.900	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	109092	Printing materials for Public Awareness campaign	2005	2006	4.382	4.382	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	111596	Provision of banners for the pre Honk Kong conference	2005	2006	2.070	2.070	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	111599	Translation equipment	2005	2006	1.806	1.806	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	108682	TEP A Public awareness campaign event	2005	2006	1.015	1.015	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-396	Trade Enhancement Programme A (TEP A)	113711	TEP A Awareness campaign Media sessions	2005	2006	108	108	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2002/003-495	Cultural activities Egypt 2002	54010	Les jeunes decouvrent l'artisanat de leur province	2002	2003	10.000	10.000	Other	Other	Culture	Project financing	TA services
MEDA II	MED/2002/003-495	Cultural activities Egypt 2002	54011	Orient Express - Oriental Jazz	2002	2004	10.000	10.000	Other	Other	Culture	Project financing	TA services
MEDA II	MED/2002/003-495	Cultural activities Egypt 2002	54007	Modern Folk Music	2002	2003	9.000	9.000	Other	Other	Culture	Project financing	TA services
MEDA II	MED/2002/003-495	Cultural activities Egypt 2002	54009	Workshop in Producing Short Films	2002	2003	9.000	9.000	Other	Other	Culture	Project financing	TA services
MEDA II	MED/2002/003-495	Cultural activities Egypt 2002	54008	Women in election Campaign and Parliament	2002	2003	4.000	4.000	Other	Other	Culture	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59065	Association Agreement EU/Egypt publication (Arabic/English)	2002	2003	13.360	13.360	Other	Other	SAA	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59062	Training of Al Ahram Journalists	2002	2003	8.200	8.200	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59063	Training of Egyptian Press Syndicate Journalists	2002	2003	6.824	6.824	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59064	PCS prize for training course	2002	2002	4.976	4.976	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59067	Upgrading Euro-Mediterranean Information Centre internet accessibility and furnishing	2002	2004	4.311	4.311	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59068	Upgrading Euro-Mediterranean Information center Internet Accessibility and Furnishing	2002	2003	4.147	4.147	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59066	Press Contacts/Receptions and Seminars on Association Agreement & MEDA funded programmes	2002	2003	3.897	3.897	Other	Other	SAA	Project financing	TA services
MEDA II	MED/2002/004-662	Information activities Egypt 2002	59069	MEDA INFORMATION ACTIVITIES	2002	2004	773	773	Other	Other	ICT & Innovation	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	101932	TVET - Assistance to the Reform of the Technical and Vocational Education and Training System in the Arab Republic of Egypt	2005	2005	7.443.122	6.331.009	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	133012	TA Contract II for the establishment of ETPs in four sectors.	2007	2007	7.016.450	3.703.997	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	149842	TA III for the establishment of 7 ETPs	2008	2008	6.829.980	1.365.996	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	164604	Organisation and Execution of Training Sessions for ETPs participants	2008	2008	2.122.040	424.408	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	155899	Services to the PMU for the organization of study visits, relevant logistics and for training arrangements of PMU and BoT personnel	2008	2008	779.915	155.983	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	122067	First Annual Work Plan	2006	2006	690.000	688.600	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	126004	International Conference on Egyptian - European TVET Days 2007 and Various Workshops in 2007	2007	2007	179.982	95.986	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	111007	Revised provisional Work Plan	2005	2005	165.000	165.000	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	167789	International Conference on Egyptian - European TVET Days 2009 and various Workshops/Seminars in 2008 and 2009	2008	2008	146.895	117.516	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2002/004-955	Assistance to the Reform of the Technical and Vocational Education and Training System (TVET)	148852	Audit for TVET	2008	2008	50.000	10.000	Economic transition	PSD	TVET	Project financing	TA services
MEDA II	MED/2003/004-150	Trade Enhancement Programme B, TEP-B	104121	Tranches 1 and 2 of the TEP B payments euro 19.8 mil each	2005	2006	39.600.000	39.600.000	Economic transition	External trade	Customs reform	Sector Budget Support	
MEDA II	MED/2003/004-150	Trade Enhancement Programme B, TEP-B	141070	TEP B final evaluation.	2007	2008	85.790	85.790	Economic transition	External trade	Customs reform	Sector Budget Support	
ONG-PVD	ONG-PVD/2003/004-562	876000 - PVD	61529	SUPPORT TO SMALL AND MICRO ENTERPRISES FOR POVERTY ALLEVIATION AND JOB CREATION IN EGYPT	2004	2007	1.498.234	1.498.234	Economic transition	PSD	n/a	Project financing	Grant
ONG-PVD	ONG-PVD/2003/004-562	876000 - PVD	61654	PROJET DE DEVELOPPEMENT INTEGRE EN FAVEUR DES ENFANTS DES RUES DU CAIRE ET D'ALEXANDRIE - EGYPT	2004	2004	503.666	453.299	Sustainable development	Social sectors	n/a	Project financing	Grant
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	102952	Technical assistance contract for the long term expert acting as the coordinator of TEP C	2005	2008	3.248.864	3.248.864	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	125212	IT Equipment Supply and Services For The Customs Administration, LOT 1	2006	2008	1.201.386	1.201.386	Economic transition	External trade	Customs reform	Project financing	Supplies
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	124895	IT EQUIPMENT SUPPLY AND SERVICES FOR THE CUSTOMS ADMINISTRATION, LOT 2	2006	2008	396.709	396.709	Economic transition	External trade	Customs reform	Project financing	Supplies

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MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	117196	TEP C Conference May 2006	2006		199.914	149.936	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	124009	Design and development of a website and intranet site for the Egyptian Customs Authority (ECA)	2006	2008	194.403	194.403	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	124012	Support of the implementation of the EAAA for the ECA	2006	2008	147.632	147.632	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	124010	External and internal communication for the ECA	2006	2008	99.495	99.495	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	100581	IT equipment needs assessment for the Customs Administration	2005	2006	93.812	93.812	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-714	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	145005	TEP C final evaluation	2007	2008	71.793	71.793	Economic transition	External trade	Customs reform	Project financing	TA services
MEDA II	MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	124236	FISC-Rural Credit Line / Commercial International Bank	2006		16.000.000	16.000.000	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	96769	Financial Investment and Sector Co-operation (FISC) - Rural Component	2004		1.077.400	969.660	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	102640	Inception Work Plan for the period 01/02-31/07/2005	2005		570.159	401.525	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	165380	Final Evaluation of the Financial and Investment Sector Cooperation (FISC) Rural Component Project	2008		39.194	-	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-716	Financial Investment and Sector Co-operation (FISC) - Rural Component	124977	Financial Audit FISC-Rural	2006		31.000	18.600	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	125101	FISC-Social Credit Line / SFD-MFS	2006		11.000.000	11.000.000	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	125372	FISC-Social Credit Line / SFD-MFS	2006		3.268.000	3.267.200	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	121728	Technical Assistance for the Financial and Investment Sector Co-operation (FISC) Social Component	2006	2008	875.106	875.106	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	125433	FISC-Social Grant Facility / SFD-MFS	2006		379.000	379.000	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	105355	Technical Assistance for the Financial and Sector Co-operation (FISC) - Social Component	2005	2006	187.630	187.630	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	136318	Addendum 1 to contract 121-728 - TA for the Financial and Investment Sector Co-operation (FISC) Social Component	2007	2008	163.882	163.882	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	144873	Financial Audit FISC-Social	2007		80.000	48.000	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-719	Financial and Investment Sector Co-operation (FISC): social component	165470	Final Evaluation of the Financial and Investment Sector Cooperation (FISC) Social Component Project	2008		54.192	31.154	Economic transition	PSD	Credit	Project financing	Credit lines
MEDA II	MED/2003/005-722	Social Development and Civil Society: Children at Risk	101899	Inception workplan	2005		13.774.516	12.283.344	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2003/005-722	Social Development and Civil Society: Children at Risk	97147	European Community Contribution Agreement with an International Organisation	2005		3.000.000	2.796.352	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2003/005-722	Social Development and Civil Society: Children at Risk	96443	Service contract for the European Community External Actions	2004		2.551.220	2.219.143	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
MEDA II	MED/2003/005-722	Social Development and Civil Society: Children at Risk	113259	Financial Audit of EC support to the "Social Development and Civil Society: Children at Risk" programme	2006		94.000	75.200	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	110303	Technical Assistance and Establishment of the PAO	2005	2008	300.000	300.000	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	103328	Institution Building and Legislation Approximation in Maritime Safety	2005	2006	185.505	185.505	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	106055	SUPPORT TO THE EU-EGYPT AA PROGRAMME ASSISTANCE FOR THE SETTING UP OF THE PROGRAMME ADMINISTRATION OFFICE	2005	2006	181.433	181.433	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	102636	Developing a project fiche for the establishment of modern postal management system	2005	2006	166.259	166.259	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	102851	Institutional Strengthening of the General Authority for Investments & Free Zones	2005	2007	165.057	165.057	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	113659	Awareness Building on Egyptian-European Association Agreement	2006	2008	159.821	159.821	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	100969	Institutional strengthening of the Egyptian Tourism Authority	2005	2006	149.822	149.822	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	97011	Support to the Promotion of the Association Agreement in Egypt	2005	2006	133.045	133.045	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	121810	Supply of IT equipment, copying & printing devices to the PAO for the promotion of the EU-Egypt Association Agreement "lot#1&2"	2006	2008	88.932	88.932	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Supplies
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	124383	Preparation of a Twinning Project Fiche to develop the organisational capacity of the Central Agency for Public Mobilisation and Statistics (CAPMAS)	2006	2007	86.019	86.019	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning

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MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	124392	PREPARATION OF A TWINNING PROJECT FICHE FOR ORGANISATIONAL MODERNISATION OF THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT	2006	2007	65.086	65.086	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	121901	The Supply of IT equipment, copying and printing devices to the PAO for the Promotion of the EU-Egypt AA Lot #4	2006	2008	36.524	36.524	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Supplies
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	127837	Audit of the Promotion of the Association Agreement Project	2006	2008	23.893	23.893	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2003/005-731	Promotion of the Association Agreement EU-Egypt	121903	The supply of IT equipment, copying and printing devices to the PAO for the promotion of the AA Lot#3	2006	2008	7.750	7.750	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Supplies
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	112000	South Sinai First Annual Work Plan	2005		57.639.096	41.704.725	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	113067	Technical Assistance to the South Sinai Regional Development Programme	2005		2.528.909	2.276.018	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	136342	Support in the procurement process for grant recipients	2007		199.992	110.105	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	168734	Mid-term review of the South Sinai Regional Development Programme and assessment of the internal monitoring system	2008		194.960	116.976	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	116920	TA for the supply of boats	2006		194.526	104.222	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	136348	Sector support for grant recipients: environment, agriculture, livestock and fisheries	2007		156.618	96.671	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	124421	Assessment Call for Proposals SSRDP	2006	2007	155.274	155.274	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	116842	Technical Assistance for Call n°1, South Sinai	2006	2007	150.962	150.962	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	116932	TA for the supply of environmental equipment	2006		129.872	107.920	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	143449	Audit SSRDP 2007/AUDIT/CNP/EG/004	2007		120.000	21.600	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	136346	Sector support for grant recipients: tourism, cultural heritage	2007		103.298	98.061	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	133778	TA for training in Project Planning and Financial Management for Grant Beneficiaries	2007	2007	99.238	99.238	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	136344	Sector support for grant recipients: social services	2007		92.576	84.793	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/005-717	South Sinai Regional Development Programme	119981	rural water supply South Sinai	2006	2008	52.825	52.825	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	95173	Workplan (fixed tranche payments)	2004		78.000.000	73.125.000	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	127929	Restructuring of Misr for Spinning and Weaving Co (Mehalla Kubra)	2006	2008	970.575	970.575	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	113360	Support for the implementation of the labour pool	2006	2007	199.970	199.970	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	141124	Formulation of a strategy for the cotton sector in Egypt	2007		184.792	184.792	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	101000	Management upgrading and privatisation - Holding Company for Textile	2005	2006	183.797	183.797	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	105054	Identifying the best practices in the field of social restructuring, operation and management of labour pools in EU member States	2005	2006	163.568	163.568	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	142108	Support to the implementation of the corporate governance code in the public textile sector	2007	2008	60.994	60.994	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	122668	Conferences Organization under the Spinning and Weaving Sector Support Programme	2006	2007	47.957	47.957	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-223	Spinning and Weaving Sector Support - Egypt	100434	Stakeholders workshop	2005	2005	1.377	1.377	Promotion of EU-Egypt AA	PSD	Manufacturing Restructuring	Sector Budget Support	
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	106871	Assistance for the restructuring of Bank MISR	2005		3.923.300	3.503.773	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	106917	Assistance for the restructuring of National Bank of Egypt	2005		2.997.960	2.670.000	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	106937	Support to the Capital Market Authority	2005		2.615.950	1.654.878	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	110989	Support to the Banking Supervision in Egypt.	2005	2008	2.095.319	2.095.319	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	134017	The Supply of A Real Time Gross Settlement System Package	2007		1.984.000	1.190.400	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	100523	Egypt: Support for the Procurement and Installation of an RTGS System	2005	2008	141.867	141.867	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	142314	Organization of Study Tours for Upgrading the Banking Supervision at CBE	2007		134.059	107.247	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	100968	CMA: Support for Professional Training and Related Accreditation	2005	2006	118.628	118.628	Economic transition	Financial sector	Credit	Project financing	Credit lines
MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	139223	Mid Term Evaluation of the FISC Financial Programme	2007	2008	93.891	93.891	Economic transition	Financial sector	Credit	Project financing	Credit lines

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MEDA II	MED/2004/006-224	Financial and Investment Sector Cooperation- FISC Financial	103939	Conference on Banking Supervision	2005	2006	43.480	43.480	Economic transition	Financial sector	Credit	Project financing	Credit lines
ONG-PVD	ONG-PVD/2004/006-239	pré-engagement dont dépendront les contrats PVD projets	112174	Poverty alleviation in Rural Communities of Minia and Beni Suef ☐	2005		749.241	489.262	Sustainable development	Social sectors	Poverty & local development	Project financing	Grant
ONG-PVD	ONG-PVD/2004/006-239	pré-engagement dont dépendront les contrats PVD projets	111958	a comprehensive poverty alleviation intervention in rural sharkeya	2005		547.850	493.065	Sustainable development	Social sectors	Poverty & local development	Project financing	Grant
DDH	DDH/2004/016-732	22 04 03 EIDHR Microprojects 2004, Egypt	108936	Women in Democratic Transition	2005		100.000	90.000	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	24 04 03 EIDHR Microprojects 2004, Egypt	109529	Family Court Step toward civil and legal rights of women	2005		97.253	87.528	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	25 04 03 EIDHR Microprojects 2004, Egypt	110988	campaign for women judge in Egypt	2005	2007	93.025	93.025	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	27 04 03 EIDHR Microprojects 2004, Egypt	111846	Supporting and developping farmers rights and participation in Egypt	2005	2008	90.066	90.066	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	26 04 03 EIDHR Microprojects 2004, Egypt	111031	Defending prisoners and detainees	2005	2007	85.919	85.919	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	20 04 03 EIDHR Microprojects 2004, Egypt	106983	Watch, monitoring and evaluation of egyptian parliament elections to enhance democratization	2005	2007	83.899	83.899	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	21 04 03 EIDHR Microprojects 2004, Egypt	107019	Training journalists in covering elections and writing fair and unbiased press reports	2005	2007	71.423	71.423	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	23 04 03 EIDHR Microprojects 2004, Egypt	109511	Defending the rights of refugees	2005	2008	53.254	53.254	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2004/016-732	19 04 03 EIDHR Microprojects 2004, Egypt	106875	Women are full citizens too; empowering egyptian women to actively participate in the political sphere	2005		26.980	21.584	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MIGR	MIGR/2004/016-944	AWP 2004 - AENEAS	103484	Strengthening Protection and Durable Solutions for Asylum-Seekers and Refugees in Egypt.	2005	2008	493.195	493.195	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-184	Technical Assistance in HQ to Implement EIDHR programme in 2005	108464	Elections Fact-finding mission to Egypt - 3 experts	2005	2006	35.884	35.884	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	127893	Human Rights Capacity Building Project in Egypt☐	2007		2.400.000	1.412.758	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	127180	Support to the creation of a Complaint (Ombudsman) Office at the National Council for Human Rights.	2006		900.000	632.988	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	127280	Support and Enhancement of the NCW-Ombudsman Office	2006		699.804	629.824	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	145503	Support to the General Federation of NGOs and Foundations (GFNF)	2007		400.000	207.168	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	140187	Technical Assistance to the PMU of the programme entitled "" Support in the field of Democratization, Human Rights and Civil Society""	2007		190.020	60.579	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	156634	Technical Assistance on Visibility and Communication	2008		172.500	103.500	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
MEDA II	MED/2005/017-203	Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance	162174	Technical Assistance on strategic planning, monitoring and evaluation	2008		85.944	51.566	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
ONG-PVD	ONG-PVD/2005/017-215	pré-engagement dont dépendront les contrats pour les projets PVD	119498	Sustainable Rural Development by Reducing Discrimination against Women in Upper Egypt	2006		976.548	601.360	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	ONG-PVD/2005/017-215	pré-engagement dont dépendront les contrats pour les projets PVD	118846	BRIDGING THE GAP: BUILDING COMMUNITY EMPOWERMENT AND SUSTAINABLE DEVELOPMENT IN SOUTHERN GIZA MARGINAL COMMUNITIES - Egypt☐	2006		899.068	350.593	Sustainable development	Social sectors	Poverty & local development	Project financing	Grant
ONG-PVD	ONG-PVD/2005/017-215	pré-engagement dont dépendront les contrats pour les projets PVD	118712	Support to Agriculture Networks in Egypt (SAN) - Egypt	2006		839.035	510.175	HR/Socio-economic balance	Agriculture & Rural development	Stakeholder Capacity building	Project financing	Grant
ONG-PVD	ONG-PVD/2005/017-215	pré-engagement dont dépendront les contrats pour les projets PVD	119624	Programme intégral d'éducation de base pour adultes et adolescents dans la région d'Assiout. Égypte	2006		410.896	369.806	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123785	The Egyptian democratic status watch	2006		100.000	62.298	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123808	Fighting violence cultivating democratic culture	2006		100.000	85.794	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant

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DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	124021	fostering uman rights culture in public schools	2006		100.000	90.000	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123768	strengthening rural csos to support farmers and improve their economic and social rights	2006	2008	84.551	84.551	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	124032	Sporting basic and civic rights in 4 governorates in upper egypt	2006	2008	79.703	79.703	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123805	Election observers training programme	2006	2008	75.279	75.279	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123800	the egyptian legislative reform forum	2006		64.383	57.945	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-240	MP2005 Egypt Campaigns 2 and 3	123827	Advocate and support street girls rights	2006	2008	57.137	57.137	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2005/017-271	Cfp - Campaign 3: Promoting the Democratic Process	117711	Practising Democracy from the Village up to the Capital: Promoting Participatory Democracy by Strengthening Local Communities	2006		787.014	232.672	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	114991	Workplan (fixed tranches)	2005		78.336.835	60.000.000	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	163218	Dissemination of Governorate-Based National Master Plan for Water Supply and Wastewater	2008		199.200	149.400	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	141807	Capacity Building of the Holding Company for Water and Wastewater (HCWW) For the Hydraulic Automation Sustainability of the National Water Supply and Wastewater Systems of Egypt	2007		195.850	117.510	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	141806	Capacity Building of the Holding Company for Water and Wastewater (HCWW) for the Management of National Master Plan	2007		190.965	114.579	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	135956	Capacity Building of the Holding Company for Water and Wastewater in the Rural Sanitation Sector	2007		189.890	174.317	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	161748	Mitigation of Problems Related to Use and Recycling of Drainage Water of Nubaria Canal Water for Treated Potable Drinking Purposes	2008		179.000	107.400	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	139843	Development Preliminary Environmental and Social Impact Assessment (PESIA) for New Cairo PPP Potable Water and Wastewater Treatment Plants Project	2007		173.160	112.080	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	149819	Technical Engineering for New Cairo Potable Water Plant PPP Project	2008		161.650	96.990	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	163217	Industrial Application of Energy Efficiency in Water Cycle Management	2008		153.450	92.070	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-543	EU Water Sector Reform Programme - Egypt	135953	Support to the Fifth Environmental Regional Conference - Environment 2007	2007	2007	70.000	70.000	Economic transition	Infrastructure	Water	Sector Budget Support	
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	120930	Support to the Association Agreement Programme Operational Fund.	2006		20.170.449	17.725.016	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	121297	Support to the Association Agreement Programme, Programme Management Fund (PAO management fund)	2006		1.500.000	1.500.000	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	130543	Support to the Public Administration Reform in Egypt: Developing a Reform Strategy for the State Administration at the Central Level	2007		199.928	119.957	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	148834	PREPARATION OF AN INSTITUTIONAL TWINNING PROJECT FICHE FOR THE NEW AND RENEWABLE ENERGY AUTHORITY (NREA)	2008		199.900	119.940	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	141650	RESTRUCTURING OF ROAD SAFETY DIVISION WITHIN THE EGYPTIAN GENERAL AUTHORITY FOR ROADS, BRIDGES AND LAND TRANSPORT (GARBLT)	2007		199.824	81.000	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	142503	Development of a Project Fiche for Institutional Twinning of the National Telecommunications Regulatory Authority	2007		198.730	183.896	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	164065	Preparation of Twinning Project Fiche /Technical Assistance for Holding Company for Water and Wastewater (HCWW)	2008		198.610	119.166	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	143297	THE INSTITUTIONAL CAPACITY BUILDING OF THE EGYPTIAN ELECTRIC UTILITY AND CONSUMER PROTECTION REGULATORY AGENCY (EUCPRA)	2007		198.184	194.975	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	162419	THE PREPARATION OF A TWINNING PROJECT FICHE AND PROVISION OF TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF CONSUMER PROTECTION POLICY AND PRACTICES IN EGYPT	2008		197.400	118.440	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	130286	PREPARATION OF A TWINNING PROJECT FICHE AND INSTITUTIONAL CAPACITY BUILDING OF THE EGYPTIAN WATER REGULATORY AUTHORITY	2006	2008	195.195	195.195	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	124892	SUPPORT THE INSTITUTIONAL STRENGTHENING OF THE CABINET INFORMATION AND DECISION SUPPORT CENTRE	2006	2008	190.794	190.794	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	141333	Development of Twinning Project Fiche for Water Quality Management for Ministry of Water Resources and Irrigation	2007	2008	186.203	186.203	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	161758	Preparation of Technical Assistance for Regional Centre for Renewable Energy and Energy Efficiency (RCREEE)	2008		173.684	104.210	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	141798	Preparation of institutional Twinning for Egyptian Environmental Affairs Agency	2007	2008	137.649	137.649	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	139084	THE PREPARATION OF A TWINNING PROJECT FICHE FOR ANIMAL DISEASE MONITRING AND CONTROL POLICIES AND PRACTICES	2007	2008	131.979	131.979	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	127564	PREPARATION OF A TWINNING PROJECT FICHE FOR STRENGTHENING RAILWAYS SAFETY REGULATIONS IN EGYPT	2006	2007	107.185	107.185	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	129079	Preparation of a Twinning Project Fiche to Upgrade the Management and Quality of Services System of the Egyptian Accreditation Council (EGAC)	2006	2008	74.792	74.792	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Twinning
MEDA II	MED/2005/017-557	"Support to the Association Agreement " (SAA)	153982	MID TERM EVALUATION OF THE SUPPORT TO THE ASSOCIATION AGREEMENT PROGRAMME	2008		47.640	28.584	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
DDH	DDH/2006/018-123	Call for proposals - Campaign 2 "Fostering a Culture of Human Rights" BL 19.04.02	118185	Management and Rehabilitation of victims of torture in Egypt	2007		180.677	105.072	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-129	Call for proposals - Campaign 2 "Fostering a Culture of Human Rights"	138528	KARAMA: freedom from violence	2007		799.239	477.702	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant

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DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	133076	Prevention of Torture	2007		99.972	89.975	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	142597	Tomorrow starts now	2007		99.900	53.250	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	143311	Community mobilization for democracy and civil society strengthening	2007		99.868	79.894	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	135665	Children and Women Rights awareness programme for local NGOs	2007		99.650	89.685	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	136275	Networking for reducing violence in schools in Fayoum	2007		97.962	88.166	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	123797	Tripes marriage national campaign	2007		97.046	75.946	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	124019	empowering social and political rights of women	2007		95.009	85.507	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	133124	THE SPREAD OF CHILD'S RIGHTS FROM SCHOOLS TO LOCAL COMMUNITIES	2007		86.896	33.103	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	142596	Counter terrorism and human rights	2007		83.673	60.245	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	143097	Promoting the democratic process	2007		74.411	59.528	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	DDH/2006/018-136	EIDHR micro projects AWP 2006 Eastern Europe & Southern Caucasus, Mediterranean & Middle East	142598	Promoting the independence of freedom of NGOs in Egypt	2007		52.367	41.893	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	ONG-PVD/2006/018-227	pré-engagement dont dépendront les contrats PVD projets	134946	Réinsertion des enfants des rues du Caire et d'Alexandrie dans la société	2007		750.000	162.792	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MEDA II	MED/2006/018-249	Support to health sector reform	132325	HSPSP: Health Sector Policy Support Programme	2006		85.700.000	60.000.000	HR/Socio-economic balance	Social sectors	Health	Sector Budget Support	
MEDA II	MED/2006/018-252	Research, development and innovation	154757	RDI Annual Programme Estimate - Operational Period 01/04/2008 - 31/03/2009	2008		964.768	493.660	Economic transition	PSD	High Technologies	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	170619	Application of Autologous infusion of mobilized adult bone Marrow derived CD43++ Stem Cells into patients with Liver Diseases	2008		392.824	-	Economic transition	PSD	High Technologies	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	169438	Traceability For Agriculture Competitiveness	2008		370.955	-	Economic transition	PSD	High Technologies	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	169748	Integrated High Resolution Optical MEMS Spectrometer	2008		365.362	-	Economic transition	Other	Research and development	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	169442	Design and implementation of Pico Satellite	2008		336.000	-	Economic transition	Agriculture & Rural development	Research and development	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	172215	Sandwich Structures for Wind Turbine Blades	2008		317.052	-	Economic transition	Other	Research and development	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	169452	Development of Recombinant Poultry Vaccines	2008		264.130	-	Economic transition	Infrastructure	Research and development	Project financing	Grant
MEDA II	MED/2006/018-252	Research, development and innovation	145082	Ministry of Higher Education and Scientific Research. Programme Estimate Start-up covering the period until January 31, 2007	2007		217.100	132.470	Economic transition	Agriculture & Rural development	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	146079	Planning and Execution of the EU-Egypt Innovation Fund	2008		199.969	119.981	Economic transition	Other	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	157093	Organisation of Travels and Workshops for RDI	2008		199.900	149.887	Economic transition	Other	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	164489	Technical assistance for the evaluation of the R&D policies and practices in Egypt	2008		197.076	118.246	Economic transition	Other	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	171178	Organization of Travels, Seminars and Workshops for the Research, Development and Innovation Programme	2008		196.500	-	Economic transition	Other	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	164483	EU-Egypt Innovation Fund - Technical Assistance for the assessment of calls for proposals	2008		169.167	101.500	Economic transition	Agriculture & Rural development	Research and development	Project financing	TA services
MEDA II	MED/2006/018-252	Research, development and innovation	169031	Innovation Environmental and Economic Rice Waste Management	2008		132.093	-	Economic transition	Agriculture & Rural development	Research and development	Project financing	Grant
MEDA II	MED/2006/018-253	Support to social development	151989	Support to Social Development - Overall Programme Estimate	2008		17.250.000	4.523.609	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services

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MEDA II	MED/2006/018-253	Support to social development	148635	Technical Assistance to the Support to Social Development Program (SSD)	2005		1.798.300	793.287	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2006/018-253	Support to social development	142796	Support to SFD in preparing the programme budget estimate and preparing/launching three Works Tenders and one Call for Proposals for Grant Recipients	2007		199.969	119.352	Sustainable development	Social sectors	Poverty & local development	Project financing	TA services
MEDA II	MED/2006/018-254	EIB - Environmental Pollution Abatement Project (EPAP II)	142409	Interest rates subsidy for Egyptian Pollution Abatement Project (EPAP II)	2007		10.000.000	10.000.000	Environment	Environment	Pollution Abatement	EIB interest rate subsidy	
MIGR	MIGR/2006/018-381	PAT 2006 Aeneas	130328	"Capacity building of governmental and non-governmental agencies to manage emigration in Egypt"	2007		784.000	370.989	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
MIGR	DCI-MIGR/2007/019-172	ANNUAL WORKING PROGRAMME 2007 Migration and Asylum	153993	Promoting a rights-based and non-discriminatory approach to reception of migrants and refugees' by public authorities and civil society actors in Egypt	2008		987.019	283.977	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ENPI	ENPI/2007/019-248	Education Sector Policy Support Programme (ESPSP)	160706	Education Sector Policy Support Programme (ESPSP)	2008		117.500.000	40.000.000	HR/Socio-economic balance	Social sectors	Education	Sector Budget Support	
ENPI	ENPI/2007/019-248	Education Sector Policy Support Programme (ESPSP)	170501	Education Sector Medium Term Expenditure Framework (MTEF)	2008		167.212	100.327	HR/Socio-economic balance	Social sectors	Education	Sector Budget Support	
ENPI	ENPI/2007/019-249	Support to the Implementation of the Action Plan Programme (SIAP)	172640	Eurosystem TA Programme on Banking Supervision for the Central Bank of Egypt (CBE)	2008		3.000.000	-	Promotion of EU-Egypt AA	External trade	SAA	Project financing	Grant
ENPI	ENPI/2008/019-606	Support for political development, decentralisation and promotion of good governance		Support for political development, decentralisation and promotion of good governance	2008		3.000.000	-	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
ENPI	ENPI/2008/019-607	Promotion and protection of human rights		Promotion and protection of human rights	2008		17.000.000	-	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	TA services
ENPI	ENPI/2008/019-608	Targeted support for sector reforms-Transport		Targeted support for sector reforms-Transport	2008		80.000.000	-	Sustainable development	Infrastructure	Transport	Sector Budget Support	
ENPI	ENPI/2008/019-609	Support for investment in transport, energy and environment sectors		Support for investment in transport, energy and environment sectors	2008		29.000.000	-	Sustainable development	Infrastructure	n/a	Neighbourhood Investment Facility	
NSI	NSI/2008/019-781	INSC Support Expenditure Programme 2008	161186	INSC exploratory mission to Egypt - July 2008 Expert Giuseppe Mareca - APAT	2008		9.000	-	Other	Infrastructure	Other infrastructure	Project financing	TA services
NSI	NSI/2008/019-781	INSC Support Expenditure Programme 2008	161189	INSC exploratory mission to Egypt - July 2008 Expert Milos Tichy - SLUB	2008		9.000	-	Other	Infrastructure	Other infrastructure	Project financing	TA services
NSI	NSI/2008/019-781	INSC Support Expenditure Programme 2008	161313	INSC exploratory mission to Egypt - July 2008 Expert Lucian Biro - CNCAN	2008		9.000	-	Other	Infrastructure	Other infrastructure	Project financing	TA services
NSI	NSI/2008/019-781	INSC Support Expenditure Programme 2008	161317	INSC exploratory mission to Egypt - July 2008 Expert Sandor Elo - HAEA	2008		9.000	9.000	Other	Infrastructure	Other infrastructure	Project financing	TA services
ENPI	ENPI/2008/020-261	Education Sector Policy Support Programme-Additional Commitment		Education Sector Policy Support Programme-Additional Commitment	2008		20.000.000	-	HR/Socio-economic balance	Social sectors	Education	Sector Budget Support	
NSI	NSI/2008/020-366	AAP2008-part II - Egypt		AAP2008-part II - Egypt	2008		1.000.000	-	Other	Infrastructure	Other infrastructure	Project financing	TA services
ENPI	ENPI/2008/020-492	SAAP III-Support to the Implementation of the Action Plan Programme and the Association Agreement		SAAP III-Support to the Implementation of the Action Plan Programme and the Association Agreement	2008		-	-	Promotion of EU-Egypt AA	External trade	SAA	Project financing	TA services
ENPI	ENPI/2008/020-493	Support to Rural Development		Support to Rural Development	2008		-	-	Sustainable development	Agriculture & Rural development	n/a	Project financing	TA services
ENPI	ENPI/2008/020-494	HSPSP II-Health Sector Policy Support Programme II		HSPSP II-Health Sector Policy Support Programme II	2008		-	-	HR/Socio-economic balance	Social sectors	Health	Sector Budget Support	
DDH	MULTI	#N/A	123809	The street is ours making Egypt safer for women	2006		95.327	85.794	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	#N/A	#N/A	11476	PROGRAMME D'APPUI AUX PETITES ET MICRO ENTREPRISES DANS LES MILIEUX DEFAVORISES EN EGYPTE	2000	2005	1.017.434	1.017.434	Economic transition	PSD	n/a	Project financing	Grant
ONG-PVD	#N/A	#N/A	11879	AGRO-ENVIRONMENTAL EXPANSION PROJECT (AEEP): A PARTICIPATORY TECHNOLOGY DEVELOPMENT PROGRAM FOR EGYPT	2001	2007	923.979	923.979	Other	Agriculture & Rural development	Agriculture & Rural development	Project financing	Grant
ONG-PVD	#N/A	#N/A	11127	AGGIORNAMENTO DELLE APPARECCHIATURE DEL LABORATORIO DIELETTROTECNICA ED ALLESTIMENTO DI LABORATORI DI INFORMATICA E DI IGIENE, IN CAIRO ED ALESSANDRIA - EGITTOH	1999	2002	586.037	586.037	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
ONG-PVD	#N/A	#N/A	11164	CREATION DE DISPOSITIFS DE FORMATION PROFESSIONNELLE ET PEDAGOGIQUE EN HAUTE EGYPTE	1999	2006	499.862	499.862	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
DDH	#N/A	#N/A	50427	Women in the Decision-Making Process	2000	2007	466.678	466.678	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	#N/A	#N/A	11049	PROJET INTEGRAL D'EDUCATION DE BASE EN EGYPTE	1999	2002	448.958	448.958	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
DDH	#N/A	#N/A	50489	Hotline Ombudsman	2000	2007	400.658	400.658	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
DDH	#N/A	#N/A	50433	Expansion of ADEW's Programme for Empowerment of Female Heads of Household in Low-Income Communities	2000	2007	255.847	255.847	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	#N/A	#N/A	11319	EL MARG-DEVELOPPEMENT GLOBAL DANS UNE BANLIEUE DEFAVORISEE DU CAIRE-EGYPTE	1999	2005	184.824	184.824	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
DDH	#N/A	#N/A	50410	Campaign Against Child Labour in the Egyptian Agrarian Sector	2000	2003	174.334	174.334	Democracy Human Rights and Justice	Human rights, Civil society & Democracy	Human rights, Civil society & Democracy	Project financing	Grant
ONG-PVD	#N/A	#N/A	15049	TECHNICAL EQUIPMENT FOR VOCATIONAL TRAINING IN ELECTRO-TECHNICS AT ISTITUTO DON BOSCO, CAIRO, EGYPT	1998	2002	125.390	125.390	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant
ONG-PVD	#N/A	#N/A	15038	MIGLIORAMENTO DELLA FORMAZIONE PROFESSIONALE PER GIOVANI EGIZIANE, MUNICIPIO HELIOPOLIS, IL CAIRO - EGITTO	1998	1999	41.088	41.088	HR/Socio-economic balance	Social sectors	Education	Project financing	Grant

Annexe 6: Selected Interventions In Brief

List of Interventions

1. Assistance to the Reform of the Technical and Vocational Education and Training System in the Arab Republic of Egypt (TVET)
2. Trade Enhancement Programme – A
3. Financial Investment and Sector Co-operation (FISC) – Rural Component
4. Financial Investment and Sector Co-operation (FISC) – Social Component
5. Financial Investment and Sector Co-operation (FISC) – Financial Component
6. Water Sector Reform Programme
7. Support to the Association Agreement (SAAP)
8. Support in the field of democratisation, human rights and civil society
9. MP Egypt Campaign 2&3
10. Environmental Pollution Abatement Project (EPAP) – II
11. Education Sector Policy Support Programme
12. Promotion and Protection of HR and civil societies

Intervention Title	1. Assistance to the Reform of the Technical and Vocational Education and Training System in the Arab Republic of Egypt (TVET)
Commission Ref.	EGY/AIDCO/2002/004-955
Intervention Start date & End date	December 2005 – December 2011
Budget planned	33 Million Euros
Budget committed	25,276,489
Budget disbursed	11,459,854
Beneficiary	Ministry of Trade and Industry
Programme Background & History	<p>The lack of a systematic cohesive and demand driven TVET provision in Egypt, resulted from a weak education system in general and out-dated supply driven, government led and provided vocational secondary education system has resulted in a gap between the demand of vocational training needed in the Egyptian labour market and the supply of TVET whether in school education or adult training. One of the main drawbacks of the TVET provision is the fragmented ownership of TVET supply among 22 different ministries and governmental institutions, in addition to the private sector and civil society initiatives; it constrains coordination, synchronization and accountability as well as ownership of the overall reform of the TVET system.</p> <p>Within a comprehensive Policy Statement on Employment and TVET Reform in Egypt, the Egyptian Government was committed to adopting complementary intervention and piloting reform initiatives, supported by donor funds.</p> <p>The program was assessed and designed by the European Training Foundation, ETF in 2001, to be co-financed by the Egyptian Government and the European Commission, with equal contributions. At the same time, the World Bank was launching its initiative to support TVET Reform in the form of SMEs development through awareness and training.</p> <p>Following the design, negotiation and financing agreement signature were concluded in April 2003 and the tendering of the first contract that would support the local project management unit, PMU, was launched in 2004 and was signed in 2005, when the project was formally kicked off.</p> <p>The design of the project is revolving around three components; (1) the formation and institutional building of an Enterprise-TVET Partnership (ETP), for each of the targeted sectors that would undertake the responsibility of creating a media of dialogue between supply of TVET (in the form of training providers and technical schools) and demand, represented in the enterprise owners and managers of private sector. (2) the improvement of the quality of practical skills and competence development for the skills levels; (3) the enhancement of national TVET reform process and national TVET reform structure.</p>
Overall objectives	The overall objective is to contribute to the improvement of the overall competitiveness of the Egyptian enterprises on national and international markets through supporting them with highly qualified and skilled labor in different production and service sectors.

Specific objectives	The specific objective is to support the development of human and institutional capacities for the formulation and implementation of a national TVET reform policy.
Expected results	<ol style="list-style-type: none"> 1- Decentralized and demand-driven ETPs that can function as a dialogue mediator and provide input to the overall reform of the TVET system. The vision for ETPs is to undertake the TVET development beyond the lifetime of the project. 2- Enhanced capacities of TVET suppliers for better provision of practical skills. 3- Building blocks of a reformed national TVET system (MIS and National TVET policy coordination) are operational and ready for nation-wide dissemination.
Activities	<p>Activities were to be implemented at 2 levels:</p> <ol style="list-style-type: none"> 1- Short and medium term initiatives focus on immediate and current needs for employed labor 2- Long-term re-orientation of the overall TVET system to become more demand driven and student-centred. <p>Those activities are to be implemented through a number of technical assistance contracts to undertake:</p> <ol style="list-style-type: none"> 1- Establishment and develop 12 Sectoral ETPs 2- Development and Implementation of methods and tools to enhance the effectiveness of decentralized ETPs. 3- Development and implementation of tools for monitoring and evaluation of the partnership process 4- Development and implementation of a methodology for a local TVET audit 5- Development and implementation of alternative forms of practical training. 6- Support to the TVET institutions to develop skills and competence development programs. 7- Development and implementation of local in-service practical training system for teachers and company trainers. 8- Capitalization from lessons learned from the local partnerships 9- Development of a TVET MIS 10- Strengthening of the national TVET policy coordination development and coordination capacities 11- Secure synergy with policy reform initiatives of the GOE.
Main achievements	<ul style="list-style-type: none"> ▪ 12 sectoral ETPs are established. 8 ETPs in the manufacturing sector, 2 in the tourism sector and 2 in the construction sector. The first ETP has been established as an NGO and is now fully operational. PMU is looking for other establishment structures to avoid the complexities and weaknesses of NGOs in Egypt. ▪ Involvement of the education sector, represented in adopting 100 technical schools to improve the performance of education delivery; the introduction of alternate training which is aiming at introducing more elements of practical training and test them and the development of the concept of competence centres within a selection of public sector training providers. ▪ A number of training packages, curricula for technical schools and training centres, training of trainers and development of master trainers have been put in place within a number of the sectoral ETPs. ▪ Some initiatives have been accomplished paving the way for the setup of reform policy of which: coordination with National Authority for Quality assurance and Accreditation,

	<p>assuming an active participation in steering committee of the Observatory Function, attempts to setup TVET Networks and think tanks. However. MIS is still in its early stages.</p>
Project's main weak points	<ul style="list-style-type: none"> ▪ Considering the complexity of the TVET system in Egypt, the project's objectives are quite optimistic, clearly evident in the implementation of defined short term activities, while not very successful (to the date of writing this brief) in the results / activities related to policy level and the institutional platform for TVET Reform discussion is not yet in place. The absence of the Supreme Council for Human Resources Development, whose mandate is to initiate a national policy for developing manpower and training and to propose and own policies and reforms is one of the main reasons behind this. ▪ The project is hosted in Ministry of Trade and Industry whose reach of influence is bounded by its domain of authority. This does not include Tourism and Construction which represent 4 of the 12 ETPs and doesn't include ministry of education which is the sole responsible for the TVET education in Egypt.
Issues	<ul style="list-style-type: none"> ▪ Sustainability of the ETPs is still under question. Currently ETPs are financed by the Ministry of Trade and Industry for the lifetime of the project. Beyond the project, ETPs must be able to become income generating through provision of successful demand driven training solutions. None of the documents received has mentioned an evidence of such. ▪ Government of Egypt is represented by Ministry of Trade and Industry. The Roles of other involved ministries and their commitment to the output is also not clear. ▪ Egypt non-formal sector comprises 40-60% (accurate ratio has never been measured) of the Egyptian labour force (and an even higher ratio of the Egyptian blue collars). The program design for short, medium and long term solutions is considering only the TVET comprehensive solution for the formal sector, which could be less than half of the current labour. ▪ Elaboration of TVET reform is not yet envisaged: lack of institutional anchoring of TVET means there is no national champion.
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission, Delegation in Egypt, "Financing Agreement between the European Community and the Arab Republic of Egypt" – Assistance to the Reform of the Technical and Vocational Education and Training System in the Arab Republic of Egypt (TVET) ▪ ETF, "Assessment of the progress of Vocational Education and Training Reform in Egypt and the Contribution of the European Commission, TVET Reform Programme", Report of the ETF Mission (Cairo 19th-19th June 2008), Final Version, 30th June 2008. ▪ European Commission, Monitoring Report, Assistance to the Reform of the Technical and Vocational Education and Training System (TVET), 29/11/2008 ▪ European Commission, Monitoring Report, TA Contract II for the Establishment of ETPs in Four Sectors, 19/06/2008 ▪ MN 63, MN 86, MN 221

Intervention Title	2. Trade Enhancement Programme – A
Commission Ref.	EuropAid/117578/C/SV/EG Lots 1-4 EuropAid/119751/c/SC/EG Lot 5
Intervention Start date & End date	September 2004- December 2007
Budget planned	20 Million Euros
Budget committed	20 Million Euros
Budget disbursed	18,984,837 Euros
Beneficiary	Ministry of Trade and Industry (It was ministry of Foreign Trade during the NIP and was Ministry of Foreign Trade and Industry during project Implementation)
Programme Background & History	<p>As a member of WTO and an EU partner, through the Association Agreement and later Neighbourhood Agreement, Egypt is fully committed to economic liberalization and free trade. In order to utilize fully the trade opportunities and fulfil the liberalization commitment, there was a need for upgrading and reforming the government’s trade policy mechanism.</p> <p>The Trade Enhancement Programme was designed to upgrade government services provided to exporters and importers, reduce the number of cumbersome administrative, financial and customs hurdles faced by traders to meet the objectives of promoting Reform and support its stand as a regional trade partner within the Euro-Med free Trade area.</p> <p>When TEP was designed during the programming stage, it was seen as one programme to target capacity building in foreign trade and customs organizations. TEP-A was then splitted into TEP A to build capacities within Ministry of Foreign Trade (now Industry and Trade) and TEP C to build capacities within Customs Authority in Ministry of Finance. TEP B was designed and maintained as budget support to reform in both ministries.</p> <p>TEP A was composed of 4 Lots, all lots targeting different Directorates and Divisions inside the Ministry of Trade, except PSU that was providing project coordination and management services cross cuttingly on all components:</p> <p>Lot 1: Programme Support Unit Lot 2: Commercial Diplomacy and Export Promotion Lot 3: EU-Egypt Association Agreement and WTO Agreements Lot 4: Trade Facilitation</p>
Overall objectives	Increase Ministry of Trade and Industry’s capacity to provide support/facilities to stakeholders who are involved in foreign trade.
Specific objectives	<ol style="list-style-type: none"> 1- Strengthen administrative structure/ build capacity to facilitate trade liberalization and achieve the goals of the Europe-Egypt Association Agreement 2- Support development of specialized knowledge to deal with international integration in Egypt, in part of EU-Egypt Sector regulatory dialogue. 3- Contribute to the upgrading of Egyptian technical standard and standard institution to international level 4- Provide authority and policy makers in Egypt with a flexible general framework for strategic actions with respect to trade issues

Expected results	<ol style="list-style-type: none"> 1- A clear understanding by officials and enterprises of the measures required to implement the trade and trade-related issues in the AA 2- An enhanced Egyptian capacity to execute bilateral and multilateral trade agreements and to efficiently manage their international trade commitments 3- An enhanced institutional capacity to support promotion and improve trade information through the reform, rationalisation and upgrading of existing systems 4- Improved, streamlined and more reliable import/export procedures.
Activities	<ol style="list-style-type: none"> 1- Assistance in organizational setup and internal governance 2- Assistance in Institutional Development and coaching 3- Assistance in Management Information Systems development 4- Assistance in the production of promotional materials and in conducting educational and public awareness activities. 5- Delivery of training on different issues 6- Organization of Study Tours 7- Preparation of position papers 8- Supplies of IT and communication items
Main achievements	<ol style="list-style-type: none"> 1- All expected results in the terms of references of different lots were met. 2- All activities to reach overall and specific objectives were met 3- Expected sustainability would be achieved due to the creation of a Sustainability Unit inside the Ministry of Trade and Industry which is mandated to capitalize on investments done in human capital inside the ministry 4- Coordination with other donors was highlighted in this programme specially USAID's Assistance to Trade Reform Programme and later Technical Assistance for Policy Reform. Both parties were adamant since the start of the project to capitalize on each other rather than replicate work. 5- A by-product of this programme is the capacity building of Egyptian Consultants who were active contributors to work implemented in different component.
Project's main weak points	<ul style="list-style-type: none"> ▪ Training and Capacity building targeted only middle and lower level staff. Senior management inside the government are blocking challenges to some of the creative and modern output of the less senior staff. ▪ Phasing out of the programme was quite abrupt rather than smooth with a lot of delayed activities delivered just before the close-up of the project, which hindered a smooth handover and phasing out of the programme. ▪ Though a sustainability unit was created during the second half of TEP to capitalize on the donors' work inside the ministry, no capacity building or attention was given to the Unit to help in sustainability and rolling out more initiatives. ▪ Design phase lacked technical specialized expertise related to implementation activities of laboratories, accreditation, among others.
Issues	<p>The programme was designed as a Pilot programme. From the Delegation perspective, it was a pilot to be replicated in the region, whereas from the Egyptian side, it was assumed to be rolled out into a full-fledged Capacity building for trade related institutions. There is still a current expectation for a TEP follow-up at the ministry side, which is being programmed for the coming NIP. A trade needs assessment is being conducted now to assess the real need at the Egyptian side.</p>
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission, Delegation in Egypt, “Financing Agreement between the European Community and the Arab Republic of Egypt - Trade Enhancement Programme (TEP-A)” No date. ▪ Ecorys and Altair Asesores, “Final Evaluation of the Trade Enhancement Agreement (TEP A)”, 21 January, 2008

Intervention Title	3. Financial Investment and Sector Co-operation (FISC) – Rural Component
Commission Ref.	MED 2003 005-716
Intervention Start date & End date	Signature FA : 30/05/2004 Start date : 01/02/2005 End date : 31/12/2008
Budget planned	€ 18,000,000
Budget committed	€ 17,910,875 (as of 29/11/2008 – last MR)
Budget disbursed	€ 17,389,785 (as of 29/11/2008 – last MR)
Beneficiary	Ministry of Agriculture and Land Reclamation
Programme Background & History	<p>The liberalisation of Egypt’s economy in the late 1980s put the agriculture and agro-industry as critical sectors in the privatisation process. The agricultural policy reform programme established important improvements in production on basic food crops. However, there are still many constraints against its development:</p> <ul style="list-style-type: none"> ▪ Poor access to irrigation water for large areas in the “New Lands”; ▪ Scarce access to financial resources in the rural areas; ▪ Lack of a systematic approach to increase export of agricultural products; ▪ Slow development of the agricultural processing industry; ▪ Migration and unbalanced development between urban and rural areas <p>The FISC – Rural component project is based upon previous Commission funded projects: the Multi-Sector Support Programme (MSSP) and the Food Sector development Programme (FSDP) which merged to form the Agricultural Sector development Programme (ASDP). The ASDP aimed at increasing employment and income opportunities for the rural population. It ended in April 2004 and, considering its positive accomplishment, the Commission established a credit facility with FISC-Rural to focus on additional rural/agricultural sub-sectors: agricultural input supply and marketing, and access to credit for small entrepreneurs and women.</p> <p>FISC-Rural is inscribed within the framework of GoE policies such as the “Agricultural Strategies for the 1990s” with emphasis on efficient and environmentally sustainable management of land and water, market development and promotion of the private sector, and provision of social safety nets, and the more recent “Agricultural Strategies until 2017” that continue the reform process and stress the importance of the on-farm and off-farm sectors to the rural economy.</p>
Overall objectives	The overall objective is “GoE’s efforts to increase income and job opportunities in rural areas are supported”. It is based on the assumption that the GoE has a positive effect on agricultural sector development.

Specific objectives	The project purpose is “Rural businesses have sustained access to FISC-Rural Finance Credit Scheme”. The assumption is that the GoE continues to support the ASDP/FISC lending schemes.
Expected results	Three main results are expected: 1. The credit system is operational to provide loans to the target groups 2. The Target groups are aware of loan facilities and make use of them 3. The client base is broadened to other agricultural/rural sub-sectors not covered by ASDP
Activities	<p>1.1 Establish and operate the PMU 1.2 Prepare legal documents for programme 1.3 Support FMU to become an autonomous legal entity 1.4 Develop work plans and time schedules for project implementation 1.5 Identify and support focal points in Governorates where relevant</p> <p>For the Institutional Building component: 1.6 Design and implement training programmes for banks 1.7 Support to clients for feasibility studies and carrying awareness campaigns 1.8 Support to intermediaries for feasibility studies and carrying out awareness campaigns</p> <p>2.1 Prepare ToR and undertake in-depth studies in four sectors 2.2 Establish sector-wide formats for client’s feasibility studies 2.3 Undertake promotion campaigns towards the specific target groups of the programme</p> <p>3.1 Promote the establishment of co-operative guarantee Fund at district and governorate level 3.2 Support FMU in reaching an agreement with an appropriate institution providing guarantees 3.3 Link with micro-finance schemes in Governorates</p>
Main achievements	<p><u>General:</u> At the end of 2008 (final evaluation), the project has attained its objectives and purposes i.e to enlarge the credit capacity in the rural areas and to increase awareness in particular towards the poor target groups.</p> <p>Loans were provided to all rural agribusiness value chains from farm to fork, addressing issues and creating opportunities for income generation and employment. Some of the issues addressed were:</p> <ul style="list-style-type: none"> ▪ Improving irrigation problems and shortage of water accessibility ▪ Improving production yield through the availability of appropriate fertiliser ▪ Enhancing quality of produce through the availability of certified seeds and seedlings ▪ Increasing percentage of export quality produce ▪ Improving farming efficiency through mechanisation ▪ Improving market access ▪ Increasing income by expanding the opportunity to leverage better price than the farm-gate price

- Expanding production or business and creating new job opportunity

In detail:

Out of the 232 loans applications which went through the process of approval, 88 % were finally approved (204 loans) with a total value of around 131 million EGP, forming about 81% of FISC-R total credit value.

The thematic repartition of loans is as follows: marketing (47%), input supply (40%), and post-harvest activities (13%). Post-harvest activities are much higher in creating job opportunity, where women constitute 80% of that opportunity.

Upper Egypt received more than 55% of the loans application. There was indeed an identified strong need for the credit services in this region.

The repartition of the FISC-Rural loans by types of beneficiaries is as follows: individuals/Sole Proprietors (72%), agricultural cooperatives (18%) and business firms (11%). It should be noted that the agricultural cooperatives have the highest number of end users beneficiaries (73.3 %), i.e. 2659 out of 3625 total FISC-Rural end users beneficiaries. 6% of the loans reached female beneficiaries while the remaining loans targeted men.

Four participating banks received loans applications: BOA, CIB, NEB and PBDAC. Even though the CIB has the lowest percentage of numbers of loans 9% (21 loans), it has the highest percentage of the total loans' values 59% (96.6 million LE). CIB targeted the medium business sector firms that already have access to credit and can provide the bank with all collaterals required. On the contrary PBDAC has the highest number of loans (139 loans) forming 61% of the total but it has the lowest total loans' value of (11.5 million LE), forming only 7% of the total loans' value.

The number of loans less which amount to less than 100,000 LE represented more than 50% of the number of total loans but they represented less than 6% of the total loans' value (7.3 million), while the loans from 4 up to 5 million LE are only 15 but they utilized more than 57% of the total fund (75 million LE).

The project contributed to support the GoE's efforts to increase income through the creation of job opportunities. A job creation estimation has been realised during the final evaluation of the project. It is based on a beneficiary's representative sample interviewed during the field visits of the final evaluation. Eight categories of the loans' purposes which represent 6.5% of the total FISC-R loans out of the 13 categories (see table hereunder) have been considered. The 5 remaining (farming, miscellanies, promotion, trade, and working capital) have not been visited and are therefore not part of the estimation. They form less than 10% of the total approved loans. Moreover, the job created within those groups is hard to estimate and subject to many factors.

Loans' Purpose Category	Benef. Of Approved Loans	Reported Job Created for each Beneficiary			Calculated Jobs created By FISC-R		
		Permanente	Casual	indirect	Permanente	Casual	indirect
Cooling/Packing/Storage	35	10	7,200	Y	350	252,000	980
Seeds/Seedlings	6	3	600	Y	18	3,600	50
Honey Production	11	2	250	Y	22	2,750	62
Machinery	308	2	300	Y	616	92,400	1,725
Trucks	76	2	0	Y	152	0	426
Irrigation	1,082	1	0	Y	1,082	0	3,030
Animal Husbandry	1,143	1	0	Y	572	0	1,600
Fert./Pest/Seeds	590	0	0	Y	0	0	0
Farming							
Miscellanians							
Promotion							
Trade							
Working Capital							
	3,251				2,812	350,750	7,872

Notes:

- Reported figures are for the new permanent and casual jobs created including family labour.
- The estimated indirect jobs created is based on a study on employment generation conducted by USAID-Egypt, Agriculture Policy Reform Project- Determinants of Employment Growth in Egypt, Dominant role of the rural small/ medium scale sector) by Jhon Mellor & Shara gavin - 1999 where a factor of 2.8 jobs was estimated presenting the indirect jobs created as a multiplier effect for each permanent direct job created in the agribusiness value chain.

Source: Final evaluation

The project also promoted the credit line facilities through:

- 12 promotional seminars and 5 training courses (348 participants trained in total) organised for target groups throughout the country to encourage banks towards a more commercial cash-flow lending approach for rural agribusiness;
- Media: 22 articles and 1 radio and TV programmes organised to provide training materials for participants in bank training workshop (manuals, books, films, etc.)
- and by the establishment of focal points at General Agricultural Directorates in four Governorates (out of the six planned) with the aim of facilitating the extension of loans to the disadvantaged groups.
- At the time of the field mission, the credit line was still active.

Project's main weak points

Design:
There is a general tendency in the project design to be overambitious or too diverse from the actual rural market demand and small beneficiaries' capacities. Participating Banks see the project as an opportunity to rectify many of the diverse shortcomings within their businesses

Implementation:

- The FISC-R's start-up and mobilisation suffered of delays for almost two years.
- Beneficiaries underestimated the additional efforts required and the documentation needed to participate to FISC-R. The project goals and objectives were not clear to all Participating Banks and beneficiaries.
- The Board of Trustees approved several loans to large food processing companies representing 90% of the first tranche of the Credit line (€6M). The Commission

	<p>suspended the payment of the second tranche of €5M and clarified the criteria defining small and medium agro-businesses in a MoU which came into force in 2007.</p> <ul style="list-style-type: none"> ▪ The last MR and final evaluation pointed out that participating banks were reluctant to approve loan applications on a cash flow basis –while the FA envisaged a credit facilities’ approach based on the cash-flow basis-. Indeed, Participating Banks were always requiring collaterals and guarantee, hereby depleting the social target of the project on the more disadvantaged groups of the rural areas. This loans acceptance process favoured stronger beneficiaries. This mostly resulted from the inadequate banking financial regulation in risk management and collateralising credits. ▪ There has been a lack of a structured internal monitoring and evaluation able to follow adequately all the credit lines. ▪ The establishment of the Focal Points encountered delays and they became operational too late in the project life and could not have the impact expected.
Issues	<ul style="list-style-type: none"> ▪ The Ministerial decree issued in October 08 by the MoALR diverted the ASDP credit line to finance agricultural research activities. The FISC-Rural credit line still exists: a Ministerial decree changed the name of the Project Secretariat to a “Fund Management Unit” under the supervision of the MoALR ; the government finances the recurrent costs of the unit. ▪ The final evaluation also points out that future support for credit in such areas will depend on how the MoALR will utilise funds in the future: for credit purpose or shift it into a research budgetary support. ▪ The 2nd MR mentions that the risk of erosion of the FISC credit capital is real because only 4.3% of the repaid interest credit the revolving fund. It is not enough in comparison of the 9-10% of the annual inflation rate. At the time of the final evaluation, the gap between the inflation rate (around 20%) and the FISC-R interest rate is still huge (7-9%). In that respect, the final evaluation mentions that the revolving fund will be depleted in 6-7 years. At the time of the field mission, the credit line was still active and revolving. CIB continues managing the fund and the same Participating Banks are still involved. It is foreseen to gradually increase the FISC-R interest rate proposed to the beneficiaries in the course of the project so as to reach the market interest rate (market interest rate: 14%; FISC-R interest rate: 7%). ▪ FISC-R succeeded in raising awareness and access to the credit facilities but with limitation in broadening the client base due to the banking financial regulation in risk management and collateralising credits. Future EU interventions in the same area might need an innovative approach, for instance by allocating financial assistance to establish a guarantee fund and/or to support the current guarantee institutions.
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission – Egypt, Country Strategy Paper 2007-2013, 04/01/2007 ▪ European Commission, Delegation in Egypt, “Financing Agreement between the European Commission and the Arab Republic of Egypt – Financial Investment Sector Co-operation (FISC) Rural Component”, 30 May 2004

	<ul style="list-style-type: none">▪ European Commission, Memorandum of Understanding, FISC-Rural▪ European Commission, Monitoring Report, FISC Rural component, 22/11/2006▪ European Commission, Monitoring Report, FISC Rural component, 12/11/2007▪ European Commission, Monitoring Report, FISC Rural component, 29/11/2008▪ Danish Agricultural Advisory Service, Financial Investment and Sector Cooperation, Final Evaluation of the Rural Component Project – Egypt, Final report, January 2009.
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Intervention Title	4. Financial Investment and Sector Co-operation (FISC) – Social Component
Commission Ref.	MED/2003/5719
Intervention Start date & End date	Signature FA: 30/09/2004 Start date (planned) : 30/09/2004 Start date (actual): 19/08/2005 End date (planned) : 31/12/2008
Budget planned	€ 17,000,000
Budget committed	€ 16,090,170 (as of 19/05/2008 – last MR)
Budget disbursed	€ 15,747,016 (as of 19/05/2008 – last MR)
Beneficiary	Social Fund for Development
Programme Background & History	<p>In its efforts to develop the economy and combat unemployment, the GoE assists the development of the small and medium enterprises (SME) sector. Micro and small enterprises (MSEs) represent a large potential in job creation and income generation: they make up more than 90% of the private sector activities. A major constraint for the development of MSE is the lack of access of financial services (FS) to meet their working and investment capital needs and numerous non-financial constraints: lack of technical skills, limited access to information and technology, inadequate physical facilities, managerial short-comings, marketing problems and constraints related to the regulatory and legal environment.</p> <p>In 1991, the GoE created the Social Fund for Development (SFD) in order to promote this sector. Established as a quasi-governmental agency under the supervision of the Prime Minister, SFD is financed by the GoE and a number of donors (the Commission has supported SFD since its establishment). The law 141/2004 on MSE attributed a leading role to the SFD in assisting the development of MSEs through the provision of financial and non financial services to MSEs. SFD's Small Enterprise Development Organization (SEDO) operates credit facilities to SMEs through the banking system as well as a range of non-financial services. SFD's Micro-Finance Unit (MFU) focuses on supporting micro entrepreneurs relying more on the NGO sector.</p> <p>The FISC – Social project consists of two components:</p> <ul style="list-style-type: none"> ▪ one to support small entrepreneurs with loans (FS) and technical assistance (non financial services -NFS-) through selected intermediary banks; ▪ the second to support micro-entrepreneurs with FS and NFS through nine NGOs. <p>At the same time, capacity building of the SFD was to be supported by two TA.</p> <p>The project is supportive of the GoE National strategy for Micro-Finance and the GoE law 141/2004 on the development of small enterprises.</p>
Overall objectives	The overall objective is to contribute to poverty reduction and socio-economic development through job creation and income generation for low-income groups, thus contributing to stronger economic and social cohesion.
Specific	<ul style="list-style-type: none"> ▪ Strengthen the role and capacity of SEDO and its partner institutions in provisioning FS

<p>objectives</p>	<p>and NFS to benefit small, medium sized and micro-enterprises with limited or no access to financial services;</p> <ul style="list-style-type: none"> ▪ Support the capacity building of the NGOs as well as the institutional capacity building department (ICB) of MFU to increase the retailing capacity of the intermediaries; ▪ Contribute to enhanced economic status of women by specific attention to female entrepreneurs.
<p>Expected results</p>	<p>The following results are expected:</p> <p><u>SEDO FS:</u></p> <ul style="list-style-type: none"> ▪ Expanded outreach to the benefit of SEDO’s lower spectrum of clients ▪ Improved impact in terms of job creation and income generation <p><u>SEDO NFS:</u></p> <ul style="list-style-type: none"> ▪ Improved quality and efficiency of services offered to MSEs ▪ Improved skills of small entrepreneurs ▪ Access of target groups to support services <p><u>MFU FS:</u></p> <ul style="list-style-type: none"> ▪ Expanded outreach to the benefit of MFU’s clients ▪ Improved impact in terms of job creation and income generation <p><u>MFU NFS:</u></p> <ul style="list-style-type: none"> ▪ Improved quality and efficiency of services offered to MSEs ▪ Improved skills of micro entrepreneurs ▪ Access of target groups to support services <p><u>SFD:</u></p> <ul style="list-style-type: none"> ▪ Improved capacity of SEDO and MFU to deliver NFS ▪ Improved institutional capacity of SEDO and MFU and of their intermediaries (Banks and NGOs)
<p>Activities</p>	<p><u>Component 1: SEDO services to small enterprises:</u></p> <ul style="list-style-type: none"> ▪ Financing a Credit Facility Fund for provision of credit lines to banks to provide loans to small entrepreneurs for working/investment capital ▪ Support to SEDO for introduction/use of innovative tools like mobile delivery of assistance to small enterprises and other instruments of on-the-spot assistance in NFS <p><u>Component 2: MFU services to micro-enterprises:</u></p> <ul style="list-style-type: none"> ▪ Financing a Credit Facility Fund for provision of a combined package of credit lines, grants and training to selected NGOs with a view to increasing their financial and non-financial services for micro-entrepreneurs ▪ Support to the upgrading of NFS of MFU by facilitating the development of flexible instruments

<p>Main achievements</p>	<p><u>Technical Assistance:</u></p> <p>The work of the two full time international TA (one to SEDO present for 18 months and one to MSF for 12 months) and of short term TA has been qualified as very professional by the final evaluation. The following achievements justify this statement:</p> <ul style="list-style-type: none"> ▪ A strategy and marketing working group initiated by the SEDO TA contributed to the production of the National Strategy for small enterprises development (still under preparation at the time of the final evaluation); ▪ Two study tours were conducted in Malaysia and Bangladesh and a few seminars for SFD and the bank raised the participants’ awareness of MSE finance issues; ▪ The ability of the intermediary bank in its operations with small enterprises was developed through a number of seminars and workshops; ▪ Progress is made in the move from supply-driven standard BDS delivered free of charge towards the support of a commercial BDS market over time (a fee sharing mechanism for some of the NFS delivered by the regional offices is now imposed); ▪ The capacity of SFD staff has been raised through trainings delivered to head office and regional offices through cooperation with an Egyptian business service provider; ▪ Courses in a number of technical fields have been delivered to NGOs all through Egypt by local providers with the support of the TA. <p><u>Financial services:</u></p> <p>1. <u>Small enterprises:</u></p> <ul style="list-style-type: none"> ▪ SEDO operates lending programs focused on bank intermediaries that work directly with clients. National Bank of Egypt (NBE) is the first partner of SEDO and the biggest bank in Egypt owned by the government. As of September 2008, SEDO had utilised the fund from FISC social agreement through NBE branches in the 26 governorates to provide 3,061 loans to end beneficiaries worth LE 86,844,288 millions which contributed to the creation of 14,262 jobs. The average loan size is LE 28,371. The loans mostly benefited to Upper Egypt (44%) and Lower Egypt (44%). They were mostly used in trade (46%) and in agro-business (30%). <p>2. <u>Micro-enterprises</u></p> <ul style="list-style-type: none"> ▪ As of October 2008, MSF had 9 active loan contracts with NGOs intermediaries from FISC Social agreement, with total contract amount of LE 22,500,000 already transferred to the NGOs (LE 20M remaining outstanding). The NGOs have on-lent 15,789 loans to the end beneficiaries worth LE 49M. This enabled the creation of 18,947 jobs. With an average loan size of LE 2,000, the project is well within the target of loans below LE 10,000. FISC social program reached the poorest strata of the Governorates (Menia and Aswan). It helped the micro-entrepreneurs visited by the final evaluation team to cross the poverty line and succeeded in generating self employment for themselves and their family. <p><u>Non Financial Services:</u></p> <ul style="list-style-type: none"> ▪ Support to the capacity-building of SFD (trainings, study tour, micro finance best practice hand book, financial guide, etc.) ▪ Needs of the project MFS intermediaries assessed; ▪ Training delivered to the project nine NGOs by the TA team (finance, strategic planning, etc.) ▪ Workshops developed by the SEDO TA for banks senior management and SEDO senior staff
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	<p>It is worth noting that the bank and NGOs benefited from the various trainings and workshops organised and the capacity of the NGOs has improved significantly. The complementarities of loans, NFS and grants have been appreciated by the NGOs.</p>
Project's main weak points	<ul style="list-style-type: none"> ▪ It took nearly 3 years to finalise all the necessary formalities from the Egyptian government and Parliament to sign the FA. ▪ As far as the TA is concerned, the capacity building foreseen under Components 1 and 2 made a much appreciated contribution but was unable to complete several of the outputs as a consequence of inadequate time and resources available. ▪ Commission standard grant contracts regulations are not well adapted to the needs of NGOs involved in micro-finance operations (administratively cumbersome).
Issues	<p>The SFD is dependant on donor finances (particularly on grants and TA) in order to fund its capacity building, organisational development and internal administration.</p> <p>The situation of the financial system in Egypt has evolved. Financial markets and banks are now fairly liquid and do not require as much funding support as before. This will impact on the design of future Commission interventions in this sector which should design incentives for the banks to service the MSE market segment instead of granting credit lines to banks in favour of MSEs. The final evaluation recommends the Commission to organise its support to SME on a non lending basis through SFD focusing more on improving the enabling environment for SME financing.</p>
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission – Egypt, Country Strategy Paper 2007-2013, 04/01/2007 ▪ European Commission, Delegation in Egypt, “Financing Agreement between the European Community and the Arab Republic of Egypt – Financial Investment Sector Co-operation (FISC) Social Component”, 30 September 2004 ▪ European Commission, Project Synopsis, FISC Social component, no date ▪ European Commission, Monitoring Report, FISC Social component, 01/12/2005 ▪ European Commission, Monitoring Report, FISC Social component, 22/11/2006 ▪ European Commission, Monitoring Report, FISC Social component, 12/11/2007 ▪ European Commission, Monitoring Report, FISC Social component, 19/06/2008 ▪ ARCADIS, FISC Social Component, Inception report, September 2006 ▪ ARCADIS, FISC Social Component, First Progress Report, October 2006 ▪ ARCADIS, FISC Social Component, Second Progress Report, February 2007 ▪ ARCADIS, FISC Social Component, Third Progress Report, May 2007 ▪ ARCADIS, FISC Social Component, Fourth Progress Report, July 2007 ▪ ARCADIS, FISC Social Component, Fifth Progress Report, October 2007 ▪ Mott Mac Donald, FISC Social Component, Report Study tour to Malaysia, December 2007 ▪ Mott Mac Donald, FISC Social Component, Final Report, February 2008 ▪ Transtec, FISC Social Component, Final Evaluation, December 2008

Intervention Title	5. Financial Investment and Sector Co-operation (FISC) – Financial Component
Commission Ref.	MED/2004/6224
Intervention Start date & End date	Signature FA: 30/09/2004 Start date (planned) : 30/09/2004 Start date (actual): 01/01/2005 End date (planned) : 31/12/2010
Budget planned	€ 15,000,000
Budget committed	€ 14,223,350 (as of 13/06/2008 – last MR)
Budget disbursed	€ 10,633,800 (as of 13/06/2008 – last MR)
Beneficiary	Central Bank of Egypt and Egyptian Capital Market Authority
Programme Background & History	<p>Following a Financial Sector Assessment in 2002, the GoE launched in 2004 the Financial Sector reform Programme (FSRP), which was to cover the period 2005-2008. This reform is aimed at providing Egypt with an efficient financial market, able to provide financing for the growth of the economy, and conforming to international financial regulations. The total cost of this programme has been estimated in 2006 at \$9bn, \$1bn of which is financed by loans (from the world Bank and the African Development Bank) and the rest by the GoE's own resources. The FSRP includes the divestment from some State Owned Banks, the restructuring of the others to improve their efficiency and clean their balance sheet, the improvement of the methods used by those banks, in particular to facilitate the credit to SMEs, the introduction of new regulations and new methods by the regulating authorities, and the implementation of international accounting methods.</p> <p>The Commission project fits within the FSRP. It aims at reinforcing the main regulating authorities and at improving the efficiency of two major State owned banks, so that they can lend more efficiently to the private sector, and in particular to SMEs.</p>
Overall objectives	The overall objective is to contribute to the modernisation of the Egyptian financial sector (Banks, Financial Institutions and Regulators) in order to meet the challenges of globalisation and to support private sector growth in the Egyptian economy.
Specific objectives	The PP is the introduction and/or reinforcement of international standards and best practices as regards the governance, regulation and operation of the Egyptian financial sector.
Expected results	<p>The following results are expected:</p> <p><u>Financial sector supervision (Central Bank Egypt – CBE):</u></p> <ul style="list-style-type: none"> ▪ Strengthened and focused banking supervision in Egypt, and in particular smooth implementation of the Basel II Capital adequacy regime by the CBE (foreseen in 2006/07) following a period of effective preparation. ▪ Increased capacity of the Money Laundering Combating Unit (MLCU) within the CBE to assume its' role as Egypt's Financial Intelligence Unit (FIU) and to implement existing and future FATF rules and guidelines as regards Anti-Money Laundering / Combat the Financing of Terrorism (AML/CFT). ▪ Implementation of new inter-bank payments system (e.g RTGS).

	<p><u>Restructuring of selected public sector banks:</u></p> <ul style="list-style-type: none"> ▪ Publication of a clean, timetabled restructuring strategy for each of the large public sector banks ▪ Execution of a wide-ranging Operational Restructuring Plan for selected public sector banks to increase profitability and sustainability <p><u>Support to the Capital Markets Authority (Corporate Governance):</u></p> <ul style="list-style-type: none"> ▪ Increased institutional capacity of CMA to effectively supervise and monitor corporate governance implementation in Egypt ▪ Corporate governance codes of conduct and training programmes for management established in the main banks in Egypt ▪ The new Directors Centre effectively disseminates corporate governance practice to larger Egyptian companies and raises awareness amongst existing and future institutional investors as well as the judiciary/magistrates
<p>Activities</p>	<p><u>Component 1: Financial Sector Supervision:</u> Overall support for the Bank’s institutional capacity, organisation, structure and human resources development to carry out its missions. Assistance will focus on the following areas : (i) Bank supervision and risk management, (ii) policy advice for banking reform, (iii) support for payments systems, (iv) anti-money laundering (support to the Egyptian money laundering combating unit (EMLCU) hosted in the Central Bank)</p> <p><u>Component 2: restructuring of selected Public Sector:</u> Support to the large four public sector banks that have already embarked upon a modernisation and/or restructuring plan.</p> <p><u>Component 3: Support to the Capital Markets Authority (Corporate Governance):</u> Support further development of the Authority’s institutional capacity, organisation, structure and human resources development to carry out its missions. Assistance will focus on the following areas: (i) support to the CMA corporate governance unit, (ii) embedding of corporate governance practices in the Egyptian financial sector, (iii) raising awareness among the business community, investors and judiciary.</p>
<p>Main achievements</p>	<p><u>Component 1 (CBE):</u></p> <ul style="list-style-type: none"> ▪ The activities have been performed by the European Central Bank in partnership with Banca d’Italia, Bank of Greece, Banque de France, Deutsche Bundesbank (the Eurosystem) ▪ The Preparation of the project has been very detailed and the quality of the experts introduced very well appreciated by the beneficiaries. ▪ Early “buy-in” to the project by top management of the Bank ▪ The component had a major influence in sowing the seeds for cultural change in the CBE and the whole financial sector ▪ The project has put in train the main structures necessary for the CBE to be a strong regulator : upgrading of the banking supervision unit, tackling the non-performing loans issue, the focus of the work is risk-based rather than compliance-based ▪ The level of the beneficiary’s absorption capacity has been expanded during project cycle

	<ul style="list-style-type: none"> ▪ Ownership of the project was assumed by the beneficiary at a very early stage of the project <p><u>Component 2:</u></p> <ul style="list-style-type: none"> ▪ Once the appropriate level of staff was found, the component 2A (Bank Misr restructuring) proved effective: the beneficiary has acquired new skills and has had exposure to advanced banking techniques. This will put Bank Misr in a position to approach the Basel II Standardized Approach model. In Risk Management, credit assessment procedures have been standardized and new rating models have been implemented Through a comprehensive training programme (IAS, Financial statement analysis, cash flow statement analysis, projections, lending rationales) selected Bank Misr staff has studied international best practice in core banking functions. Corporate governance principles were introduced to the Top Management. ▪ As regards component 2 B (Bank NBE Restructuring): where management training regarding the HR Component is concerned, this has made good progress in line with the original plan. Otherwise, due to the slow pace in the restructuring process, it is not foreseen that the Beneficiary will reach international standards and best practices in the short term. <p><u>Component 3 (CMA):</u></p> <ul style="list-style-type: none"> ▪ Project ownership was not fully assumed by the CMA at the very early stage of the project. ▪ A number of unforeseen events affected negatively the implementation of the project. No change of behavioural patterns and the corporate culture based on the provided technical assistance took place within the CMA: the implementation of most of the activities is delayed and no direct results were achieved. ▪ Overall, the deliverables/results have had no significant impact in the Egyptian Financial Sector in the area of regulation, supervision and Corporate Governance. <p>Overall, the project assisted in giving the impetus that is necessary to start the implementing of the reform process.</p>
<p>Project's main weak points</p>	<p><u>Design:</u></p> <p>The risks have not been fully assessed and the expected results of the project are too optimistic:</p> <ul style="list-style-type: none"> ▪ The objectives assigned to component 2 are not achievable by this project alone ▪ In component 2, and particularly the National Bank of Egypt, it took a very long time to have the OO and PP owned by the partners. Only lip service was being paid to the reform process and the project should have focused first on preparing the ground for an acceptance of the reform. ▪ The PP are not achievable during the timeframe of the project. <p><u>Implementation:</u></p> <p>Components 2 (NBE) and 3 encountered significant delays. For Component 2, the ownership of the project by the board was not present. Moreover, a lack of trust between the management and the original team leader compounded implementation problems. In component 3, internal problems encountered within the CMA delayed decisions on the activities and the choice of the experts. The ECD removed two TL and redefined the activities to suit the actual absorption capacity of the beneficiaries and the remaining time frame.</p>

	<p>Component 2</p> <p>At bank Misr, the project initially suffered from the non-existence of staff at the appropriate level in the Bank, resulting in resources being put into the project without much effect on Effectiveness and Impact. Sustainability was further enhanced by the active role played by key staff being hired in the course of project.</p> <p>At NBE, the overall progress of the project at the time of the mid-term evaluation is unsatisfactory. With less than a year of the contract period remaining (disregarding the contingency extension), the Project is not on track as regards the expected objectives in the core area, namely the Risk Management Component. The implementation process has been slow and controversial, while planning and reporting did not work effectively. The absence of adequate absorption capacity within NBE coupled with the previous Team Leader's lack of consultancy experience in developing countries resulted in major delays in the implementation of activities. Although the Bank appears to be satisfied with the improved communications levels and the performance of the new Team Leader, the plan for the remaining part of the Project has not yet been approved and implemented. It is foreseen that even with the immediate implementation of the Risk Management Component activities, there will not be enough time to achieve full impact for this dimension.</p> <p>Component 3</p> <p>The CMA project has been subject to a number of unforeseen events that had a considerable negative effect on project implementation. Changes on top management level of CMA have resulted in changes of priorities, resulting in planned activities being postponed, changed or cancelled. The Team Leader had to be replaced in February 2007 at a very crucial stage of the project, CMA complained that a lack of communication, poor project management and a low quality of some proposed experts led to project delays. CMA never approved the Progress Reports. Project ownership was not fully assumed by CMA at the very early stage of the project. No Steering Committee Meetings were held to detect shortcomings/delays and set corrective measures. Even though 66% of the project duration has already elapsed at the time of the mid-term evaluation, the project had used only 951 (26.5%) out of 3,583 available working days. Most of the activities are delayed and no significant progress was made. The costs benefit-ratio of the project is highly unsatisfactory. The mid-term evaluation stressed that the risk of some of the activities not being implemented before the end of the project is very high and the effectiveness of project implementation is quite low.</p>
<p>Issues</p>	<p>The reform process is far from being finished. Most of the reforms are only beginning to be implemented in both banks and the regulations which were to be issued by the CMA with the project are only being drafted at the time of the last MR. For the CBE, reinforcing the compliance with the Basel II accord will be another task.</p> <p>For component 1, the mid-term evaluation points out that although there is little doubt that the benefits of this project can be sustained in the longer term due to the solid foundations that have been laid, there must be some question over the sustainability of further phases of development e.g. preparation for Basel II, particularly in the absence of continued Technical Assistance. In that respect, it recommended that a decision regarding the provision of continued Technical Assistance even of an interim nature had to be taken immediately before completion of this project. This recommendation has not been followed, and although the second phase of the programme is under discussion for the Component related to the CBE, the CBE is already receiving support from the ECB.</p>

Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission – Egypt, Country Strategy Paper 2007-2013, 04/01/2007 ▪ European Commission, Delegation in Egypt, “Financing Agreement between the European Community and the Arab Republic of Egypt – Financial Investment Sector Co-operation (FISC) Financial Component”, 30 September 2004 ▪ European Commission, Project Synopsis, FISC Financial component, no date ▪ European Commission, Monitoring Report, FISC Financial component, 22/11/2006 ▪ European Commission, Monitoring Report, FISC Financial component, 12/11/2007 ▪ European Commission, Monitoring Report, FISC Financial component, 19/06/2008 ▪ ING Advisory Services B.V and Bearing Point, The EU’s FISC Financial Component 2 Programme for Egypt, Assistance for the restructuring of National Bank of Egypt, Draft Final Report ▪ Support to the Capital Market Authority (with a focus on corporate governance) - Third Progress Report, September 2006 – March 2007 ▪ GDSI, Mid-term evaluation of the FISC-Financial programme, November 2007
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Intervention Title	6. Water Sector Reform Programme
Commission Ref.	MED/2005/017-543
Intervention Start date & End date	Start: entry into force of FA: 29/11/2005 End Operational implementation phase: 31/12/2008 End Closing Phase: 31/12/2009
Budget planned	Policy-based financial cooperation grant of € 80 million of which: <ul style="list-style-type: none"> ▪ Budget support: 78 million EURO (minimum) in 3 yearly tranches (€30m, €30m and €18m) ▪ Complementary support: 2 million EURO (minimum) of which €1.85m TA and €0.15m audit/evaluation.
Budget committed	From the inventory: 2005: € 78 336 835 2006: € 0 2007: € 819 865 2008: € 693 300 <hr/> Total: € 79 850 000
Budget disbursed	€ 61 034 346
Beneficiary	Ministry of Finance, Ministry of Irrigation and Water Resources and Ministry of Housing, Utilities and Urban Communities
Programme Background & History	<p>The importance of world-wide improvement in the management of water resources has been recognised by the EU at the World Summit for Sustainable Development in Johannesburg in 2003 (EU Water Initiative (EUWI) published in 2003 building on the comprehensive Water Framework Directive issued in 2000 at the European Level). Within this context, the Commission included support to reforms in the water sector in its 2005-2006 NIP.</p> <p>The problems in the water sector are identified as pollution (and thus water quality), the ability of the Nile to preserve its dilution capacity, environmental damage linked to wastewater, sanitary facilities and inappropriate sanitation infrastructure. Public investment in the water sector (44.5% of total public investment in 2003 and 31.8% of all capital transfers in 2003) has not been able to keep pace with population growth, especially in the sanitation sub-sector and in rural areas; economic growth and per capita incomes have impeded full cost recovery on urban and agricultural water uses. Sluggish economic growth is attributed to the crowding out of private sector access to finance by huge public financing needs and to a weak financial sector.</p> <p>In water public investments have not been made according to needs and absorption capacities engendering wasted investment and O&M costs. Tariff structures are unbalanced and unequitable. The regulatory framework is fragmented and weak leading to low water use efficiency (high leakages and poor water supply and sanitation services).</p> <p>Several attempts have been made to an integrated water management approach with integrated institutional framework:</p> <ul style="list-style-type: none"> ▪ 1980 National Water Plan ▪ Water Policy Reform Programme (WPRP) initiated during Phase 3 (1996-1999) of the Agricultural Policy Reform Programme (APRP) funded by USAID. ▪ 2003 paper on Inter-Ministerial Water Policy Integration. ▪ National Water Resources Plan (NWRP) (with assistance from the Netherlands and

	<p>building on past policies supported by UNDP and WB).</p> <ul style="list-style-type: none"> ▪ Integrated Water Resources Management (IWRM) Action Plan (supported by the WB) ▪ National Environment Action Plan (NEAP) 2002-2017 (supported by UNDP) ▪ Governmental Environmental Action Plan (GEAP) (supported by the UK). <p>The Commission’s programme comes at a time of institutional breakthrough with the issuance of Presidential Decrees 135/2004 and 136/2004. It provides a comprehensive reform framework which binds together and ties internally a number of policy measures in a consistent manner. As such, it purposely aims at:</p> <ul style="list-style-type: none"> ▪ Putting into motion new reform initiatives by the Egyptian Authorities; ▪ Renewing and strengthening already involved Donors motivation to stay in the Water Sector; ▪ Attract new Donors in the field, as a result of the overall streamlining of public investment priorities. <p>The policies (supported and promoted by other donors) that the programme will support and consolidate include:</p> <ul style="list-style-type: none"> ▪ <u>Water Policy Development</u>: development of National Water Plan by the MWRI (NL support) and definition of new agricultural and other water policies by the MALR (USAID support); ▪ <u>Institutional Improvement</u>: decentralization of water management; development of Water Users Associations (with support by KfW, Netherlands, USAID and The World Bank); ▪ <u>Financial Sustainability</u>: introduction of cost-sharing arrangements (study by KfW); ▪ <u>Environmental Sustainability</u>: development of a Water Quality Unit and an Environmental Quality Unit within MWRI in connection with the Ministry of State for Environment (support by Netherlands, USAID and CIDA); ▪ <u>Physical Sustainability</u>: through various projects for infrastructure upgrading (irrigation, drainage, pumping stations, etc...) with the support of the World Bank, the European Investment Bank and a large number of other donors including EU Member States. <p>This policy agenda for reform is still under development and will require further refinement and integration of sub-sectors (such as potable water, wastewater, sanitation, industrial water, water reuse, water treatment, etc...) falling under the responsibility of other Ministries, such as , inter alia, MHUUC, MALR, MOEA, MOLD. A high level of political leadership and institutional capacity will be required to support this process of policy integration for the water sector.</p>
<p>Overall objectives</p>	<p>The objectives of the support as detailed in the FA are as follows: To transform the national water resources into significant factors of stepped-up and sustainable growth in the long term. This entails improving general efficiency in water uses and management as well as a strengthened framework for public finance planning and monitoring in the sector. Private participation in, and decentralization of water management will also be fostered as core components in this overall objective.</p> <p>The manner in which these objectives are stated in the FA downplays the extent to which this SBS supports an in-depth reform of the organisation and management of the water sector. Indeed, looking at the specific objectives and activities presented in the FA, the overall objectives of the SBS could be clearly stated as:</p> <ul style="list-style-type: none"> ▪ Rationalisation of public finance management in the water sector; ▪ Preparation of legal/institutional reforms aiming at integrated water management; ▪ Promotion of the decentralised management at the operational level; ▪ Promotion of public-private partnerships; ▪ Deepening the legal/institutional reforms in water supply (drinking water) and sanitation.

<p>Specific objectives</p>	<p>The specific objective of the support is the reorganisation of the water sector overall management and specifically in such way that (i) needed investments for the delivery of water in all its uses are decided and implemented on economically optimal grounds, (ii) funding of water capital expenditures and recurrent costs is rationally and equitably distributed and shared and (iii) the environmental sustainability of water management is insured over the long term.</p>
<p>Expected results</p>	<p><u>Expected outcomes</u> of the programme are as follows:</p> <ul style="list-style-type: none"> ▪ The public finance resources earmarked for providing adequate supply of water to all water-users are managed efficiently and transparently and public services are made fully accountable with respect to quality and performance; ▪ Public expenditure for providing water to Egyptian consumers are reorganized on a sound fiscally decentralized basis and the Budget Cycle for preparing and executing these expenditures is resolutely restructured around the managerial production of measurable results and impacts. ▪ Water flows and water quality are adequately monitored and the information provided by the recording / monitoring systems is fed into operational institutions in charge of delivering, on nation-wide basis; ▪ Costs of access to safe drinking water are equitably shared between consumers and public authorities involved in the WS&S public services general duties; this is operated on a transparent and neutral manner by an autonomous, technically competent and well equipped Regulator; ▪ Private operators' (domestic and foreign) technical capabilities and investment means are attracted into Water Sector management and investment ventures, through appropriate legal and regulatory texts, increasing thereby the managerial capabilities of the Water Sector at-large; ▪ Environmental and health concerns linked to water pumping from aquifers, from industrial and households effluents into water streams, from solid waste disposal in water ways and from inadequate sanitation facilities in rural areas are tackled on effectively monitored bases; ▪ Tariffs applied to water supply and to sanitation services are regulated in an equitable manner, balancing the needs (i) to have financially viable services providers, and (ii) to charge consumers at prices reflecting the services value and quality; ▪ The HCWW Affiliates are managed on a cost-effective manner, waste and leakages in water flows are reduced to best practice standards and consumption is monitored, metered and invoiced according to fair and reliable procedures; ▪ Drinking water is supplied safely and at equitable costs to a substantially increased proportion of the population, by financially viable, well managed and technically able local WS&S operators gradually expanded to all Governorates. <p><u>Expected impacts</u> of the programme are as follows:</p> <ul style="list-style-type: none"> ▪ Public savings through better cost recovery/effectiveness/sharing ▪ Shift of water management responsibilities to local institutions accompanied by higher level Water Boards coordination ▪ Enhanced fiscal responsibility and transparency through the result-oriented methodology of the PBB system

	<ul style="list-style-type: none"> ▪ Elimination of off-budget outlays by the Single Treasury Account apparatus. ▪ Legal amendments to the NWRP ▪ Optimised distribution and use of water and improved ability to react to water shortages ▪ Reduced acreage of paddy cultivation, ▪ Management and assessment of drainage to sea suitable for minimum salinity management in the lower Delta. <p>- Coordination of all WS&S activities with direction, monitoring and evaluation of their institutional and operational performance with a Master Plan as the main output (to be incorporated in the 6th Five-Year Plan)</p> <p>- Production of a Rural Sanitation Strategy (including compatibility with other water services)</p> <p>- HCCW and its affiliates operate on commercially viable principles.</p>
<p>Activities</p>	<p>20 actions under 3 components to be implemented gradually in 3 phases (each corresponds to a BS disbursement tranche):</p> <p><u>Component A (Macro-economic and public management framework)</u>: restructuring of the budgetary process (improving efficiency and transparency in budget preparation and execution) through modernizing budget classification, automating accounting and reporting, unifying financial flows in a Single Treasury Account, achieving the required amount of fiscal decentralization and implementing Performance-Based Budgeting in the Water Sector (based on PER conclusions for this sector).</p> <p><u>Component B (Implementation of water sector management policy)</u>: strengthening of the legal and regulatory framework (clarification of licensing procedures, provisions for public-private partnerships (PPP) in water management and investment) with priority to implementation of awareness of the value of water, in actively promoting PPPs, in better measuring and monitoring water uses and water quality, and in having in place the integrated water management implementation institutions.</p> <p><u>Component C (streamlining water supply and sanitation system)</u>: streamlining the Water Supply and Sanitation (WS&S) public services through updating the WS&S national master plan, restructuring WS&S public investment conception and implementation, effectively regulating this natural monopoly and improving its statistical framework, and gradually transforming all local WS&S operators into financial autonomous commercial enterprises. According to detailed description: support the implementation of Presidential Decrees (PD) 135 and 136 of 2004 and of broader reforms (establishment of Utilities and Services Subcommittee, rationalisation of investment priorities through a redefinition of the mandates and responsibilities of a number of institutions, phasing out of subsidies to HCWW and review of public tariff structures.</p>
<p>Main achievements</p>	<p>All but three of the activities have been implemented successfully. The programme appears to have contributed to the successful implementation of the sector reform and had a significant impact upon improvement in the sector’s integrated management. It has contributed to:</p> <ul style="list-style-type: none"> ▪ improved sector framework with an integrated strategy, an operational M&E system, a formalised sector dialogue based on a matrix of measures based on the reform plan; ▪ a more coordinated and more exhaustive policy dialogue that has led to identification of problems and elaboration of recommendations and the move of other donors to a more integrated support to the sector; ▪ important institutional changes through capacity building, legal and institutional strengthening; ▪ putting into place conditions for sustainable management of the sector, including

	progress towards cost recovery, including at decentralised level, and elaboration of the National Master Plan for Water Supply and Sanitation and the Master Plans (MP) at governorate level.
Project's main weak points	So far the MR seems very glowing and no specific weaknesses have been identified.
Issues	<ul style="list-style-type: none"> ▪ The holding company has received important funds from the GoE (indirectly from the EC via SBS): these have been used to buy (inter alia) expensive and sophisticated equipment, to hire expert engineers etc, which seems at odds with the social objectives of supporting the sector. ▪ The main objective of reducing the weight of the water sector in public expenditure has not been achieved: tariffs have been recalculated on a cost basis but did not receive approval of GoE for implementation; as a result subsidies to the sector, based on these higher tariffs, are even higher than before and represent an even greater drain on the national budget. ▪ No data have been provided which would enable verification of the results achieved in terms of improvement of water quality, reduction of leakages, improved cost-effectiveness. ▪ The development of the Master Plan is a step forward only if it is effectively used to prioritise investments; this remains to be verified.
Documentary sources	<ul style="list-style-type: none"> ▪ Euro-Med Partnership, Egypt Country Strategy Paper 2002-2006 & National Indicative Programme 2002-2004 ▪ EURO-MED Partnership EGYPT, National Indicative programme 2005-2006 ▪ Egypt Country Strategy Paper 2007-2013 ▪ Euro-Med Partnership, Egypt, National Indicative Programme 2005-2006 ▪ EU/Egypt Action Plan (annex of council decision of 07/06/06) ▪ Annual Action Programme 2008 for Egypt ▪ European Neighbourhood Policy EU – Egypt Joint Action Plan adopted at the 3rd EU-Egypt Association Council, Brussels, 6 March 2007 ▪ Monitoring Report, Program number 17543 (monitoring 10424.02) Water Sector Reform Programme (Egypt), (in 3 separate files) 13/12/2007 13/12/2007 ▪ Monitoring Report, Program number 17543 (monitoring 107600.01), 'Water Sector Reform Programme (Egypt)' (F.Lauritsen), (in 4 separate documents) 29/11/2008 ▪ EU, DEC Egypt, Water Sector Reform Programme: Assessment of 1st Tranche Conditionality, 01/12/2005 ▪ EC, Water Sector Reform Programme: Compliance Report For The Release of Tranche II 10/12/2006 ▪ Financing Agreement between the European Community and the Arab Republic of Egypt, Water Sector Reform Programme, Project Number: Med/2005/017-543. 29/11/2005 ▪ MN60, MN 83, MN 213, MN 217, MN 218.

Intervention Title	7. Support to the Association Agreement (SAAP)
Commission Ref.	MED/2005/017-557 (EG)
Intervention Start date & End date	December 2005 – June 2011
Budget planned	€2M were first allocated for the promotion of the Association Agreement and pave the way for the €25M SAAP
Budget committed	24,308,146 Euros
Budget disbursed	13,067,395 Euros (dated December 2008).
Beneficiary	All Egyptian Governmental institutions, coordinated by the Ministry of International Cooperation.
Programme Background & History	<p>The EU-Egypt Association Agreement was signed in June 2001 and was ratified by the Egyptian Parliament on 7th of April 2003 and entered into Force in 2004. The Association Agreement envisaged economic and business cooperation and was expected to create a framework conducive to trade and foreign investment, thus enhancing bilateral and regional economic integration. Along with the trade commitments, the Association Agreement entailed a comprehensive upgrading and regulatory framework and the creation or the strengthening of institutions involved in the implementation of the agreement. Within that background, the National Indicative Programme 2005-2006 envisaged the support that will be provided to Egyptian Institutions in the form of capacity building and legislation approximation, developing them to stand up to their Association Agreement implementation roles.</p> <p>The programme consists of short and medium term technical assistance, training and exchange of know-how with counterparts in the EU. With the plans of enforcing the neighbourhood policy at that time, twinning was given particular emphasis in order to support Egyptian administrative capacity through cooperation programmes between Egyptian public administrations and those of EU member States.</p> <p>The assistance utilizes two institution building instruments: Twinning and technical assistance. In addition support institutions can also benefit from capacity building support through the TAIEX instrument and more recently the SIGMA (Support to Improvement of Governance and Management) which are available to Neighbourhood countries and accordingly Egypt.</p>
Overall objectives	The overall objective of the Programme is to foster the success of the EU-Egypt partnership through the Association Agreement.

<p>Specific objectives</p>	<p>To provide an operational fund that can support the public entities that are concerned for the implementation of the Association agreement in preparing and implementing legislative, administrative and institutional measures to fully reap the benefits of the Agreement.</p> <ol style="list-style-type: none"> 1- Progress towards more transparency and simplifications of legislation and standards and compatibility with international standards. 2- Modalities and sectors of bilateral service liberalization in particular on the right of establishment and liberalization of services supplies. 3- Implementation of the new competition law and the related issue of State-Aid 4- Acceleration of the reform of energy and Transport 5- Mechanism to review the implementation and WTO compatibility of the Intellectual Property Rights, IPR, law with international conventions. 6- Suitable regulatory framework for the development of information society. 7- Mechanism to cooperate on social and immigration matters and judicial cooperation both in civil and criminal matters. 8- Enforced legislation related to democratisation and human rights, specially between men and women to comply with the provisions of international conventions.
<p>Expected results</p>	<ul style="list-style-type: none"> ▪ Approximation of the Egyptian legislative and legal framework with that of the EU “Acquis Communautaire” in order to facilitate the implementation of the Association Agreement. ▪ The Improvement of the Egyptian Government capacity and national administrations to comply with the Association obligations ▪ Facilitation of the Adaptation of companies to the legal framework of the future free-trade area.
<p>Activities</p>	<ol style="list-style-type: none"> 1- Creation of a competent Programme Administration Office (PAO) 2- Promotion of the Association Agreement and of the Programme 3- 13 Twinning Projects <ol style="list-style-type: none"> a. Identification of Projects b. Development of Project Fiche (through Technical Assistance) c. Tendering and Contracting d. Implementation e. Evaluation
<p>Main achievements</p>	<ol style="list-style-type: none"> 1- PAO office is in place, established and fully operational 2- Flow of requests and interest from the Egyptian institutions demonstrate effective promotion and publicity activities 3- So far 16 projects have been contracted of which 13 Twinning Projects and 3 Technical Assistance projects; most of them are still being implemented. 4- Twinning Projects covered a diverse number of sectors: <ol style="list-style-type: none"> a. Tourism Development Authority (TOURISM) b. Post and NTRA (INFORMATION AND COMMUNICATION) c. Maritime Safety, Railway Safety, And Road Safety (TRANSPORT)

	<ul style="list-style-type: none"> d. GAFI (INVESTMENT) e. CAPMAS (Statistics) f. Veterinary (AGRICULTURE) g. Occupational Health (MANPOWER AND LABOR) h. Accreditation (TRADE AND INDUSRTY) i. Water Quality and Water Regulation (WATER). <p>5- A new SAAP has been signed in 2008 under the NIP 2007-2010 to support the implementation of the ENPI.</p> <p>8 projects will be financed under the Support to the Implementation of the Action Plan (SAAP II) Euro 17 million, as follows:</p> <ol style="list-style-type: none"> 1. Support to the Egyptian Electricity Regulator (<u>TA</u>). Tender for the Technical Assistance will be launched in Q3 2009 (financed under SAAP II). 2. Support to the New and Renewable Energy Authority (NREA) – (<u>TA+Twinning</u>) Launching of the TA tender will be in Q3 2009. Launching of twinning fiche in Q2 2010. 3. Support to the Real Estate Taxation Authority- (<u>Twinning</u>). Launching of Project fiche will be in of Q3 2009. 4. Support to the Holding Company for Water and Wastewater HCWW – (<u>Twinning</u>) Launching of Project fiche end of Q3 2009. 5. Support to the Consumer Protection Agency - <u>Twinning</u>. Launching of Project fiche end of Q4 2009. 6. Support to Egyptian Water Regulatory Agency - (<u>Technical Assistance</u>) Phase II. TA tender (Phase II) will be launched in Q3 2009. 7. Central Agency for Organisation and Administration - (<u>Twinning/or TA</u>). Twinning project fiche/or TA tender will be launched end of 2009. 8. Support to the National Authority of Quality Assurance and Accreditation of Education (NAQAAE) - <u>Twinning</u>. Fiche will be launched Q1 2010.
<p>Project's main weak points</p>	<p>Some of the weak points should be considered in the light of the intervention’s approach which is totally demand driven: all sectors covered by the AA and the AP are possible candidates for the support offered and the selection of sectors benefiting from the support depend upon the willingness of candidates to implement reforms.</p> <ol style="list-style-type: none"> 1- According to the Monitoring report, the program objective was too broad and not specific enough to help in defining specific sectors selection; the results are too widespread with only a minor focus on trade liberalization which was seen as a major result outcome in the NIP. The objective was subsequently reformulated. 2- Whereas a sector like transport is linked to 3 twinning projects, other vital sectors are not. 3- PAO office setup and operation has been delayed for a substantial portion of the project duration which delayed the whole implementation of activities. The programme was supposed to conclude in 2009, but was extended in implementation only till June 2011. 4- Duration taken for projects development till implementation starts is rather too long 5- Absorption capacity of Egyptian organizations are not as was assumed during the design of the project, which is extending periods of implementation 6- Also the readiness of some Egyptian institutions to host RTAs and follow recommendations was observed in some cases as weak. Relevant project designs should have considered some internal capacity building to enhance institutional capacities to accommodate further

	<p>administration development and approximation interventions.</p> <p>7- Individual interventions’ objectives and scope are over ambitious and quite diverse, not considering the internal capacities of beneficiaries or definite impact and sustainability of activities.</p> <p>8- Legislative changes or administration systems improvement has not been documented as an evident improvement, which is defeating the purpose of twinning.</p>
Issues	<p>1- The motivation of strengthening relations with the EU has been the enforcing tool required to push institutions and government into approximation and Acquis adoption, which is not the case of the Egyptian government.</p> <p>2- All legislation development, updates or changes and most of the administration procedures must be approved by the Egyptian parliament, which would either delay or defer individual institutions in adopting RTAs recommendations related to such.</p> <p>3- Both of the above points should have been considered during the design of the project. Whereas the partnership with the EU and the Association Agreement is favoured by public and private Egyptian communities, the flexibility in approximating the acquis of /to coming closer to European regulations, norms and standards is still challenged, with exception of those which must be harmonized in favour of free trade promotion.</p>
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission, Delegation in Egypt, “Financing Agreement between the European Community and the Arab Republic of Egypt – Support to the Association Agreement”, 14 December, 2005. ▪ European Commission, Twinning and Technical Assistance Projects in Egypt, Support to the Association Agreement, 4 April, 2009. ▪ B&S Europe and CESO, “Mid Term Evaluation of the Support of the Association Agreement”, Final Report, 26th August, 2008. ▪ European Commission, Monitoring Report, Support to the Association Agreement (SAA), 14 June, 2007 ▪ European Commission, Monitoring Report, Support to the Association Agreement (SAA), 29 November, 2008 ▪ European Commission, “Institution Building in the Framework of European Union Policies – Common Twinning Manual”, 2007. ▪ Focus group discussion with beneficiaries ▪ MN 201, MN82, MN 193

Intervention Title	8. Support in the field of democratisation, human rights and civil society
Commission Ref.	MED/2005/17203
Intervention Start date & End date	Starting date 8/05/2006 End date 31/12/2009
Budget planned	€5,000,000 as follows: <ul style="list-style-type: none"> ▪ €4m to Ministry of Justice- UNDP ▪ €0.7m to National Council of Women (NCW), ▪ €0.9m to National Council of Human Rights (NCHR), and ▪ €0.4m to Civil Society (implemented by UNDP)
Budget committed	€4.8M
Budget disbursed	€3.9 (end of June 2009)
Beneficiary	<p>The beneficiary of the programme is the Ministry of International Co-operation.</p> <p>The stakeholders involved in the programme are the:</p> <ul style="list-style-type: none"> ▪ Ministry of the Interior ▪ Ministry of Justice ▪ National Council of Women ▪ National Council of HR ▪ General Federations of NGOs and Foundations
Programme Background & History	<p>The Government of Egypt has already established the National Council of HR, the National Council of Women, the National Council for Childhood and Motherhood and the Family Courts, which represents a progressive development of the agenda of human rights and democratisation.</p> <p>The NIP 2005-2006 identified support for democracy, human rights, involvement of civil society and good governance as priorities for the country. Accordingly, the NIP envisages activities in these fields at institutional (institutions already in place) and civil society level. The Association Agreement between EU and Egypt (June 2004) refers to respect and promotion of HR as well as democratization as basic principles on which to build cooperation and political dialogue, including fostering social development and women’s rights.</p>

Overall objectives	To support the Egyptian efforts undertaken for actions aiming at further consolidating governance in the broad sense.
Specific objectives	Support the development and implementation of institutions, policies and strategies in line with relevant HR international instruments, to which Egypt is party, and standards; To increase the capacities of the Egyptian NGOs and of their umbrella organisation.
Expected results	As stated in the FA, the expected results are: 1. Increase of HR know-how, awareness and expertise of the Ministry of Interior and Ministry of Justice staff in terms of protection of citizen' rights 2. Enhanced capacities of the Women Ombudsman offices' staff to be effective in the record of women rights complaints and in addressing gender discrimination 3. An efficient Complaints (Ombudsman) Office at the NCHR is established 4. Increased capacity of the Egyptian NGOs and their umbrella organization especially in the areas of internal democratic governance, planning, networking administrative financial management, sustainability an access to international funding opportunities.
Activities	As specified in the FA, activities are as follows: Project 1: support to the Ministry of Interior in the field of HR and democratization (implemented by UNDP) Activities: <ul style="list-style-type: none"> ▪ Preliminary training needs assessment ▪ Preparation and delivery of training modules on general HR for police staff, judges and prosecutors, including the Public Prosecutor' s Office as well as members of the Family Courts ▪ Preparation and delivery of training modules on International HR issues, including European HR standards and practices, for the same audience ▪ Preparation and delivery of specialised training n selected thematic issues for the above audience ▪ Internal evaluation ▪ Study Tours in Europe Project 2: Support to the Ombudsman Office of the NCW Activities <ul style="list-style-type: none"> ▪ Organising training actions for a suitable number of managerial and support staff for the offices of Cairo, Aswan and other ▪ Train lawyers and members of equal opportunity units on women's rights ▪ Support the Cairo office and other regional offices ▪ Provide equipment such as computers, photocopy machine, fax machine for the units ▪ Establish telephones hotlines, one of which covering selected regions ▪ Organise media activities to lobby for women's rights ▪ Publicity, publications, advocacy. Project 3: Support to the establishment of a Complaint (Ombudsman) Office at the NCHR

	<p>Activities</p> <ul style="list-style-type: none"> ▪ Establishment of an Ombudsman Complaints Office, including funds for staffing, provision of office equipment, establishing of a website ▪ Training of selected staff on methods, practices, general HR issues, case handling procedures, etc. ▪ Collection and management of complaints ▪ Follow up with the relevant authorities and assessment of the responses ▪ Preparation of media campaign <p>Project 4 Civil society - GFNF (implemented by UNDP)</p> <p>Activities</p> <ul style="list-style-type: none"> ▪ Design and delivery of training modules, disseminating information and providing support to grassroots organisations to facilitate their access top international funding opportunities 																														
<p>Main achievements</p>	<p>The 28/07/2009 steering committee meeting reviewed the results achieved to date. They are summarised below. It was already mentioned that the bilateral project is activity oriented and demonstrates well the outputs of the project by component. The assessment on to what extent the outputs led to more recourse to justice, more references to international treaties in delivery of justice, is not made.</p> <p>In the results presented below, there is information about some media activities and visibility of some issues addressed by Councils. These results confirm the many comments during interviews with stakeholders to the effect that sensitive issues are being more written about in media, newsletters. The project has contributed to that general observation.</p> <p style="text-align: center;">BENAA</p> <p>The workshops have been consolidated in the following table.</p> <table border="1" data-bbox="400 1464 1423 1816"> <thead> <tr> <th>Year</th> <th>Police</th> <th>Judiciary</th> <th>Media & CSO</th> <th>Total wks</th> <th>Total participants</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>31</td> <td>23</td> <td>15</td> <td>69</td> <td>8,210</td> </tr> <tr> <td>2008</td> <td>42</td> <td>43</td> <td>88</td> <td>173</td> <td>13,317</td> </tr> <tr> <td>2009</td> <td>45</td> <td>56</td> <td>50</td> <td>151</td> <td>6,635</td> </tr> <tr> <td>Total</td> <td>118</td> <td>122</td> <td>153</td> <td>393</td> <td>28,162</td> </tr> </tbody> </table> <p>An overview of the geographical of trainings and workshops was provided as well. Workshops were carried out in 11 of the 29 Governorates. The majority of the workshops occurred in Cairo, followed by Helwan, Assiut the Canal Region, Minia,</p>	Year	Police	Judiciary	Media & CSO	Total wks	Total participants	2007	31	23	15	69	8,210	2008	42	43	88	173	13,317	2009	45	56	50	151	6,635	Total	118	122	153	393	28,162
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Alexandria, Luxor, Giza, Ismailia, Mansura and Aswan.

The NPD highlighted that even if the majority of the workshops occurred in Cairo, many of those workshops involved a target coming from other Governorates.

As far as study tours, in 2008 a total of three study tours occurred (1 for the police and 2 for the judges). In the month of July 2 additional study tours for public and administrative prosecutors would have incurred and three more study tours for the police officers were in the pipeline.

Forecasts of training activities until the end of the project were consolidated in a table with a total of 135 workshops to be held till December 2009.

Among the forecasted activities and new partnerships the following was presented:

- an agreement with IOM to deliver workshops on human trafficking,
- an agreement with UNIFEM for gender mainstreaming in Bena'a's activities,
- training in Strasbourg for the judiciary sector
- training of trainers (TOT) at the High Commission for Human Rights in Geneva (10 from the police sector, 10 from the judiciary sector);
- alumni meetings for the Judiciary, police, media and civil society;
- training activities with the National Council for Human Rights,
- participation in a scoping study on Human Trafficking;
- workshops on anti-terrorism measures and Human Rights,
- human rights diploma for the media and civil society organized with the faculty of Economics and Political Science.

As far as visibility is concerned, highlight was given to the publications and Web site updates.

Among the publications, the First Glossary of International Human Rights Terminology in the Arab World. , the Code of Conducts distributed to the Public Prosecutors according to the request of the Attorney General Representative, a new book on HR and Citizenship. Publications to be delivered during the next period were the Academic Journal "Human Rights Journal", a book on Human Rights and terrorism and a book on Human Trafficking.

As far as the web site is concerned, updated on work progress were elucidated and reference was made to the participants to visit the Bena'a web site at the address www.hrp-undp.org, inputs for enhancing the web site visibility were welcomed.

Highlights were also provided to the Project's internal monitoring mechanism such as the Board, Advisory and Board Meetings held in previous months, recommendations provided and steps taken by the project such as the fine tuning of the internal monitoring mechanism, the preparation of TORs for a project monitoring mission,

additional study tours for the police sector, planning for Alumni event, finalization and start up of activities with UNIFEM and IOM, participation in a study on counter trafficking, workshops for the civil society and ad hoc orientation manual on human rights for NGOs, new publications as an output of analysis of available lecturers materials.

Project's reported total expenditures up to June 2009 were **2,464,693** euro (62% on total) with a balance of **1,480,242** euro (32% on total). Around 62% of total expenditures covered the training/workshops/study tour costs.

NCW

Progress report defining the main achievements since November 2008 under each of the five activities.

Under activity 1 “Capacity building of OO staff in handling complaints, conveying outputs to authorities” the main deliverables can be summarized as follows:

- The set up of all branch offices at the Governorate level;
- Change of the lawyers in the Red Sea, Luxor and Qena;
- Delivery of 5 on the job training courses
- Study tour to **the Slovak Ombudsman Office** and the **Hungarian Ombudsman Office** in the month of May 2009;
- Follow up “on the job training in May-June 09 for the 27 branch lawyers.
- Revision of the TORs for the project evaluation in light of the results and inputs provided by Mr. Ian Roblin, the Organizational Development Expert.
- Visits to the branch offices with the Organizational Expert and the Technical Advisor in the month of February-March 2009 to monitor the internal work flow processes.
- Training workshop carried out by the Organization Expert in March 2009.

Under activity 2 “Solve complaints, analyze loopholes in legislations and training partners on women’s rights” the main achievements were:

- Reception of **9478 complaints** indicating the growing activities of the Office (governorates' branches received 5108 complaints).
- Finalization of Content analysis study for 2007 and a random sample of complaints for 2008 under analysis.
- Presentation of Content analysis report in a symposium held in April 2009 chaired by Dr. Farkhonda Hassan, NCW Secretary General and attended by members of the Parliament, NGOs, specialized academics and intellectuals with exhaustive coverage by the media.
- Quality analysis report produced and reviewed by the PMU visibility expert.
- Meeting in February 2009 with the Equal Opportunities Unit to discuss the results of the qualitative report. One staff from the Central Office was

assigned to monitor the cases transferred to the EOUs and report on monthly basis to the OO Director.

- Meeting in March 2009 with the Volunteer Lawyers (VL) to discuss visitation **rights of non-custodial parent**, as being raised lately in the Egyptian society and efforts to issuing an Anti Sexual Harrassment Law.
- Branch lawyers follow up their own network of **VL**, and hold meetings with their governorates **top executives** to follow up their cases. Results were included in periodical reports to Central Office.

Under activity 3 “Increase links with partners, official and NGOs” the main outcomes have been:

- OO with NCW Branches collaborated with **NGO’s** in carrying out **122 workshops** during the covered period, to reach out for women and raise awareness of their rights in local communities.
- Network of **volunteer lawyers** expanded from 676 to **824** lawyers (300 in Cairo and 524 in Governorates), as an indicator to confidence in the Office and its mission.
- **Out of scope** complaints were reported and transferred to both **NCHR (671)** and **NCCM (147)** during this period.
- **82** complaints (demands for financial aid) were transferred to the **Social Solidarity fund**.
- **6** violence cases were referred to **NGOs** to provide shelters.

As far as activity 4 “Establish a National Ombudsman electronic network, using ITC” is concerned, Dr. El Fawal stated that:

- Regular meetings were held weekly to discuss the different project components (**SRS document**) for approval to proceed to the next level of software development.
- **System Installation** and system checks occurred in May 2009;
- **Data Migration** process started in June 2009;
- **Training** of Central Office occurred in June and training for the branches’ staff will be held in July 09;
- **Synchronization** of data between Central Office and Branches will occur in September 2009.

Under the last activity (5), organization of media activities to lobby for women’s rights, creating channels for reform” the following activities were accomplished:

- **Three radio spots** were produced to inform women of different services of the Office.
- **73 news releases** published during Nov. 08- May 2009, including 33 interviews and reports covering different complaints and issues in daily newspapers.

- Issues number 3 and 4 of the **Newsletter** were published, and issue number 5 is currently in print.
- Arabic text of **OO brochure** was revised for more simple and clear message, and distributed to all governorates to use for printing.
- **30 drama series** are currently being broadcasted on Radio General Program, as part of a daily episodes called "Your Problem Can be Solved". Airing starting June 2009 for three months. A legal consultant gave his comments on the drama.
- Egyptian TV Channel One prepared group of series tackling issues provided by **OO**, on a popular **TV show** called "Between People".
- A widely viewed TV **talk show** discussed on air cases provided by **OO** regarding women's inheritance, as well as unregistered marriage. Another programme on the same channel called Sefsafa tackled services provided as part of the celebration of Women's Day.
- N. Sinai lawyer participated in a **Radio program "I need a solution"** to discuss tribal marriage negative effects, women's rights to request the issuance of birth certificate for her kids, and women's inheritance issue.
- Menya Lawyer participates in a Radio program called **"Stories from the Heart"**, where he received phone calls from complainants and provided answers to their problems.
- Project Director joined **NCW Media Committee** meeting on 8/3/09, to discuss different means to spread OO message. It was recommended to activate the role of local media.

The NCW presented also a consolidated financial projection where incurred expenditure up to June 2009 were 604,063 euro and programmed expenditures up to the end of the contract amount to 148,741 euro out of a total availability of 173,497 euro. The balance can be explained as a risk control tool linked to the variation of the euro/Egyptian pound exchange rate.

NCHR

A new organizational structure is in place. The participants were informed about the appointment of a new OO Director since January 2009). The Council hired the organisational expert that was recruited by the project (PMU) to improve its internal processes.

As far as the complaints are concerned the latest figures are:

A total of 29,580 were processed since the start of the project, while the complaints handled since January 2009 amounted to 8,252.

Apart from the figures provided the major achievements were considered the raising of the citizens' awareness on their rights, the council's success in breaking the barrier of fear, the increased connection between the council and citizens and the mobile

units role as tools to speak to the citizens.

In terms of gender distribution males represent 82% of the total complaints, females a 10% while group complaints amount to a 8%.

In terms of modalities of reception the mobile units represent the major channel with a 39%, followed by complaints received by normal post (20%), fax (17%), personal visits (12%), other Councils (8%) with the remaining 4% distributed around telegraph, e-mail and media unit.

In terms of Rights categorization 71% of the cases fall within the Economic, Social and Cultural Rights, 25% under Civil and Political Rights, 3% are related to Egyptians Abroad and 1% belongs to Governance and civil society. The majority of the complaints fall within the socio economic rights, explained by the fact that the majority of the Egyptian population is suffering from the access to basic rights.

In terms of responses from the referral system 92% of the responses come from the Governorates, 5% from Governmental Institutions, while the remaining 3% (on equal distribution) come from civil societies, Banks and shareholding companies and others.

The first five governmental entities which responded more to the Council's request are the Ministry of Social Solidarity, the Office of the General Prosecutor, the Ministry of Defence, the Court of Cassation and the Presidency of the Republic.

The mobile units covers the nearby Governorates and districts with difficult access in addition to the fact finding missions while the big mobile unit is being used for far away Governorates and its interiors functions as a reception area for the complainants.

The NCHR OO collaborates with the NCW OO such as the identification of structured modalities to transfer complaints, presence of a NCW lawyer during the mobile units visits so to process directly the identified cases, distribution of NCW OO brochures during the orientation meetings at the Governorate level.

Mobile units' activities:

- **The mobile units covered 24 governorates (from 2007 until may 2009) on which**
 - o 21 governorates for the first time
 - o 3 governorates for the second time (Elmenya – Sohag - Elfayoum)
- **Planned activities between June and December 2009**
 - o 7 governorates for the first time
 - o 25 governorates for the second time

The figures on the number of complaints gathered by Governorate are: the first 10 Governorates from where the highest number of complaints were received are, Sharkya (1225), Fayyoun (1007), Minya (828), Kafr El Sheikh (717), Menoufya (659), Qualiubia (650), Dakhalia (625), Sohag (605), Ismailia (555) and Alexandria (551).

There were fact finding missions related to sectarian strives, strikes and urban slums. A number of workshops on the right to housing, slum areas, NGOs amendments, building of a civil society database, water management and unemployment were held during the project's life.

Additionally, 21 orientation workshops at the Governorate level incurred as a tool to raise the awareness at the local level to prepare for the mobile units' visits.

In terms of forecasted activities the preparation of a conference on the role of Ombudsman Offices and promotion of democracy and human rights is planned for the month of November 2009 in addition to 32 workshops at the governorate level.

In terms of trainings carried out to raise the skills of the Ombudsman's personnel a list of 9 courses was presented in addition to the role of the Organization Expert in "on the job training".

The organizations visited during the study tours in Libya, Morocco, Tunisia, Sweden, England and Belgium. Planned study tours for the next period are planned in Malaysia in September 2009 and Belgium in October 2009.

A list of 5 studies carried out and 4 in house researches was presented. A research on problems and impediments to sustainable development in Egypt is in progress and replaces the research on prisoners which could not be carried out due to encountered difficulties.

Total reported expenditures up of the project were reported as well and amount up to the end of May 2009 is 649,253 euro with a balance of 310,917 euro.

GFNF

The project completed one year, the pre installment and 1st installment were transferred. 50% of the value of the signed grants was disbursed and balance is in the process of being transferred to the grant beneficiaries.

The main outputs linked to activity 1 "assist in the formulation of internal systems for transparency" have been the following:

- Development of an operational manual currently being reviewed by the Regional Federations.
- Capacity building for an internal system of transparency in the Governorate of Ismailia.
- The Regional Federations functional analysis submitted by the PMU Organizational Expert extended to 16 Regional Federations.
- Preparation of the GFNF Organizational Structure based on PMU Organizational Expert
- Preparation of a simplified Unified International Financial and Accounting System.

As far as activity 2 "Reformulation of internal Bi-laws for better democratic

participation” it has been highlighted that the project is actively participating to a Committee for the changes in the NGO law established by the Ministry of Social Solidarity in addition to cooperating with the GFNF Board and technical committees.

Activity number 3 linked to the creation of an Integrated Management Information System has been implemented through the following actions:

- The creation of a web site for Alexandria and Port Said
- Development of the mobile unit plan
- Visiting the Governorates of Sharkya, Giza, Fayoum, Port Said and Beni Sueif.
- Collaborating with the Bena project in the mobile units field visits.

Achievements under number 4 related to “capacity building for resource mobilization, transparent fund management volunteerism & donors relations” have been concentrating on the delivery of training on internal systems for transparency, proposal writing, negotiation skills, communication skills, book keeping, how to create a volunteer unit and the review of the volunteer manual.

As far as the grant proposals are concerned, 16 grants beneficiaries from 9 Governorates were identified. 14 NGOs that started their activities in April submitted the first financial report. 8 monitoring visits were carried out by the project. The whole NGOs were trained on book keeping, all FAQ were posted on the web site, a link between the financed NGOs and the Regional Federations were established a network was established among all financed NGOs.

The overall situation is summarized on the table below based on the information provided by UNDP.

Governorates	Grant beneficiary contribution	Project funding	Total grant value	% of funding over
North Sinai	23,110	89,935	113,045	
Qena	19,400	87,875	107,275	
Giza	22,950	60,000	82,950	
Aswan	18,900	59,650	78,550	
Bani Suef	11,650	58,200	69,850	
Al Sharkia	25,240	30,040	55,280	
Dahaklia	20,075	29,970	50,045	
Kalubeya	16,500	30,000	46,500	
Menia	15,000	30,000	45,000	
Grand Total	172,825	475,670	648,495	

As far as the project financial status is concerned the project has reported of having spent 396,223 USD representing 59% of the total budget.

	<p><i>Sources: Minutes of 4th Steering Committee of the Support for HRs, Democratisation and civil society, 28th June 2009</i></p>
Project's main weak points	<p>The starting date was in 2006. There seems to be delays that are not explained in the Steering Committee minutes. Only one monitoring report is available for the first component of the project. The components of the project seem to have started at different dates. For instance, the contract with UNDP –GFGF was only signed at the end of March 2008 due to difficulties in hiring staff.. This has created delays in spending the budget (600,000 eur to spend until December)Strengthening coordination mechanisms need to be established at the governorate level, particularly between NCHR and NCW, although this has started towards the end of the project.</p> <p>There is a general weakness in evaluating effects of the project, particularly in qualitative terms.</p>
Issues	<p>Coordination needs to continue to be paid attention to, between stakeholders.</p> <p>Other donors are involved in funding the BEENA component implemented by the UNDP. The cooperation is limited to funding, the steering committee met only once and there is unsatisfaction in reporting.. There is no reference collaboration, complementarily and synergies between those other donors involved with UNDP, except for funding the same project.</p> <p>Absorptive capacity seems an issue and it is important when considering that ENPI 2008 is building on this project, with a more substantial budget.</p>
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission – Egypt, Country Strategy Paper 2007-2013, 04/01/2007 ▪ European Commission: Financial Agreement between the European Community and the Arab Republic of Egypt. Programme number MED/2005/17203 ▪ European Commission: Minutes of the 4th Steering Committee of the Programme “Support for Human Rights, Democratisation and Civil Society. Wednesday 14th January 2009. <p>European Commission: Minutes of the 3th Steering Committee of the Programme “Support for Human Rights, Democratisation and Civil Society. Sunday 27 July 2009.</p> <p>European Commission: Monitoring report, project N° C-127893, Human Rights Capacity Building Project in Egypt Monitor Maria Espinosa 19/06/2008</p> <p>European Commission – Delegation of Egypt. Financial Agreement between the European Community and the Arab Republic of Egypt for “Support in the field of democratisation, human rights and civil society” – MED/2005/17203</p> <p>Minutes of 4th Steering Committee of the Support for HRs, Democratisation and civil society, 28th June 2009</p>

Intervention Title	9. MP Egypt Campaign 2&3
Commission Ref.	DDH/2005/017-240 Eight contracts compose Decision 17240. Three projects have been selected for further field analysis Ref. n° 123785 Ref. n° 123808 Ref. n° 124021
Intervention Start date & End date	Ref. n° 123785 Starting date: 18/12/2006 End date: 18/12/2009 Ref. n° 123808 Starting date 28/12/2006 End date: 28/04/2009 Ref. n° 124021 Starting date 23/12/2006 End date: 23/12/2008
Budget planned	Euro 800,000
Budget committed	Euro 661,053 for the 6 contracts Ref.n°123785 - Euro 100,000 Ref.n°123808 - Euro 100,000 Ref.n°124021 - Euro 100,000 Ref.n°123768 - Euro 84,551 Ref.n°124032 - Euro 79,703 Ref.n°123805 - Euro 75,279 Ref.n°123800 - Euro 64,383 Ref.n°123827 - Euro 57,137
Budget disbursed	N/A
Beneficiary	Ref n° 123785 Egyptian Association for Community Participation Enhancement Ref n° 123808 Egyptian Center for Womens' Rights Association Ref n° 124021 The Egyptian Association for Community Participation Enhancement
Overall objectives	Ref n° 123785 Organisation: the Egyptian Association for Community Participation Enhancement Title of project: The Egyptian democratic status watch

	<p>Overall Objective: Support Democratic Electoral Process in Egypt</p> <p>Ref n° 123808 Organisation: Egyptian Center for Womens’ Rights Association Title of project: Fighting violence cultivating democratic culture</p> <p>Overall Objective: Improve the current and continuing deterioration of Egypt’s fledgling democratic development, marked by an increase in violence over the years. Replace the growing acceptance of violence as a political strategy with a culture of tolerance and dialogue.</p> <p>Ref n° 124021 Organisation: The Egyptian Association for Community Participation Enhancement Title of project: Fostering human rights culture in public schools</p> <p>Overall Objective: Fostering a culture of human rights in public schools</p>
<p>Specific objectives</p>	<p>Each micro project has its own specific objectives</p> <p>Ref n° 123785 Organisation: the Egyptian Association for Community Participation Enhancement Title of project: The Egyptian democratic status watch</p> <p>Specific objectives</p> <ul style="list-style-type: none"> ▪ Assess the progress of democratic electoral process in Egypt ▪ Capacity building of groups of civil society cadres for domestic election observations ▪ Develop a tool to be a main source of information on factual events needed by all stakeholders ▪ Raise awareness of the Egyptian People regarding their rights to participate in political life <p>Ref n° 123808 Organisation: Egyptian Center for Womens’ Rights Association Title of project: Fighting violence cultivating democratic culture</p> <p>Specific objectives</p> <ul style="list-style-type: none"> ▪ Empower communities and reinforce their capacities to defend and promote their rights en the public and political fields ▪ Encourage networking and cooperation among local organisations (especially among women) in order to share good practices and engage in cooperative work. <p>Ref n° 124021 Organisation: The Egyptian Association for Community Participation Enhancement Title of project: Fostering human rights culture in public schools</p> <p>Specific objectives</p> <ul style="list-style-type: none"> ▪ Raise the awareness of school children on HR ▪ Develop tools and mechanisms to apply HR and standards into school children’s daily lives ▪ Build the capacity of school teachers on HR and standards and protection mechanisms ▪ Raise awareness of parents on HR ▪ Protect children’s rights ▪ Disseminate HR culture into society at large.

<p>Expected results</p>	<p>Each micro project has its own estimated results</p> <p>Ref n° 123785</p> <p>Organisation: the Egyptian Association for Community Participation Enhancement Title of project: The Egyptian democratic status watch</p> <p>Estimated results</p> <ul style="list-style-type: none"> ▪ Capacity of 200 civil society leaders raised on election monitoring ▪ 40 new trainers added ▪ Periodical reports election monitoring published, with wide media coverage ▪ 3 annual analytical reports on findings published and proposed interventions to enhance democratic electoral processes and participation of 450-500 activities in discussions ▪ Strategy outline for enhancing democratisation process <p>Ref n° 123808</p> <p>Organisation: Egyptian Center for Womens’ Rights Association Title of project: Fighting violence cultivating democratic culture</p> <p>Estimated results</p> <ul style="list-style-type: none"> ▪ Potential community leaders become successful and skilled advocates ▪ Change in thinking towards activists noted in participants ▪ A report on the impact of violence on Egypt’s democratic development and the role of civil society ▪ 36 training on civic education are organised ▪ At least one discussion/seminar is organised every 3 months with each NGO (360 seminars total) ▪ 18 workshops for staff and local leaders are organised ▪ Awareness-raising material is published ▪ 18 press releases are published <p>Ref n° 124021</p> <p>Organisation: The Egyptian Association for Community Participation Enhancement Title of project: Fostering human rights culture in public schools</p> <p>Estimated results</p> <ul style="list-style-type: none"> ▪ 20,000 schools children in 40 schools and 200 teachers and school admin. ▪ Personnel acquire knowledge on HR standards and protection mechanisms ▪ 40 HR Clubs are established in target schools; membership 1,000/2,000 ▪ Parents increasingly involved in Parental Councils meeting and in addressing their children’s rights ▪ Extracurricula activities on HR set up.
<p>Activities</p>	<p>Each micro project has its own specific objectives</p> <p>Ref n° 123785</p> <p>Organisation: the Egyptian Association for Community Participation Enhancement</p>

	<p>Title of project: The Egyptian democratic status watch</p> <p>Main activities</p> <ul style="list-style-type: none"> ▪ Organisation of training workshops (10 to 20 trainees each) on Monitoring specific elections ▪ TOT (2) workshops for 40 out of 200 cadres ▪ Monitoring different elections ▪ Publication <p>Ref n° 123808</p> <p>Organisation: Egyptian Center for Womens' Rights Association</p> <p>Title of project: Fighting violence cultivating democratic culture</p> <p>Main activities</p> <ul style="list-style-type: none"> ▪ Research on the impact of violence on Egypt's democratic development and the role of civil society ▪ Civic education: training of NGOs, political participation discussions seminars, voter registration and awareness for needy women, workshops for project staff, publication of awareness raising materials. <p>Ref n° 124021</p> <p>Organisation: The Egyptian Association for Community Participation Enhancement Title of project: Fostering human rights culture in public schools</p> <p>Main activities</p> <ul style="list-style-type: none"> ▪ Organise regular meetings with MoE representatives and video conferences to disseminate message on a wide scale ▪ Produce 100,000 notebooks and 10,000 posters, calendars with children drawings ▪ Train 200 school teachers and admin. Personnel on HR ▪ Organise meeting with parental councils to involve them in the respect of children's rights. ▪ Technical support to HR Clubs ▪ Organise summer camps on HR
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Main achievements	<p>Ref n° 123785</p> <p>Organisation: the Egyptian Association for Community Participation Enhancement Title of project: The Egyptian Democratic Status Watch</p> <p>Main achievements</p> <p>Eighty two monitors were trained to watch local council elections in 20 constituencies (4 workshops) and 200 trainees were trained on Monitoring Specific Elections (10 workshops). One TOT workshop was conducted for 20 participants during the period for 20 participants from different governorates. That prepares the trainees to design and practice training sessions on relevant topics.</p> <p>EACPE Democratic Status Watch has monitored 18 different elections. All trained volunteers have actively participated in monitoring and submitted reports on the findings of monitoring processes. Reports were produced on every monitored election and sent to all Egyptian NGOs, media, activists, researchers, and collected to be analysed and indorsed in the final analytical report by the end of the year. The first annual report was produced and the second one is being published. Three annual conferences were held to present the first report and discussions were held by 200/300 civil society activists and other stakeholders on the findings.</p> <p>Other NGOs than EACPE are starting to do similar activities (replication). Democratic Status Watch has become a very important source of reliable information for newspapers, TV channels on the monitoring processes. Press release kit was given in annex.</p> <p>Ref n° 123808</p> <p>Organisation: Egyptian Centre for Women' Rights Association Title of project: Fighting violence cultivating democratic culture</p> <p>Main achievements</p> <p>Despite a 14 month's delay due to permission by the Ministry of Social Solidarity to start the project, the interim report shows good results.</p> <p>The ECWR's final beneficiaries and/or target groups are communities and NGOs in 6 governorates, chosen for the violence and strong showing of support for the Muslim Brotherhood's candidates in the 2005 election.</p> <p>The first component of the project consisted of a research carried out in seven stages. The field sample of the study was 2509 people from six directorates. It is the first study to address electoral violence and its impact on Egyptian society, democratic transition, and the weak political representation of Egyptian women in the Parliament. The research produced a book: "The Impact of Election Violence on Democratic Transformation and Women's Political Participation". A press conference was organised to launch the book. The book was reproduced in 2000 copies and distributed. There was a media coverage (annex to the report).</p> <p>The second activity, "Political participation discussion Seminars" led to the organisation of</p>
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122 seminars by field coordinators in the 6 governorates between January and April 2008. There was a selection process to select NGO leaders, with a questionnaire on building the capacity of NGOs to test their ability. 60 NGOs out of 120 were retained to participate in discussions to shape the seminars. Three components were addressed (Training local NGOs on civil education and democracy, holding meetings on raising awareness among women about the ideal election process and how to choose candidates, supporting local leaders through training on democracy and preparing for the upcoming council elections).

45 NGOs out of the 60 that were at first selected to work on the seminars programme participated, the remaining NGOs proved to be unsuitable (budget too high, lack of voluntarism, etc.).

The process showed a high quality in developing ownership of participating NGOs.

The third Activity “Voter registrations and Awareness for Needy Women” led to 34 NGOs trained (out of the 60 trained by the ECWR) holding awareness sessions at their voting areas with women about the importance of registering to vote and the procedures. This was done on a voluntary basis, and it was not on the agenda of those NGOs.

The fourth activity “Workshops for project staff: Creating Sustainable Local Leadership” had the objective of preparing the field coordinators to be locally active in their governorates, improve their skills in management and communication, and strengthen their skills in writing detailed reports on the activities to be achieved during the implementation period.

Nine workshops took place in which about 300 field coordinators participated.

One of the findings in assessing results is that those women field coordinators need more training on CEDAW and reservations made by the Government on the international convention.

The last activity “Awareness-Raising Material and Publications” led to the production of press releases, booklets, reprinting material: 6000 T-shirts, 5285 posters, 4000 pens, 7000 caps and 2000 bags with various messages to support female candidates.

Ref n° 124021

Organisation: The Egyptian Association for Community Participation Enhancement

Title of project: Fostering human rights culture in public schools

Main achievements

The final report 23 December-22 December 2008 presents results based on the logical framework included in the proposal. It highlights outcomes on its final beneficiaries (school children, schools teachers, Ministry of Education Personnel, Different stakeholders like parental councils, media personnel.). More precisely:

- 20,668 school children have acquired the knowledge related to human rights
- 200 of the school teachers, school administration and MOE department’s personnel have acquired the knowledge related to human rights standards and protection mechanisms.

	<ul style="list-style-type: none"> ▪ Human Rights Clubs have established in the target schools, reaching out more than 2000 (students) membership of the HR established Clubs ▪ Many parents in parental councils have become more daring in addressing their children’s rights, and are more active in school. ▪ MOE personnel is getting friendlier to the program, more supportive and less bureaucratic in administrative procedures ▪ School children were actively involved in extracurricular activities in the target schools. <p>The publications (100,000 notebooks, 10,000 posters) were distributed to schools and HR Clubs, creating visibility on HR issues.</p> <p>EACPE is a very active member of an NGO group involved in the preparatory efforts ran in collaboration with the MOE in the Education Reform strategic plan, according to their own area of expertise. With this project, and all its efforts directly towards educational reform, there are proposals made to the MOE for a modern education system based on investment in human resources in the context of active citizenship.</p>
Project’s main weak points	<p>Reports are very much oriented towards quantitative results. This takes precedence over a deeper analysis of the influence of interventions on the role of civil society in democratisation process. One has to reflect on the use of logical frameworks in interventions such as these.</p> <p>The reporting guidelines of the Commission could better encourage reporting by results. It is not clear that there is much guidance on the part of the Delegation and accompaniment of CBOS/NGOs that implement projects.</p>
Issues	<ul style="list-style-type: none"> ▪ Delays occur because of administration constrains with government permission to start project. It seems that this is becoming a recurring action on the part of the Ministry of Social Solidarity ▪ There is a need for horizontal evaluation of NGOs active in HR and democratisation. It is rather difficult to analyse whether there is a critical mass being developed in civil society. ▪ The role of the Delegation in the process of follow up on the EIDHR projects as to stimulate synergies between applicants (information sharing) is still weak. ▪ If there is a critical mass to develop, it is interesting to know the mapping of other donors active in consolidating civil society. ▪ In practice, the EIDHR funds stand alone and do not support the bilateral intervention? ▪ Call for proposals as the sole means to outreach civil society is seen as not appropriate.
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission Delegation in Egypt: European Initiative for Democracy and Human Rights (EIDHR) Micro-projects. “Promoting the democratic process”: Guidelines for grants applicants responding to the call for proposals for 2006. Open Call for Proposal Budget line 19.04.03. Reference of the call Europaid/124962/L/ACT/EG ▪ European Commission Delegation in Egypt: European Initiative for Democracy and Human Rights (EIDHR)- Organisation: the Egyptian Association for Community

	<p>Participation Enhancement “The Egyptian democratic status watch” DDH 2006/123 785</p> <ul style="list-style-type: none">▪ European Commission Delegation in Egypt: European Initiative for Democracy and Human Rights (EIDHR) - Egyptian Center for Women’ Rights Association “Fighting violence cultivating democratic culture” DDH 2006/123808▪ European Commission Delegation in Egypt: European Initiative for Democracy and Human Rights (EIDHR)- Organisation: The Egyptian Association for Community Participation Enhancement “ Fostering human rights culture in public schools” DDH 2006/ 124021▪ The final report 23 December-22 December 2008 3Fostering Human Rights’ Culture in Public Schools”. Submitted to the EU Delegation in Cairo by Community Participation Enhancement (EACPE)▪ Interim report Report – Annex IV 3Fighting Violence, Cultivating Democratic culture: Rescuing Egypt’s Future”. The Egyptian Centre for Women’s Rights (no date)▪ Second Progress Report 1 January-31 December 2008 “The Egyptian Democracy Status Watch”. Submitted to the EU Delegation in Cairo by the Egyptian Association for Community Participation Enhancement (AECPE)
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Intervention Title	10. Environmental Pollution Abatement Project (EPAP) – II
Commission Ref.	MED/2006/018-254
Intervention Start date & End date	5 years duration planned: 2007-2012 21/12/2006 credit made available to the NBE
Budget planned	European Commission: € 10,000,000 (as an interest rate subsidy to the EIB loan of : € 40,000,000)
Budget committed	€ 10,000,000
Budget disbursed	€ 10,000,000
Beneficiary	Ministry of State for Environmental Affairs, Egyptian Environmental Affairs Agency (EEAA)
Programme Background & History	<p>EPAP II follows on from EPAP I (1997-2004) which contributed to the development of a new environmental strategy for cleaner production, to amendments to the environmental executive regulations and to the introduction of negotiated agreements for the projects if financed. EPAP I tested a sustainable mechanism for industrial environmental management. The EIB and WB provided soft loan financing to 25 companies via the National Bank of Egypt (NBE) as an Apex bank. The Finnish Ministry of Foreign Affairs (FINNIDA) and the Egyptian Environmental Affairs Agency (EEAA) financed and implemented a technical and institutional support component and contributed to the overall management of both the investment- and technical assistance components of the project. The present SPAP project is a continuation of the EPAP. Although the same institutions and financiers are still involved (with additional financiers such as JIDB and AFD) their respective roles (especially in terms of the PMU) may have changed.</p> <p>The context for EPAP II includes an evolving environmental legal framework and the creation of institutional structures to give effect to this framework, in particular:</p> <ul style="list-style-type: none"> ▪ The environment Law and its executive regulations (Law 4 of 1994) which establish acceptable environmental performance by industry. ▪ The EEAA (also created by Law 4 of 1994) which has a wide environmental mandate from creating regulations to monitor compliance and take action against non performers. The EEAA is specifically encouraged to maintain a physical presence in industrial areas, and may implement pilot projects for the protection of the environment from pollution. <p>EPAP I showed the need to develop cleaner production industries and to step up efforts in the area of training for environmental inspection on industrial pollution (linked to the need to establish a clear national enforcement policy). Accordingly, EPAP II aims at establishing sustainable mechanisms for environmental planning within industries, at enhancing technical capability of all relevant authorities to handle industrial pollution; and at promoting the community's active role in industrial pollution issues.</p> <p>In line with MEDA II Council regulation (number 2696 /2000), the EC provides an interest rate subsidy which is equal to 50% of the nominal interest rate with a maximum of 3% subsidy. FEMIP funds some TA for the same project</p>

Overall objectives	To help the Government of Egypt to increase the efficiency of the environmental administration and strengthen the enforcement of environmental pollution control. Simultaneously, the EPAP-II is expected to increase the competitiveness and efficiency of Egyptian industries
Specific objectives	To support market-based financial/technical approaches to pollution abatement in Alexandria and Greater Cairo.
Expected results	<ul style="list-style-type: none"> ▪ Combating environmental degradation caused by industrial pollution in the main industrial areas (namely Alexandria, Greater Cairo and Qaliubya Governorates) ▪ Improving the financing of environmental investment projects; ▪ Building the capacity and institutional strengthening of the Ministry of State for Environmental Affairs, the Egyptian Environmental Affairs Agency and its Industrial Unit. <p>These are the objectives as stated in the Project Fiche. However, the objectives reported in the Operations' Manual are more precise and read:</p> <ul style="list-style-type: none"> ▪ To decrease pollution loads in selected hot-spots areas, and thereby improve local environmental conditions, by enabling private and public sector industrial companies to invest in pollution abatement measures¹. ▪ To introduce suitable enforcement approaches, improve the quality and quantity of inspection activities, develop technical capacity of environmental institutions as well as participating banks and improve public information, awareness and activities relating to industrial environmental affairs in Egypt, particularly in Alexandria and Greater Cairo. ▪ To strengthen the monitoring and enforcement (M & E) capabilities of the environmental institutions.
Activities	<p>The project consists of three components, the first of which is supported by the EC interest rate subsidy: a credit line facility for pollution abatement financed through loans from various donors (US\$20 m from the World Bank, US\$40 m from the JBIC, € 45 m from the AFD and € 40 m from the EIB of which € 10 m as an interest rate subsidy from the EC) totalling about € 127 m or US\$ 160 m. The other two components concern respectively TA for capacity strengthening (EEAA, banking sector, local stakeholders in industry) and project management support, and a carbon finance activity (financed from the sale of emissions reductions).</p> <p>The credit line was to be available for large as well as small and medium industrial sector enterprises (public and private sector and including multinationals) for financing pollution abatement investment projects in major hot spots in the Alexandria, Greater Cairo and Qaliubya Governorates. The firms benefiting from the project have to contribute 10% of the investment costs of each project. A small portion of the facility was available to be used for financing other activities related to environmental protection such as environmental services (manufacturing of equipment for environmental monitoring or pollution abatement).</p>

¹ It is anticipated that some measures to decrease pollution loads will result in carbon dioxide equivalent (CO_{2e}) emission reduction (ER) credits eligible under the Kyoto Protocol. Revenues from the sale of these ER credits will be used, in part, to establish a sustainable pool of resources within the Environmental Protection Fund (EPF) available for pollution abatement. The management and use of these funds is beyond the scope of SPAP, except that the Financial Support Team established within the SPAP will play a role in managing the flow of funds generated from the sale of CO_{2e} ER's from SPAP investments to the EPF.

	<p>The contract with the NBE states that: the NBE shall finance 50% of each individual project; each project (allocation) will not exceed € 12.5 million; the lending to NBE shall be done in tranches not less than € 1 m and no more than 15 tranches; tranche disbursement will be done only if 70% of the previous tranche was on-lent to the final beneficiaries and 100% of preceding tranches was on-lent to final beneficiaries.</p> <ul style="list-style-type: none"> ▪ The second TA component addresses the head office, the two regions and project management support. It was to be financed by a contribution from the National Bank of Egypt (NBE – grant of US\$1.0 million) and the Government of Finland (grant of €0.9 million). In addition, upon approval of the EIB loan and other prospective sources, the project would be able to access additional grants of up to € 3 to 4 million through the European Commission (EC) Facility for Euro-Mediterranean Investment and Partnership (FEMIP). Terms of Reference specified that four interventional consultants and a pool of local experts would be recruited (as advisory capacity to the PMU) in the following areas: Team Leader – Long-Term Advisor to PMU; Environmental Monitoring Expert; Financial Management and Procurement Expert; Environmental Public Awareness and Information Expert; Pool of local experts – Pollution Abatement and Environmental Experts. <p>The EPAP II Monitoring arrangements are as follows:</p> <ul style="list-style-type: none"> ▪ six-monthly reports on the utilisation of disbursements for each project including the name of the final beneficiary and the terms of each subloan agreement and details of prepayment or payment of subloans; 6 months after the last disbursement a final report of utilisation of the loan (in accordance with the provisions of the EPAP II Operation Manual) and through the EEAA PMU for EPAP II. ▪ Yearly reports on the performance of all projects: those that achieved the targeted pollution reduction levels and eligibility for subsidy and those which did not achieve the targeted levels and measures undertaken to ensure compliance. ▪ Any information on the financing, implementation and operation of each project and the activities and financial condition of each participating bank and/or final beneficiary. 	<p>Criteria for Sub-Project Selection</p> <ol style="list-style-type: none"> 1. The proposed sub-project is located in a hotspot identified by SPAP. 2. The enterprise is creditworthy with respect to the proposed sub-project. 3. The sub-project will achieve a reduction of at least 75 percent in the total load of at least one target pollutant of priority to that enterprise, as well as regulatory compliance with respect to that pollutant. 4. The enterprise negotiates and implements a Compliance Action Plan (CAP) with EEAA that will achieve broad compliance with legal environmental requirements within a period of time agreed between EEAA and the enterprise. 5. The size of the loan investment to implement the sub-project is not more than LE 115 million. <p><i>Source: Operations Manual</i></p>
<p>Main achievements</p>	<p>Up to now the EIB has only paid a first tranche of € 8 million out of the € 40 million set aside for this intervention. Use of this tranche has been very low so far with an estimated 30% used of the BEI contribution (equivalent to about 6% of the total intervention amount for the BEI. From the World Bank supervision aide-mémoire (February 2009), the latest situation is as follows:</p>	

	US\$ m	LE m	
Projects ongoing:			<p>To date only 4 banks are participating of which 2 are judged not to have the technical and human resources capacity to market the EPAP II and only one bank so far has been active (it has provided on-lending to one single company). Disbursement is very low at US\$ 9,67 m and loans signed only amount to US\$ 43,6 million for a total available amount of US\$ 160 million.</p> <p>The current problem is the international economic climate which is not conducive to undertaking investments (especially based on bank lending as conditions have become stringent). The February 2009 A-M proposes corrective actions to be taken, including a study by the FEMIP TA on lending conditions.</p>
Rakta	4,5		
Starch and Glucose	0,4		
Abu Zaabla Fertilisers	15,0		
Misr Chemicals		2,445	
Delta Steel		0,971	
National Cement	15,0		
Total allocated amount (sub-loan agreement signed)	US\$ 43,6 m		
Total committed amount (L/C signed)	US\$ 15,15 m		
Disbursed amount (payment made)	US\$ 9,67 m		
of which EIB (to be confirmed)	US\$ 3,02m		
Value of Projects in pipeline:			
as of Febr.15, 2009	84,9		
as of June 30, 2008	224,0		
Project's main weak points	<p>The Monitoring of the project has only just started and no monitoring reports were available as yet. The project has suffered from recent loss of projects in the pipeline due to economic downturn. The procedures are very slow and accessing the credit lines is a demanding process. The worst offenders are not covered by the project.</p>		
Issues	<ul style="list-style-type: none"> ▪ the use of the loan facility has been quite low ▪ The start of the project has been very slow (actual first disbursement of EIB funds is dated at the beginning of 2008 (07/03/08 for an amount of € 8 million) whilst the EIB's contract with the NBE was signed at end 2006) 		
Documentary sources	<ul style="list-style-type: none"> ▪ Project Fiche, 23 March 2006, Annex I (Scheme of SPAP), Annex 2 (Organigramme of the EEAA), Annex 3 (Organisational structure of SPAP), Annex 4 (Implementation set-up for SPAP EPAP II) ▪ SPAP= Second Pollution Abatement Project ▪ Egyptian Pollution Abatement II Loan (Own Resources), Finance Contract between EIB and National Bank of Egypt S.A.E., 21st November 2006 ▪ TA for the implementation of EPAP II, Progress report January to June 2008 (August 2008) ▪ SPAP, Operations Manual (draft), 6 October 2006 (version 4) ▪ EPAP progress reports over 2007 and second semester 2008 ▪ World Bank supervision mission aide-mémoires (Prior to February 2009) ▪ EPAP I closing report ▪ SPAP Study of Sustainable Mechanism for Financing of Industrial Environmental Investment in Egypt, Final Report, May 2004 ▪ MN 65, MN 75, MN 131.. 		

Intervention Title	11. Education Sector Policy Support Programme
Commission Ref.	ENPI/2007/019-248
Intervention Start date & End date	Date of signature? October 2008 (confirm) Length 3 years after entry into force of the agreement
Budget planned	Budget support: Euro 117,500,000 (minimum) Complementary support: Euro 2,500,000 (maximum) Total Euro 120,000,000 SBS is to be disbursed in three tranches as follows: <ul style="list-style-type: none"> ▪ First fixed tranche of € 40 m in 2008 ▪ Second mixed tranche with € 10 m fixed and €30 m variable in 2009 ▪ Third mixed tranche with € 5 m fixed and €32.5 m variable in 2010. Complementary support includes € 2m TA, €300.000 M&E and €200.000 communication and visibility.
Budget committed	
Budget disbursed	€ 40 100 327
Beneficiary	The Ministry of Education and the Ministry of Finance
Programme Background & History	<p>The Programme follows on from earlier involvement of the EC in supporting the education sector through an 8-year Education Enhancement Programme, co-financed by the World Bank (1997- 2007). This programme, termed a sector budget support, was not based on policy changes and was in many ways more akin to a traditional project approach (money flowing directly to the Ministry of Education, managed by a project management unit etc.) even though it did not target specific expenditures (but uses of support were delineated within certain categories and shares of expenditure).</p> <p>The new support is a policy based budget support operation that comes in support of MoE's new National Strategic Plan (2007-2012) for the reform of pre-university Education which follows on from three earlier reform periods: during 1991-1996 the MoE aimed to increase access, from 1996 to 2000 its attention shifted to quality and equity issues and finally from 2000 to 2006 equity and quality were aimed for while tackling efficiency issues. The new National Strategic Plan (2007-2012) aims at ensuring: (i) high levels of quality education performance; (ii) efficient system of management, effective community participation and decentralization; and (iii) equal education access for all. It is based on 12 priority programs and is accompanied by an analysis and projection model (Egypt - ANPRO model) which provides a clear, sequenced, quantified and costed (both in financial and human resource terms) framework for planning and implementation.</p> <p>The SBS comes in support of the Plan's 12 programs which cover three areas:</p> <ul style="list-style-type: none"> ▪ quality programs (including school-based reform program, curriculum reform and human resource development),

	<ul style="list-style-type: none"> ▪ System Support and Management Programs (institutionalization of decentralization; ICT for management; monitoring and evaluation system reform; school construction) ▪ Level-based programs, focused on the reform of the three levels of schooling (Early Childhood Education, Basic Education and Secondary Education) and two specific priority programs (Community-based education for Girls and Out-of-School Children; Education for Children with Special Needs).
Overall objectives	To enhance human capital, democracy, social justice and to contribute to productivity, competitiveness and high level sustainable growth
Specific objectives	To introduce changes in the education system by which quality education is provided to all children under equitable, cost-effective and financially sustainable terms
Expected results	<ol style="list-style-type: none"> A. Decentralization is institutionalized and the school-based paradigm, based on the Effective School model, is substantially strengthened and expanded. B. Access to all educational levels and branches is organised on fully equitable criteria. C. Efficiency and effectiveness of public spending in Education are substantially enhanced. D. The quality of educational services and outcomes is greatly enhanced.
Activities	<p><u>Component A: Decentralisation</u></p> <ol style="list-style-type: none"> 1. Redefine roles and functions of the MoE and implementation of a change management process. 2. Ensure quality and readiness for accreditation in "ESP-compliant" schools and implement school-based reform in accredited schools. 3. Pilot financial and fiscal decentralization at Idara and Governorate level. 4. Build capacity at school level on planning for improvement and budgeting. Review MD 140/2002 in order to have up to 85% of all fees collected retained at school level and integrated into budget defined by schools. <p><u>Component B: Education access</u></p> <ol style="list-style-type: none"> 5. Reorganise and enhance the Education Management Information System (EMIS), implement the School Management System (SMS) and integrate it, where internet facilities are available, to MOE's intranet. 6. Introduce a comprehensive assessment, combined with active learning methodologies and upgraded learning content combined with necessary remedial support for improved student advancement. Pilot free educational choice at grade 9 and launch revision of access to tertiary level education. 7. Phase out enrolment of students in vocational preparatory schools and gradually convert vocational preparatory schools into general schools. 8. Enhance inclusion of mildly disabled children in mainstream primary schools and implement new teaching systems. 9. Reintegrate at least 1,000 unreached and dropped-out children, particularly girls and children in difficult circumstance (street children) into the education/training system and mainstream existing community schools / one classroom schools into the regular education system. <p><u>Component C: Efficiency and effectiveness of public spending</u></p>

	<p>10. Complete a fully-fledged Public Expenditure Tracking Survey (PETS) and publish results; identifying leakages by which public funds do not reach the classroom and implement policies to eliminate the identified leakages.</p> <p>11. Introduce programme-based budgeting nationally for schools in selected Governorates.</p> <p>12. Enforce legislation in order to provide fiscal incentives to promote private sector intervention in school construction (under PPPs) and advertise widely. Strengthen linkages between private sector and secondary schools established under existing technical and vocational models.</p> <p>13. Design and pilot a liberalised procurement process for textbooks production.</p> <p><u>Component D: Education services and outcomes quality</u></p> <p>14. Implement the new Teachers' Cadre, providing promotional and financial incentives for excellence and achievements. Establish the Teachers' Academy to preside over training and evaluation.</p> <p>15. Develop proposals through which willing non-teachers are trained and converted into teaching positions under the new Teachers Cadre.</p> <p>16. Expand the full-day use of schools and promote the use of out-of-class hours to provide services to local communities and generate revenues.</p> <p>17. Reorganize CCIMD and select a pedagogical cadre to revise and reform curricula. Define educational performance indicators (new curriculum framework) and specifications for instructional materials. Develop a common core curriculum for general/technical subjects at secondary level.</p> <p>18. Expand access (GER) to Early Childhood Education to at least 20% and launch awareness-raising and quality-enhancing campaigns for KG tuition.</p>
Main achievements	It is too early yet to talk about achievements since the programme started only in October 2008 and the first variable tranche, related to policy process indicators, will only be evaluated in October 2009.
Project's main weak points	For the moment probably too early to tell. The matrix of disbursement conditions includes many conditions that seem over ambitious in the time frame given and in PFM are out of sync with what is happening(or not happening) in overall PFM
Issues	<ul style="list-style-type: none"> ▪ The FA notes that the efficiency of public expenditure is more an issue than the availability of resources: this point does not seem to be addressed by the SBS ▪ The financing plan/ MTEF and the implementation plan are not included in the National Sector Strategy: the national strategy is also still presented as a number of almost stand alone programmes whose links are not clearly analysed..
Documentary sources	<ul style="list-style-type: none"> ▪ Project Performance Assessment Report, Arab Republic of Egypt, Basic Education Improvement Project and Education Enhancement Program Project, World Bank 2008 ▪ Support for Education Enhancement Programme, Financing Agreement, EC 1998 ▪ Education Sector Policy Support Programme: compliance assessment for the release of the 1st instalment (Euro 40,000,000), 2008 ▪ Education Sector Policy Support Programme, Financing Agreement, EC, 2008 ▪ MN 86, MN 77, MN 2, MN 103, MN 160, MN 175, MN 296.

Intervention Title	12. Promotion and Protection of HR and civil societies
Commission Ref.	ENPI 2008/019/607
Intervention Start date & End date	Phase 1 starting date (unknown) End date 31/12/2009 Phase 2 starting date)(unknown) End date 31/12/2011 The starting date is dependent on MoU and FA signature.
Budget planned	€17,000,000
Budget committed	FA not yet signed
Budget disbursed	N/A
Beneficiary	Ministry of International Co-operation Stakeholders are: National Council of HR, the National Council of Women, the National Council for Childhood and Motherhood and the Egyptian environment affairs Agency (EEAA)
Programme Background & History	The project builds on ongoing, successful activities implemented in the framework of the project “Support to HR, Democratisation and Civil Society” (MED/2005/017-203), as well as lessons learned and challenges based on the analysis of the Commission funded projects in the relevant domain. It also is using experience gained from the Children at Risk project (€20m) through which the NCCM was supported. The formulation took into account lessons learned and challenges in terms of training and workshops, coordination, communication and visibility and institutional setting, as well as complementarily actions. The formulation report highlights the achievements of Egypt related to the theme but it also identifies the areas that still need to be addressed. Foreign involvement in the area remains sensitive; it would explain why the project is still at a negotiating stage.
Overall objectives	To strengthen the respect of HR and the environment in Egypt.
Specific objectives	Increase the capacity of the GoE’s concerned institutions and of Civil Society Organisations in effectively implementing international conventions related to HR and the protection of the environment. Component I: Civil and political rights Specific Objectives 1. Promote of HR culture and increasing the efficiency of the NCHR Ombudsman office 2. Application of basic and advanced HR principles by relevant institutions 3. Awareness-raising of higher education students in HR and democratic practices Component II: Women rights and rights of the child

	<p>Specific Objective</p> <p>Protection and promotion of women's rights and rights of the child and reduction of violations of vulnerable groups' rights</p> <p>Component III: Environment rights</p> <p>Specific objective</p> <p>Reinforce the involvement of EEAA and CSOs on environment issues, planning and implementation</p>
<p>Expected results</p>	<p>Component 1</p> <ul style="list-style-type: none"> ▪ Number of registered complaints presented to the NCHR Ombudsman increased; ▪ Number of complaints solved by NCHR Ombudsman increased; ▪ Increased advocacy capacity of CSOs <p>Component 2</p> <ul style="list-style-type: none"> ▪ Improved knowledge of human rights principles to Law Enforcement Agents (judges, police officers, prosecutors, social workers) and media staff; ▪ Handbooks, publications and studies on HR are developed as a reference for training course addressed to law enforcement agents and media staff.; ▪ Human rights principles are gradually incorporated into curricula of primary, secondary and tertiary education, including police academies. <p>Component 3</p> <ul style="list-style-type: none"> ▪ Increased awareness of students about human rights and democratic practices; ▪ Practical learning tools in the area of democracy and human rights are developed (e.g. election/parliamentary exercises).
<p>Activities</p>	<p>Component 1:</p> <p>Activities related to Results 1-3:</p> <ul style="list-style-type: none"> ▪ Institutional support to NCHR Ombudsman office, improvement of its organizational structure, improvement of the case handling and follow-up and extension of its geographical scope; ▪ Advocacy activities implemented by CSOs active in the field of the promotion and defence of Human Rights. <p>Activities related to Results 4-6:</p> <ul style="list-style-type: none"> ▪ Training of Law Enforcement Agents and Media personnel on international standards of Human Rights in the administration of justice and in the application of commitments taken in the framework of international conventions ratified by Egypt; ▪ Development and distribution of publications on HR in Arabic; ▪ Running workshops, seminars, studies and study tours to expose Egyptian law enforcement agents to international experiences and best practices; ▪ Development of curricula in primary, secondary and tertiary education including police academies.

	<p>Activities related to Results 7-9:</p> <ul style="list-style-type: none"> ▪ Development of awareness-raising material; ▪ Organisation of awareness-raising campaigns; ▪ Organisation of simulation exercises; <p>Component 2:</p> <p>Activities</p> <ul style="list-style-type: none"> ▪ Continued support to NCW Ombudsman office and strengthen its geographical scope; ▪ Provision of institutional support to NCCM activities for children in need of special protection; development of research and studies related to children in need of special protection; establishment of a permanent platform led by NCCM and organisation, on a regular basis, of workshops on ‘Children in need of special protection’ at central and governorates’ level with both institutions and CSOs; ▪ Implementation of the integrated communication initiative Think Twice (TT), dealing with the production of educational programmes and the development of an outreach strategy addressing children's and youth rights; ▪ Advocacy activities targeted at key stakeholders (line Ministries officials, religious leaders, medical and legal staff, youth, etc); organisation of national and local media campaigns to develop information on FGM; incorporation of FGM messages in the curricula and extra curricula activities of primary, secondary and tertiary schools (Medical Schools, Social Service Schools and Education Schools) in all the concerned governorates; ▪ Advocacy activities implemented by CSOs on women and children’s rights. <p>Component 3</p> <p>Activities</p> <ul style="list-style-type: none"> ▪ Provision of direct institutional support to EEAA at central and local level, so as to develop the ability of its staff in organisational as well as technical matters (human resources management, how to enhance partnership with civil society, communication skills, participative approaches, monitoring and evaluation, environmental rights, etc.); development of national environmental action plans incorporating the views of civil society and implementation at governorates level; ▪ Support to the activities of CSOs in the implementation of the national environmental action plan.
Main achievements	The project is still subjected to negotiations with GoE and has not started.
Project's main weak points	<p>The formulation report seems to have made solid analysis of the context and stakeholders to be consolidated following the previous project. It is not clear that the Egyptian party has been actively involved in shaping the priorities and main axes of the project.</p> <p>The project foresees calls for proposals for all the components. As this approach proved to be inappropriate to reinforce the capacities of the CSOs under MED/2005, it seems</p>

	questionable to extend it to the whole project.
Issues	The project was formulated (report date: January 2008) with consultation at high level of GoE and with stakeholders involved in MED/2005/17203. During the field visit, the formulation of the report was still under discussion.
Documentary sources	<ul style="list-style-type: none"> ▪ European Commission – Egypt, Country Strategy Paper 2002-2006 and National indicative Programme 2002-2004, No date ▪ European Commission – Egypt, Country Strategy Paper 2007-2013, 04/01/2007 ▪ European Commission, Action fiche for Egypt. Identification: “Promotion and Protection of human rights and civil society in Egypt” ▪ Transtec (Roberto Carpano, J. Hafez Abu Seada, Dr. Fatemah Khafagy). “Identification and formulation of a programme of the promotion and protection of Human Rights and Civil Society in Egypt,” Formulation report, January 2008

Annexe 7: Data collection grid

The information provided in the data collection grid below was gathered at the level of the indicators and judgment criteria for the interventions or clusters of interventions analysed during the desk phase and field visit. It is displayed in a basic, unprocessed form. As explained in the main report, it is important to note that the aim is to gather information that can serve as a basis for conducting a general evaluation of the Commission support to Egypt.

EQ1	To what extent has the Commission cooperation strategy with Egypt been consistent with and supportive of: (i) the needs of the country and its population, (ii) the policy objectives and priorities of the Government of Egypt and (iii) the objectives and priorities agreed by both partners in the EU-Egypt agreements?
J.1.1	<i>The choice of interventions is based on a diagnosis of the needs of the country and its population and addresses these needs</i>
I.1.1.1	Existence in programming documents (CSP/NIP) of an analysis of needs and challenges to address to reach the EC-Egypt Agreements objectives
Overall	<p>The objectives of the Barcelona Process, the AA and the MEDA as well as of the Community Development Policy are clearly recalled in the CSP/NIP 2002-2006. However, this does not extend to an analysis of the challenges that Egypt would have to meet in order to reach the objectives of these agreements with the European Union. Instead, the CSP focuses its analysis on Egypt's own policy agenda (see J 1.2) which calls for high economic growth (7% per year) and social reforms with three key policy objectives: (1) job creation, (2) export led growth and (3) modernisation of education. Although this is not underlined in the CSP, the GoE's policy objectives are perfectly attuned to and will help to achieve the Barcelona and AA objectives of sustainable growth and insertion into the world economy and the challenges of both should thus be similar.</p> <p>The country analysis of the CSP further identifies the following economic and social areas as challenges for Egypt:</p> <ul style="list-style-type: none"> ▪ non equitable growth with significant poverty and associated characteristics (poor housing, poor health, high unemployment and underemployment, illiteracy, geographical disparities) ▪ underfunding and inefficient education and health systems ▪ access to clean water and sanitation ▪ a nascent financial market ▪ insufficient job creation ▪ insufficient savings and investments and an over reliance on foreign resources. <p>But on the other hand, positive developments are:</p> <ul style="list-style-type: none"> ▪ Fiscal and macro-economic stabilisation accompanied by the launching of structural reforms and privatisations of the industrial sector ▪ Trade reforms even though the system remains more restrictive than other emerging markets ▪ Good potential for achieving and maintaining high growth rates ▪ A willingness to tackle social reforms (basic education, primary health). <p>The EC-Egypt response strategy to these identified challenges shows a marked evolution from the previous, very large programmes which were thought necessary to leverage change but which proved in practice slow to implement: <i>'The very large single sector programme budgets under Meda I correctly reflected the scale of the challenges to be addressed in EU-Egypt co-operation. But in practice they appear to have over-taxed the absorptive capacity in the ministries concerned. The proposed individual programme budgets for 2002-4 are therefore more modest.'</i> (CSP 2002-2006). As a result the proposed interventions are in areas where actions have already been identified and/or can quickly be identified and where the EU has recent experience and can thus provide value-added compared to other donors</p>

	<p>(technical education and vocational training/TVET, industrial restructuring, financial sector reform, etc).</p> <p>The fact that these areas are also areas corresponding to priority needs of the country and the population is not highlighted as such in the CSP 2002-2006 but is better highlighted in the NIP 2002-2004 where individual proposed programmes are described against their national context and policy objectives. There it is clear that proposed interventions respond to identified needs of the country and the population even though it does not clearly come out whether these needs are also priority needs. In this respect the second NIP (2005-2006) shows much greater emphasis both on the links of its proposed interventions to the AA objectives and to the needs of the country and its population. On the whole the CSPs thus seem to have been prepared without exhaustive diagnosis of needs of the country and of the population having been undertaken but the NIPs show how proposed programmes respond to existing (but necessarily priority) needs.</p> <p>The NIP 2005-2006 benefits both from the fact that the entry into force of the AA was now expected to be imminent (awaited for 2004) and thus its objectives could be fully taken into account and the fact that the results of the CSE had shown some shortcomings of the previous strategic approach leading the EC to <i>'give proactive support to more dynamic economic, social and political reforms in Egypt'</i> and since <i>'the promotion of balanced social development and social protection is an integral part of the Association Agreement (...) future EC assistance to Egypt better defines a clear set of objectives in support of social development and develops programmes with a focus on policy reform.'</i> The choice of interventions of the NIP 2005-2006 is thus much better anchored both in the AA objectives and in the country's and its population's needs as they are reflected in the Government's programmes.</p> <p>The CSP 2007-2013 shows a further clear evolution from the earlier stance: <i>'Building on the solid foundations laid by the cooperation under the MEDA programme which begun in 1995 and which has generally been implemented satisfactorily, the EU considers that the impact of its financial assistance can be maximised by: i) focusing on Egypt's own agenda of reform to increase ownership; ii) contributing to implementation of the Action Plan and ensuring consistency with the range of EU policies; and iii) focusing on a limited number of specific objectives in key sectors in which the EU and Egypt have a strategic interest and where the EU's added value has the greatest potential to bring about the desired result.'</i> The needs of the country, the actions agreed to reach AA objectives (the AP) and value added are major decision making factors for intervention choices. Accordingly, the CSP 2007-2013 presents a substantive analysis of the political, economic and social context of Egypt with clear references to the issues that represent constraints to reaching the AA objectives (eg Egypt's track record in human rights, in maintaining acceptable public finance deficit levels, etc.) or on the contrary that make progress much more likely (eg signing of regional trade agreements, external trade reforms, etc.).</p> <p><i>Sources: CSPs and NIPs</i></p>
<p>MED/2002 /004-955 (TVET)</p>	<p>The CSP 2002-2006 identified that Egypt's most pressing short term internal economic problem is the major shortfall in work opportunities for the 600,000 new job entrants to the labour market every year. For this, economic growth is essential; the development of private sector and foreign investments will</p>

	<p>require GoE to invest in extensive human resource development to meet the enterprise skills gap.</p> <p>The NIP 2002-2004 further illustrates the issue by showing that the TVET structure in place in the beginning of the 2000's was developed to meet public sector needs during the public sector era few decades back; it is not equipped to meet the needs of the new entrants to the labour market and fails to address the serious market based skills deficits in the expanding modern and private sector. Accordingly Foreign Direct Investments are being limited despite the relatively low labour costs.</p> <p>At the demand side, the TVET is foreseen to be inefficient and ineffective considering:</p> <ul style="list-style-type: none"> ▪ It is managed / supervised by 22 different ministries ▪ Curriculum is outdated ▪ Training is not certified or accredited ▪ Supply driven rather than demand/market driven and very little provision considered for in-service or continuous training. <p><i>Sources: CSP 2002-2006 and NIP 2002-2004</i></p>
<p>MED/2002 /003-396 (TEP A)</p>	<p>The CSP 2002-2006 has recognized the challenge of international competition for Egyptian Enterprises locally in Egypt as well as globally in export markets. Considering this, successive Egyptian governments have undertaken some reforms to reduce tariff and non tariff barriers and enhance the transparency in trade regime, despite some internal resistances in some industrial sectors. However, Egypt's trade system remained significantly more restrictive than other emerging markets. Customs procedures were cumbersome and the import of intermediate goods was still discouraged.</p> <p>It is also mentioned that despite the commitment of the Egyptian side to the WTO rules, Egypt remained lax on a number of its multilateral trade obligations with respect to transparency bound tariff rates, mandatory standards, intellectual property and customs valuation. As a result Egypt's external performance deteriorated from the mid 1980's to the mid 1990's: Egypt's merchandise exports' share in the EU market fell (from 1% in 1985 to 0.5% in 1995) as did Egypt's share of world exports and imports.</p> <p>A need for reinvigorating external trade was needed through multi-liberalization, bilateral trade liberalization through the negotiation of the Free Trade Areas and comprehensive unilateral reform of the trade regime.</p>
<p>MED/2003 /005-716 (FISC Rural)</p> <p>MED/2003 /005-719 (FISC Social)</p> <p>MED/2004</p>	<p>The CSP 2002-06 identifies the deficiencies of the existing public and private financial sector, and the lack of financial intermediaries offering a range of appropriate credit and savings instrument as an impediment to private sector growth prospects and domestic savings and investment.</p> <p>It states that although the reform framework is largely in place, the future role and status of the public commercial banks and insurance companies remains to be addressed, there are too few financial intermediaries offering venture capital or long-term credit and the sector's regulatory and supervisory policy capacity need improvement (FISC Financial).</p>

<p>/006-224 (FISC Financial)</p>	<p>It also mentions that the deficiencies of the financial sector cause a special problem for small businesses and farmers (FISC Social and Rural).</p> <p>All in all, if the CSP does not explicitly make the link between the constraints and shortcomings of the financial sector and the achievement of the EU-Egypt agreements, these deficiencies can be considered as ultimately constituting an impediment to the achievement of the following:</p> <ul style="list-style-type: none"> ▪ specific priorities of the EU-Egypt Action Plan (e.g improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs); ▪ specific objectives of the EU-Egypt Association Agreement (e.g to establish the conditions for the progressive liberalisation of trade in goods, services and capital (FISC Financial) and to contribute to the economic and social development of Egypt (FISC Financial, Rural and Social); ▪ and of the 2nd pillar of the Barcelona process (the construction of a zone of shared prosperity). <p><i>Source: CSP 2002-2006, EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration</i></p>
<p>MED/2005 /017-543 (Water)</p>	<p>There is no evidence in the programming documents of the way that support to the water sector would help Egypt to reach the EC-Egypt Agreements' objectives. Of course, one can retrace ex-post the manner in which the support to the water sector could contribute to reach some of the AA objectives. In the AA, support to the water sector falls within the provisions of Article 44 on the environment which states inter alia that Cooperation shall aim at ensuring the rational use of natural resources with a view to ensuring sustainable development.</p> <p>The support to the water sector decided upon under the NIP 2005-2006 and implemented from 2006 to 2009 corresponds to several of the specific areas of cooperation singled out by the AA in environment: the quality of Mediterranean water and the control and prevention of marine pollution; water resource management; the impact of agriculture on soil and water quality; and, environmental education and awareness. The water sector support by addressing these aspects of water management highly relevant to the AA's environmental area objectives, fully contributes to the objective of supporting Egypt's efforts to achieve sustainable development, without however explicitly referring to the AA in the relevant CSP or NIP.</p> <p><i>Source: AA</i></p> <p>The CSP 2002-2007 did not initially include the water sector as a specific focal sector for cooperation during the period; the support was decided after the CSP was already written and its implementation started. Water support was included in the cooperation programme mainly as a result of the Johannesburg summit of 2002 following which the EU Water Initiative (Water for Life) was launched. Support to the water sector reform in Egypt was included in the second NIP of the 9th EDF (2002-2007). As such the water sector is thus only mentioned rapidly in the CSP for its role in the GoE's policy (see I 1.2.1). However, as seen above, there is no indication in the CSP that the water sector</p>

	<p>will be supported by the Commission and links between the sector’s needs and challenges vis-à-vis the AA are thus not presented.</p> <p><i>Source: CSP 2002-2007</i></p> <p>In the 2005-2006 NIP support to water sector reform is singled out as one of the three priority areas for support to the process of economic transition which must pave the way for achieving the objectives of the AA. Nevertheless, the way that the water SBS is going to contribute to this is not presented explicitly in the NIP 2005-2006 which focuses on presenting the main features of the water sector. Implicitly however the links between the priority area and the AA objectives are clear: on the one hand the Commission supports a reform which aims for greater efficiency in water management (and thus one assumes contributes to more sustainable development) and on the other hand ‘<i>water management is the entry point for an overall process of regional integration, in all its dimensions, as well as an important case of building confidence, peace and security in a region subject to many turbulences. In the framework of this initiative, the Commission has proposed to allocate extra funding to support transboundary river basin management in Africa.</i>’ (NIP 2005-2006, page 14).</p> <p><i>Source: NIP 2005-2006</i></p> <p>The current CSP (2007-2013) is much more explicit about the links between the AA and the financial cooperation programme. It stresses for example that the cooperation programme will be maximised by focusing on Egypt’s own agenda for reform which is precisely how the water sector support was designed. The CSP 2007-2013 also presents a much more detailed picture of the water sector and its needs and challenges, presumably building from the knowledge accumulated from the NIP 2005-2006 intervention (which implementation started in beginning of 2006). Under the heading of environment the CSP shows that institutional, regulatory and pricing weaknesses as well as unbalanced and inequitable tariff structures hamper the sector. Furthermore the environmental profile annexed to the CSP clearly shows that environment, including water quality, is one of the focal areas of the EC-Egypt Action Plan established in the framework of the ENP and that actions implemented in this area will in turn contribute to meeting the AA’s objectives.</p> <p><i>Source: CSP 2007-2013</i></p>
<p>MED/2005 /017-203 (HR)</p>	<p>The CSP does not present an explicit analysis of needs and challenges of the country. But it identifies deficiencies in the internal security and the rule of law, such as the slow justice procedures and the lack of political independence of the courts, and the unsatisfactory legal and regulatory framework on NGOs. This is an impediment to the respect of democratic principles and fundamental human rights as set out in the Universal Declaration on Human Rights, which constitutes an essential element of the EC-Egypt Agreement.</p> <p><i>Source: CSP 2002-2006</i></p>
<p>DDH/2005 /017-240 (HR 2 & 3)</p>	<p>There is no mention of this instrument in the CSP.</p> <p><i>Source: CSP 2002-2006</i></p>

ENPI/2007 /019-248 (Education)	<p>The CSP provides a short analysis of the role of education in the fight against poverty, in improving social conditions, in access to employment, etc. It clearly identifies the deficiencies of the education system and some of its causes. It also states that the opening of Egypt's economy to the world will eventually enhance its competitiveness, attract investment and generate employment, but for this to happen, structural reforms will have to be undertaken, in particular in the field of education.</p> <p><i>Source: CSP 2007-2013</i></p>
ENP/2008 /019/607 (PPHR)	<p>The CSP considers the Egyptian policy agenda, where its needs are stated, in shaping its response to the Agreement. The 2002-2007 plan enhances the state of institutions based on respect of human rights and public freedoms, enhances judiciary independence, expand participation en political life and enhances human resources and build up institutional capacity. It recognizes the wish of Egypt to pursue an internal political reform, in particular enhancement of the effectiveness of institutions entrusted with strengthening democracy and the rule of law, including legislative institutions.</p> <p><i>Source: CSP 2007-2013</i></p>
I.1.1.2	Existence in the MoU / FA of an analysis of needs and challenges to be addressed
MED/2002 /003-396 (TEP A)	<p>There is no mention in the Financing Agreement of the needs and challenges. However, it is mentioned that at the project identification, a review of the Ministry's internal organisation (at that time it was the Ministry of Foreign Trade) was being in place supported by the USAID's Assistance to Trade Reform (ATR). Also some institutional changes were foreseen in 2002 due to Trade Law. It was therefore seen appropriate to tailor the program according to a thematic content rather than activities specified, suggesting that later on, during implementation a comprehensive activities design would be conducted according to needs assessment defined by private sector needs of collaboration with the public sector.</p> <p><i>Source: FA</i></p>
MED/2002 /004-955 (TVET)	<p>TVET FA included a comprehensive sector analysis that was adopting a review of the Egyptian technical and vocational education system, which identified multi-levelled needs for reform. The FA explains the lack of balance between a 75% domination of private sector contribution requesting a high level skilled labor that can compete in international markets, and the supply of labour coming out of a poor public sector dominated education system. It also addressed factors of competitiveness and the status of current poverty, gender constraints and employment challenges. It illustrated a labor market of 29% of the population, considerable low participation of females and described an education sector dominated by government institutions as well as the vocational training provision that is supervised by 22 different ministries, summarizing challenges as: complexity of the TVET sector, absence of the private sector involvement in addition to the obsolete status of its structure.</p> <p><i>Source: FA</i></p>
MED/2003 /005-716 (FISC)	<p>There is no explicit mention in the FA of the needs and challenges to be addressed. However, the programme builds upon the positive experience of the Agricultural Sector Development Programme (ASDP) which supported the</p>

Rural)	development of SMEs in the agricultural sector (fisheries, poultry, horticulture, and small-scale irrigation works) through the provisions of loans made available by commercial banks. In continuity with the ASDP, the FISC Rural plans to establish a credit facility to small and medium entrepreneurs focused on additional rural/agricultural sub-sectors: post-harvest activities, agricultural input supply and marketing. <i>Source: FA, PS</i>
MED/2003 /005-719 (FISC Social)	The FA proposes an analysis of the challenges to be addressed. In particular, unemployment (12%) and underemployment are identified as part of Egypt's main challenges to be addressed so as to combat poverty and attain a balanced social and economic development. As micro and small enterprises (MSE) make up more than 90% of the private sector activities, support to this layer of the economy is considered as an important way to contribute to employment creation. The constraints for the development of MSE are identified: <ul style="list-style-type: none"> ▪ Lack of access to financial services to meet their working and investment capital needs. Indeed banks remain reluctant to extend their services to MSE because of the cost to deal with rather small loans sizes, the perceived higher risks and the lack of know-how to deal with MSE. Moreover, NGOs, which have proven to be able to deliver small-scale financial services, have difficult access to the banking system because of administrative and solvency requirements. ▪ Numerous non-financial constraints: lack of technical skills, limited access to information and technology, inadequate physical facilities, managerial short-comings, marketing problems and constraints related to the regulatory and legal environment characterised by complexity and requirements that are difficult to deal with for small-scale enterprises. <i>Source: FA</i>
MED/2004 /006-224 (FISC Financial)	The FA analyses the challenges to be addressed. Indeed, the financial sector is in transition. Key legislation to encourage financial sector reform has been approved or is in the pipeline. However many categories of potential customers are not being adequately served, including SMEs. As a result, the financial sector contribution to Egyptian GDP and private sector growth remains substantially below potential. The sector remains dominated by the “Big 4” public commercial banks which control 50 to 55% of banking assets and 3 specialised public finance institutions. The “Big 4” are still burdened with excess staff, weak management skills at middle/lower levels, low profitability, obsolete technology, etc. <i>Source: FA</i>
MED/2005 /017-557 (SAA)	SAA Financing Agreement didn't specify defined challenges or needs at the project level. It rather defined Twinning as a modality of implementation of the program and depended on the workplans of the project to define needs and set prioritization of action.
MED/2005 /017-543 (Water)	The FA (see also 7.1.1) provides a short description of the main characteristics of the Egyptian water sector; its reliance on the Nile as sole water source for Egypt, the current and expected future use for drinking, industrial and agricultural purposes, the threat on water quantity and quality posed by the Nile's dilution capacity. No information is given on the economic importance of this natural resource (in terms of the production it sustains and its contribution to GDP and growth).

	<p>Challenges to be overcome in the sector in terms of public expenditure budgeting, cost sharing, exhaustiveness of policy formulation, institutional arrangements, regulatory framework and management issues are underlined. The two outstanding challenges which encompass all others are identified as (i) the need for a holistic approach to water sector reform (including potable water, wastewater, sanitation, industrial water, water reuse, water treatment etc.) drawing on and bringing together the piecemeal approach to reform hitherto developed with support of various donors, and (ii) the need to relieve the financial burden the water sector represents on public finances both from the perspective of ineffective investments and the funds wasted on their maintenance and operation and from the perspective of necessary cost sharing to reach towards full cost recovery on the provision of water services. Overall it can thus be said that the FA presents an analysis of needs and challenges to be addressed.</p> <p>On how far the GoE expressed the need for support is less clear although references are made to (i) the ability to preserve the Nile's dilution capacity for which the Government expressed a crucial need, (ii) the ability to prioritise public investments and financing of operating costs in the public sector and to introduce cost sharing in order to weigh less heavily on GoE's financial resources and thus respond to the need for containing the public budget deficit, and (iii) the need for an integrated management of the water resources including all aspects of the water cycle combined with strong economic measures to preserve water quality and quantity and allow a sustainable development.</p> <p>Over and above the information on needs identification presented in the FA, the SBS is based on the NWRP which itself presents a detailed identification of the needs of the population, the productive sectors and the cross-sectoral issues of water management.</p> <p><i>Source: FA MED/2005/017-543, NWRP monitoring reports</i></p>
<p>MED/2005 /017-203 (HR)</p>	<p>In the FA, it is mentioned that the Government has adopted a series of important measures to reinforce the status of HR, civil society and rule of law. However, it mentions that there are major challenges still persisting. The Government of Egypt, in collaboration with the team of experts, identified a set of interventions considered central to the GoE efforts. There is still an identified need for awareness-raising among the relevant stakeholders, namely the police, the judiciary authorities as well as the general public in general, and for developing a mature and active civil society.</p> <p><i>Source FA</i></p>
<p>DDH/2005 /017-240 (HR 2 & 3)</p>	<p>There has not been an inception report or FA/MoU in the EIDHR 2000-2006 at the country level. The open calls for proposals are based on the EIDHR global strategy and proposed themes that are not country specific. With the open call for proposals, it is expected that the proposed theme will meet the needs of applicants (responsive instrument).</p> <p><i>Source: EIDHR open call 2006 for proposals on "Promoting the democratic process".</i></p>
<p>MED/2006</p>	<p>The intervention is an interest rate subsidy to the BEI for € 10 million. The</p>

/ 018-354 (Pollution)	<p>Project Fiche is very short and gives the background and the context but does not delve into a needs and challenges analysis. Possibly this is also because this project (EPAP) follows on from an earlier phase (EPAP I 1997-2004).</p> <p><i>Source: Project Fiche</i></p>
MED/2006 /018-254 (EPAP II)	<p>There is no mention in the CSPs/NIPs of the specific environmental objectives to be reached by Egypt although there are several references to Egypt's fragile environment; here the EC's main response is the South Sinai project which addresses environmental concerns. References to EIB's support to environmentally related lending (in sectors such as waste/waste water/water supply and energy) is also mentioned with regards to past interventions.</p> <p>The CSP/NIP 2002-2006 and NIP 2005/06 under which the EPAP II is funded do not mention the project since it was not foreseen as such but evolved from a €15 m allocation set aside in the NIP 3005/06 for sector reform support and, according to EPAP's project fiche, re-allocated upon the GoE's demand to this specific purpose. This sector reform facility was meant to enable Egypt to pursue its fiscal, financial and regulatory reforms, such as budget consolidation, legal and regulatory aspects of fiscal policy, trade and business environment with the aim of improving the business environment in Egypt and assuring the best success in the implementation of the Association Agreement. The sector reform support was supposed to be defined after evaluation of the ongoing Trade Enhancement Programme, the Industrial Modernisation Programme and the Financial and Investment Cooperation programme. Instead the €15 m were allocated to the EIB as an interest rate subsidy.</p> <p>The 2007-2013 CSP summarises the challenges to be met in protecting Egypt's environment (such as institutional fragmentation of responsibilities for environmental legislation, limited decision-making powers of local administrations, prices not reflecting environmental costs) but focuses mainly on the issues related to water. Again the IRS for the EPAP II is not mentioned.</p> <p><i>Sources: CSPs, NIPs, EPAP project fiche</i></p>
ENPI/2007 /019-248 (Education)	<p>The FA very explicitly analyses the needs and challenges to be addressed in the education sector. The major needs and challenges identified include:</p> <ul style="list-style-type: none"> - inequality of access to education: regional discrepancies and inequalities in education outcomes, with poorer provision of education services for the lower income groups; - unsatisfactory education quality (learning contents, teaching methods, learning environment, teacher's motivation and behaviour, programs updating/relevance, teaching curricula, training supports and pedagogical skills of trainers); - testing and tracking system of students promotes further inequalities; - TVET used as a safety net for dropouts from general education, students of lower socio-economic status, and unemployed youth; the low education quality further reduces effectiveness for job market entry; - secondary education has negative returns and produces skills not required by the labour market; - illiteracy is still widespread especially amongst the poor and those active in the informal sector (the illiteracy rate among adults (> 15 years) is

	<p>still hovering around 25%: 98% of poor Egyptians living in a household headed by an illiterate woman are illiterate in rural areas, 96% in urban areas. Most workers in the informal sector, which represents more than 20% of the GDP, are illiterate or quasi illiterate);</p> <ul style="list-style-type: none"> - teachers' career development is not contingent on performance thus favouring widespread private tuition; - public education expenditure is high (19% of total public expenditure, 5.9% of the GDP and 8.8% including household expenditures) but inefficient; - priorities in HR/staffing do not reflect needs (as witnessed by increased administrative staff and class sizes growing). <p><i>Source: FA</i></p>
ENP/2008 /019/607 (PPHR)	<p>The FA/MoU is not yet signed. There is no explicit mention in the Formulation report of the needs and challenges to be addressed. However, the proposed programme builds upon the positive experience of the Support in the field of democratisation, human rights and civil society project (HR). The project plans to work with the same beneficiary and stakeholders, on institutional capacity building of stakeholders and on consolidating the civil society in every component of the project.</p> <p><i>Source: Transtec formulation report, January 2008</i></p>
I.1.1.3	Programming documents explicitly show how proposed interventions will address the identified challenges
Overall	<p>The NIPs (2002-2004, 2005-2006 and 2007-10) analyse the individual contexts of each intervention and provide the background, justification, objective and expected results of the interventions. The programme descriptions are however not always necessarily sufficient to explain how the expected results will be achieved and under which conditions these results are likely to contribute to attainment of the programme objectives. One notes an improvement between the NIP 2002-2004 and the NIPs 2005-2006 and 2007-2010 in terms of clarity of information provided and analytical links between the identification of the problem and the proposed intervention's contribution to this problem.</p> <p><i>Source: NIPs</i></p>
MED/2002 /003-396 (TEP A)	<p>NIP 2002-2004 explains that the TEP intervention will address trade and trade-related challenges that have been identified, specifically related to governmental bodies performance, with an aim to upgrade government services and reduce the number of cumbersome administrative, financial and customs hurdles faced by traders, producing reliable and up to dated trade documents and foreign market guides for Egyptian exporters.</p> <p><i>Source: NIP</i></p>
MED/2002 /004-955 (TVET)	<p>NIP 2002-2004 describes an intervention that would address challenges and sector needs within TVET system. Considering simplifying the complexity of the system through administration of decentralization components, the involvement of the private sector in bringing demand rather than only supply to the TVET providers' formula and propose successful models for overall reform of the TVET system for the government to adopt and disseminate, ensuring certification and accreditation is considered.</p>

	<i>Source: NIP</i>
MED/2003 /005-716 (FISC Rural)	The NIP 2002-04 proposes an intervention that will address the challenges identified. Indeed, it proposes a revolving credit line that will provide loans to small entrepreneurs, farmers and food producers in order to support groups with little access to normal credit through the existing banking system. This intervention is based upon previous positive Commission's interventions in terms of both job creation and agricultural sector upgrading that funded credit instruments or small business (through the Social Fund) and to small farmers and food producers. <i>Source: NIP 2002-2004</i>
MED/2003 /005-719 (FISC Social)	The NIP 2002-04 proposes an intervention that will address the constraints identified, both financial and non financial. Indeed, it proposes a revolving credit line that will provide loans to small entrepreneurs and the development of training in core banking skills and high level training for senior bank and financial sector staff. <i>Source: NIP 2002-2004</i>
MED/2004 /006-224 (FISC Financial)	The NIP 2002-04 proposes an intervention that will address the challenges identified. Indeed, the intervention aims at promoting a more effective and relevant financial system by improving (i) financial sector supervision and (ii) financial sector responsiveness to the needs. In particular, it proposes to provide TA to the Central Bank to enhance its capacity and to support financial sector restructuring through public sector bank and insurance company privatisation and the sale of state shareholdings in public/private institutions. <i>Source: NIP 2002-2004</i>
MED/2005 /017-203 (HR)	The intervention is designed to address the challenge identified by the Government of Egypt. It is promoting an enabling environment for democratisation and citizenship rights through building the capacities of NGOs and to strengthen National organisations that are part of the legislation developments of Egypt and were created by decree or by law. <i>Source: FA</i>
DDH/2005 /017-240 (HR 2 & 3)	The EIDHR, since it is a budget line that is not managed at country level, is not programmed within the context of the CSP and NIPs. The areas for support that the budget line will propose are based on EIDHR's global strategy: there is no identification of country specific issues but rather an expectation that the proposed theme will meet the needs of applicants (responsive instrument). <i>Source: EIDHR open call 2006 for proposals on "Promoting the democratic process".</i>
MED/2005 /017-557 (SAA)	NIP 2005-2006 explains how the SAA would address inadequacy of the public administration to implement the Egyptian commitments of the Association Agreement. Though not identified earlier as a challenge in the CSP or the FA of the SAA however, the NIP programming was guided by the experience gained through previous EC-funded programmes and projects which would have highlighted the basic need of SAA to push forward the AA implementation. <i>Source: NIP 2005-2006</i>
MED/2005	The 2005-2006 NIP states that environmental issues are important in achieving

/017-543 (Water)	<p>the MDGs and presents the context and specific objectives of the proposed intervention. Four specific objectives are outlined for the water sector support:</p> <ul style="list-style-type: none"> ▪ Design of institutional reform with a view to an integrated, sector-wide approach to water management. ▪ Enhanced cost efficiency and more optimal use of water through private participation in the water sector. ▪ Improved management of water resources taking into account conflicting interests of water users. ▪ Transfer process from central and Government controlled water management at all levels of the distribution system. <p>The actions which are proposed to be implemented to address the identified challenges and to reach these objectives are as follows:</p> <ul style="list-style-type: none"> ▪ supporting the GoE's sector reforms with a view to promoting economic and sustainable water use; ▪ promoting decentralised management at operational level; and ▪ advancing private participation in the water sector. <p>Despite this description of the programme which is totally aligned with the three aims of the water sector reform embarked upon by the GoE, the link of these actions with the specific objectives and the manner in which these actions will contribute to fulfilling the objectives of the support remain unclear. It thus also remains unclear how proposed interventions will address the identified challenges. This comes out more clearly in the FA (see I.1.1.4 and J 7.1).</p> <p><i>Source: NIP 2005-2006</i></p>
MED/2006 / 018-354 (Pollution)	There is no explanation in the CSP or NIP about the use of interest rate subsidies. There is no mention of the EPAP II.
ENPI/2007 /019-248 (Education)	<p>The NIP 2007-2010 clearly shows that support to the education sector reform will contribute to transform Egypt's society into a modern and competitive society. The expected results of the support are clearly outcomes that would, if realised, contribute directly to relieving the constraints identified at macro level: upgrade the levels of education; improving the links between education and the qualifications needed on the labour market; improving access to education and to the labour market, particularly for women and the most vulnerable sections of the population; improve the rates of literacy and upgrading the network of universities in Egypt and improving their management.</p> <p><i>Source: NIP 2007-2010</i></p>
ENPI/2008 /019-607 (PPHR)	<p>FA is not developed yet. However, the Formulation Report is designed to address the challenges identified via the three components of the project dealing with civil and political rights, women's rights and rights of the child and environment rights. The three components include advocacy activities implemented by CSOs.</p> <p><i>Source: Transtec Formulation report.</i></p>
I.1.1.4	Interventions (FA/MoU) are specifically designed to address the challenges identified
MED/2002 /004-955 (TVET)	Interventions specified in the FA are definitely designed to address the challenges identified through the focus on 3 components that address the 3 main challenges. TVET components are development of decentralized and

	<p>demand driven TVET institutions, improvement of the quality of TVET delivery and development of national regulatory and support institutions for a decentralized and demand-driven TVET system.</p> <p>On another note, FA does not specify interventions within the Ministry of Education, the main provider of vocational education in a formal setting within the Government of Egypt.</p> <p><i>Source: FA</i></p>
MED/2002 /003-396 (TEP A)	<p>Interventions specified in the FA are designed to raise capacities within the major trade and trade-related issues governmental bodies. However there is no mention in the FA of specific challenges within those institutions.</p> <p><i>Source: FA</i></p>
MED/2003 /005-716 (FISC Rural)	<p>The intervention is designed to address the challenges identified. The core feature of the programme is the provision of credit to small and medium producers of agricultural products, processors and entrepreneurs through commercial banks. This credit line will enable banks to finance private activities in the following agricultural areas: post-harvest activities, agricultural input supply and marketing.</p> <p><i>Source: FA, PS, Final evaluation</i></p>
MED/2003 /005-719 (FISC Social)	<p>The intervention is designed to address the challenges identified. The programme aims at contributing to job creation and income generation through the provision of:</p> <ul style="list-style-type: none"> ▪ financial services : two credit facility funds: <ul style="list-style-type: none"> ○ one managed by SEDO to offer loans through commercial banks to small entrepreneurs, ○ the other by the MFU that will provide loans through NGOs to micro and small entrepreneurs ▪ and non-financial services: <ul style="list-style-type: none"> ○ one grant facility to NGOs to improve their delivery capacity of financial and non-financial services to end-beneficiaries; and ○ TA and capacity building to SEDO, MFU and NGOs involved in the implementation of the project. <p>The economic activities of micro and small entrepreneurs who normally have little, or no, access to the formal financial system are targeted.</p> <p><i>Source: FA, Final evaluation</i></p>
MED/2004 /006-224 (FISC Financial)	<p>The intervention is designed to address the challenges identified. The programme aims at contributing to the modernisation of the Egyptian financial sector (Banks, Financial Institutions and Regulators) in order to meet the challenges of globalisation and to support private sector growth in the Egyptian economy. It aims at introducing and/or reinforcing international standards and best practices as regards the governance, regulation and operation of the Egyptian financial sector through 3 components: (i) financial sector supervision (assistance to the Central Bank of Egypt), (ii) restructuring of selected public sector banks, (iii) support the Capital Market Authority.</p> <p><i>Source: FA</i></p>
MED/2005	<p>The FA identifies the challenges (see I.1.1.3) and it proposes to address them</p>

<p>/017-543 (Water)</p>	<p>with a policy based financial cooperation grant, in other words a budget support operation. The SBS disbursement is foreseen in three tranches against the implementation of a set of policy actions in the budget management, water sector management and the water and sanitation system's areas. These actions are detailed in a matrix which accompanies the FA together with the verification modalities to be used (the matrix contains 20 actions per tranche so a total of 60 actions are detailed).</p> <p>The exact source of these actions seems to be a mixture of: activities contained in the water sector's strategy; activities thought to be necessary to attain the objectives of better quality water provision, more efficient water production and delivery; and activities suggested by and discussed with the various stakeholders of the sectors (water supply and sanitation and river basin sub-sectors representatives and donors). It is clear that the matrix reflects many different aspects of the sector's reform strategy and some PFM issues but the extent to which the activities in the matrix can respond to the challenges identified is not yet ascertainable.</p> <p>To the extent that most of the actions contained in the SBS matrix reflect the activities to be implemented for the water sector reform, and that this reform is specifically designed to address the challenges identified in the water sector, then the EC support can indeed be considered as specifically designed to address the challenges identified. In fact it appears that the water sector reform programme had not yet crystallised into a detailed action plan by the time the SBS programme was being formulated and the SBS programme, through the establishment of the SBS matrix of disbursement conditions, has designed the water sector's plan of action (scope, timing and sequencing) thus forming a strategy to address the challenges identified. The 2007 monitoring report states that: 'The activities mentioned in the FA matrix as triggers are clear, and are based on an analysis of the sector, its problems and opportunities, in the Identification Report and Formulation Report, prepared in early 2005. (...) There is a good fit between the SPSP and the institutional and financial reforms agreed in the SP. The SPSP triggers are still relevant.'</p> <p><i>Source: FA MED/2005/017-543; Monitoring report 14/12/2007; MN 83; MN 217; MN 218.</i></p>
<p>MED/2005 /017-557 (SAA)</p>	<p>Interventions were not specified in the FA detailing the types of activities but has specified selection criteria for individual projects of which: direct link with the implementation of AA, coherence with priorities identified in the ENPI Action plan, which in principle should address the direct aim of the intervention, supporting the implementation of the association agreement.</p> <p><i>Source: FA</i></p>
<p>MED/2005 /017-203 (HR)</p>	<p>The intervention is designed to address the challenge identified by the Government of Egypt. It is promoting an enabling environment for democratisation and citizenship rights through building the capacities of NGOs and to strengthen National organisations that are part of the legislation developments of Egypt and were created by decree or by law.</p> <p><i>Source: FA</i></p>

DDH/2005 /017-240 (HR 2 & 3)	See I 1.1.2.
MED/2006 / 018-354 (Pollution)	<p>The challenge identified in the EPAP I was the need to develop cleaner production industries and to step up efforts in the area of training for environmental inspection on industrial pollution (linked to the need to establish a clear national enforcement policy).</p> <p>A law passed in 1994 setting environmental emission standards and gave industries a 3 year compliance period; despite the gains that are likely to be had from investing in pollution abatement measures a lot of firms cannot afford to do it. In this context, EPAP II aims at establishing sustainable mechanisms for environmental planning within industries, at enhancing technical capability of all relevant authorities to handle industrial pollution; and at promoting the community's active role in industrial pollution issues. The EC support comes to the first project component, a credit line facility for pollution abatement financed through loans from various donors (including the BEI, the WB, JBIC, AFD) which aims at improving the financing of environmental investment projects.</p> <p><i>Source: Project fiche and TdR for FEMIP TA, MN 65.</i></p>
ENPI/2007 /019-248 (Education)	<p>The Education SBS came after the evaluation of the education programme (EEP 1998-2006) which had been ongoing for 8 years and came as a response to see how the new programme should take account of the 8 years support and the new MoE Strategic Plan for 5 years which was formulated as a result of EC's support.</p> <p>Similarly to the SBS in the water sector, the FA identifies the challenges to the education sector and outlines the education sector reform programme of the GoE that it will support with a policy based SBS operation. The SBS disbursement is foreseen in three tranches (fixed and variable components) against the implementation of a set of policy actions sourced from the GoE's education sector reform programme. Unlike the water SBS, the education SBS is very tightly linked to the sector strategy which was being developed at the time of the SBS formulation process. As a result, the matrix of SBS disbursement conditions is composed entirely of measures that also appear in the strategy.</p> <p>It is interesting to note that this process was very dynamic: whilst the SBS was being identified and formulated and thus the matrix was taking shape, the GoE was doing a SWOT analysis and was in the process of drafting the National Strategic Plan. Once the EC had finished the programme identification, the file started the rounds in Brussels on the basis of a tentative programme and eventually the SBS matrix was revisited at the light of the now finalised Strategic Plan. This enabled an enormous amount of time to be saved.</p> <p><i>Source: FA, MN 160; MN 296.</i></p>
ENPI/2008 /019-607 (Human Rights)	FA is not developed yet. However, the Formulation Report is designed to address the challenges identified via the three components of the project dealing with civil and political rights, women's rights and rights of the child and environment rights. The three components include advocacy activities implemented by CSOs.

	<i>Source: Transtec Formulation report.</i>
I.1.1.5	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified
Overall at macro level	<p>At the most general level of broad cooperation areas, several discussions point towards an evolving but still unequal relationship between the two parties determining the cooperation priorities. On the Government side, at high level where strategic directions of EC-Egypt cooperation are discussed, it is felt that the EC-Egypt cooperation has increasingly taken account of GoE needs but remains largely decided upon by the Commission, quite independently from the priorities that GoE might want to see addressed: the sector priorities are set by the Commission and discussions with GoE are then limited to the details (possibly the amounts, the implementation modalities, the scope, etc.). Similarly although the AA is setting the general cadre for cooperation priorities, the Egyptian demands may not be satisfied whilst new ideas developed by the EC will get imposed on Egypt (agriculture, research, transport). The general feeling is thus that this is not as much a partnership with consultation as one party imposing the rules of the game on the other even though there is increasing recognition of GoE's needs and increasing consultation.</p> <p>On the other hand it is also felt by some that the choices of priority cooperation areas are less inspired by the Egyptian priorities, desires and needs than by interests of the EC headquarters in Brussels, interests which are not clearly understood at local level (even by the Delegation) and which do not necessarily take into account the locally identified needs, constraints or stumbling blocks (including most importantly absorption capacity). It seems sometimes difficult to bring the EC back to reality even though the process is increasingly eased by the fact that the programming process is becoming increasingly open and consultative.</p> <p>The EC's approach to the human rights issues and its insistence upon integrating this issue into the cooperation agenda in a very specific manner is a prime example that has time and again been cited (but is far from being the only one). On this specific issue, a different approach, taking better account of Egyptian sensitivities and based on a more profound understanding of the level at and the manner in which human rights issues might be handled in Egypt has been advocated whilst at the same time it is recognised that due to the political dimensions of the HR question, identifying needs related to this issue, having an open dialogue about it and knowing how to respond are problematic. It seems that here there is a triangle of parties which do not meet in the middle; decisions are skewed towards EC headquarters. In these and other sectors or areas, the Delegation, GoE and other donors put a lot of effort into redirecting the EC's priorities to take better account of reality.</p> <p>Finally one of the major constraints which is insufficiently addressed according to GoE in the EC-Egypt cooperation is the weakness of GoE's human resource capacities: the problem of human resources is not addressed comprehensively by the EC and it represents a stumbling block as the country is not necessarily ready for some of the EC's initiatives (such as the use of BS in the beginning when conditions were unrealistic and had not been understood properly).</p>

	<i>Sources: MN 61, 83, 111, 151, 270, 275, 285.</i>
Overall at sector level	<p>At a lower level of choice of interventions within sectors/priority cooperation areas, it was noted that the cooperation strategy is discussed at the level of the Ministry of International Cooperation without necessarily involving the sector ministries which are directly affected by the cooperation programme. There is thus no overall country analysis of needs to assess which areas would require priority support and within sectors the same comment can be made. Very recently with the programming of the new CSP, efforts have been made to involve sector ministries in the discussions.</p> <p><i>Sources: MN 61, 83, 111, 151, 270, 275, 285.</i></p>
Overall at intervention level	<p>At intervention level, mention has been made of two main issues that affect the appropriateness of the needs identified versus the cooperation priorities. Firstly, in order for interventions to correspond to needs, their formulation process should be based on a thorough analysis of the situation: this is usually done but recommendations of the technical expert on the design of the project can be ignored in favour of choices made by the EC headquarters which are not understood at local level and which compromise the effectiveness of the project. Secondly, even when needs are well identified and the choice and design of the interventions are well adapted to these needs and the sector/area situation, the length of the programming cycle can seriously undermine this adequacy: by the time the interventions come off the ground the situation has changed, the GoE or other donors will have intervened and the project will no longer be as relevant to the situation as when it was first identified. Coupled with the inflexibility of Financing Agreements, this undermines the EC's cooperation effectiveness and impact.</p> <p><i>Sources: MN 61, 83, 111, 151, 270, 275, 285.</i></p>
MED/2002 /004-955 (TVET)	<p>Although the project responds to an identified need in the sector and addresses this with a set of activities that may indeed be conducive to improving the quality of the TVET system in Egypt and eventually providing industries and services with an appropriately qualified labour force, the main problem with the project is twofold: (i) it has not addressed the major issue of TVET reform and cannot do so as long as the institutional anchoring of TVET in Egypt is not clarified and (ii) the project's approach requires an enormous investment from the private sector stakeholders in terms of efforts, time, commitment etc. to set up the ETPs and raises hopes of trainees involved in the programmes but the project has not provided for the sustainability of activities beyond the project period. The question of sustainability of the ETPs is jeopardising the success of the project as stakeholders are reluctant to get involved when they know the project will be closing within a couple of years.</p> <p>Stakeholders were disappointed that the EC would try to drive a reform with a short term project whilst addressing the kind of challenges met in the TVET in Egypt requires long term commitment and time to see the reform designed and then implemented.</p> <p>At the more micro-economic level / implementation details level, findings point towards the following:</p> <ol style="list-style-type: none"> 1- Work on the policy issues has been delayed so much that it wouldn't

	<p>see any fruits to be evaluated if the strategy that has been proposed by the project would make sense or not.</p> <ol style="list-style-type: none"> 2- The project has been very visible and has publicised itself with an intensity that has driven expectations out of the stakeholders beyond its capacity to deliver. It slipped into the very same mistake of the IMP, so many promises with no real concrete value on the ground. 3- Also, Public awareness and education is something that has been expressed in all occasions by the Beneficiary and different stakeholders. The project is publicising itself and not creating awareness on vocational education. 4- Other training interventions have complained against the project, that the project is not working on its mandate of strategy and policy reform, and is focusing on delivering training itself. 5- It is worth highlighting that ministry of education, TVET directorate, has expressed their frustration from the focus of the project dealing with only training issues, whereas, if we are speaking reform, it should start from education. Vocational Education Reform has only started a few months back whereas the project started four years ago. In delaying education matters, the project wouldn't be able to reap out its efforts (if any) within the education sector. 6- Federations at the three sectors have emphasized that the project is deliberately ignoring previous efforts that have been accomplished with an earlier project (national skills standards project), whereas the NSSP should have been the starting point of the TVET Reform work. 7- The project is assuming a one-solution-fits-it-all in the way it is designing its interventions and pushing stakeholders to implement it. The ETP model and its mandated role within the sectors is something that should have been discussed on a sector-by-sector approach. Whereas it is working very well within the manufacturing industry, it is not working at all at the other two sectors, creating confusion between the roles of different existing entities responsible to look after training and vocational education within the sectors. 8- Last but not least, other sectors (not manufacturing) are not obliged to respond to mandated actions within the Ministry of industry and trade. Whereas the Minister of Industry can push all stakeholders into actions requested or proposed by the project, this doesn't apply to other ministers such as Tourism and Housing. <p><i>Sources: MN 205, MN 221, MN 267.</i></p>
<p>MED/2002 /003-396 (TEP A)</p>	<p>Beneficiary confirmed that TEP A was realistic and a serious intervention that tackled different angles of trade through engagement with different units/fronts that are following up on the implementation of the AA. It aimed at objectives very clearly and directly, capacities were raised within the ministry, quality of reporting and data analysis was raised and addressed direct needs that particularly seen during preparation for negotiations or during negotiation rounds of AA implementation.</p> <p>The stakeholders also underlined that the project, and EC cooperation beyond the project, did not fully address the needs expressed by Egypt in the trade area: these needs are evolving and it has at times been very difficult to get the EC to respond to expressed needs even when the EC was the only donor able to satisfy these needs (because they were linked to EU specific trade regulations or</p>

	requirements). <i>Source: MN 285</i>
MED/2003 /005-716 (FISC Rural)	Interviewees report that there was (and still is) an important demand for credit lines accessible to rural SMEs. The project responded to this need in making available a credit line. Moreover, the project covered areas which have not been previously covered by similar interventions of the Commission. <i>Source: MN 94</i>
MED/2003 /005-719 (FISC Social)	The beneficiary (SFD) and the Commission identified together the constraints faced by the NGOs in delivering financial and non financial services for the development of SMEs. Interviewees report that the needs of the NGOs have been well taken into account and that the Commission designed its programme to tackle these constraints, i.e in foreseeing two components: one on financial services and the other one on non-financial services (capacity building). <i>Source: MN 157</i>
MED/2004 /006-224 (FISC Financial)	The identification of needs (deficiencies of the financial sector to be addressed) has been made by the GoE. A diagnostic work has been carried out by the beneficiary and the Commission before the start of the Commission programme so as to ensure that the programme would cover the needs of the CBE. <i>Source: MN 68</i>
MED/2005 /017-543 (Water)	In the water sector the EC support has been the outcome of extended discussions with the water sector stakeholders, whether it be the Ministry of Housing (dealing with the water supply and sanitation), the Ministry of Water and irrigation (dealing with the river basin) or the donors involved in the sector. It seems that the EC Delegation has been instrumental in bringing the different stakeholders together in discussions and is also the only partner that has an all inclusive consideration of the sector (including both the river basin issues and the water supply and sanitation issues). The identification of the sector's needs has thus been an exercise involving all stakeholders, using many previous studies and coming in at the time when a water strategy was just being defined and when the water sector was being totally reorganised: priorities were thus fairly clear at the stage of programme formulation and if one accepts that the strategy is an appropriate response to the needs (which the current evaluation team is not in a position to verify) then support to this strategy is equally likely to correspond to the needs. The financing modality (SBS) has further allowed the recipients to state their own expenditure priorities which should, if the system functions well (see EQ7, in particular JC 7.4 and JC 7.5) correspond to the strategic priorities and thus the needs identified. <i>MN 213, 218</i>
MED/2005 /017-557 (SAA)	Beneficiary representatives confirmed their satisfaction with the twinning/ Technical assistance provided through the SAAP with its different provisions. However it was pointed out that although regulatory /legislative framework should be a direct output as one of the main objectives of the twinning programme, it is the least of focus of the Egyptian partners.

	<i>Source: MN 201</i>
DDH/2005 /017-240 (HR 2 & 3)	<p>Campaign 2 and 3 are part of a global programme and the campaign themes were determined globally. Compared to other sectors' needs, EIDHR is given too much importance in financial volume, especially when the organisations of civil society are not strong. Too much money can bring perverse aspects, particularly in killing "militantisme".</p> <p>In the case of the EIDHR, there is no needs analysis or diagnostic. A certain amount is allocated to delegations and it is usually allocated according to the previous year's budget. In the Egypt delegation, the annual amount is around 900,000. And the only way to allocate the funds is through call for proposals. In DDH 2005, the programme was still based on thematic campaigns. It was the first experience for the Egypt delegation, with a call for proposals issued for campaign 2 and 3. The ROM report (report not available yet) on the project 123785 on electoral process is rather negative. According to the ROM, the project was selected by the EC and should not have been. The NGO did what it proposed to do but it did not answer correctly to the theme. The 6 projects accepted for campaign 2 and 3 were not of great quality. There was a problem of access, language and the capacity of NGOs to respond to the competition and report on it.</p> <p>See Q3</p>
ENPI/2008 019-607 (Education)	<p>The SBS matrix follows exactly the National Strategic Plan which has been approved and agreed by all. It is thus well in line with the needs identified and the priorities retained for action.</p> <p><i>Source: MN 175; MN 296.</i></p>
MED/2000 /17203 ENPI/2008 /019-607 (PPHR)	<p>The field of human rights, democratisation and the rule of law has a political dimension that makes it more difficult in identifying needs and responding to them. The ENPI is a continuation of MED/2005 17203, with national institutions as beneficiaries (National councils) and a budget that triples. Several respondents, including Egyptians, question the absorptive capacity of National Councils and civil society (3,9 million over 17 million is earmarked for calls of proposals to NGOs) and its appropriateness to select NGOs. Several interviewees think that the amount of 17 million, determined by Brussels rather than by a diagnostic, does not reflect the needs of partners but rather is a Brussels' agenda.</p> <p>The ENPI is still at a negotiation stage (the FA was presented to the Ministry of International Cooperation in February). See Q3.</p>
J.1.2	<i>The choice of interventions is aligned with the policy objectives and priorities of GoE's medium-term development plan</i>
I.1.2.1	Existence in the programming documents (CSP/NIP) of explicit reference to GoE objectives and priorities
Overall	<p>Both CSPs (2002-2006 and 2007-2013) explicitly refer to the GoE's objectives and priorities as contained in the policy statements. The CSP 2002-2006 presents a broad analysis of Egypt's policy agenda in 2000 where, in an overall policy context of maintaining internal security and social stability, identified priorities are:</p> <ul style="list-style-type: none"> ▪ continued denationalisation of public sector interests ▪ the expansion and modernisation of infrastructure ▪ savings and investment promotion

	<ul style="list-style-type: none"> ▪ fiscal, monetary and financial sector reform ▪ bureaucratic and industrial modernisation ▪ natural and human resource development ▪ social reforms ▪ support to mega projects. <p>These fit into three key policy objectives: (1) job creation, (2) export led growth and (3) modernisation of education.</p> <p>The GoE's next five year plan (2002-2007) focuses on the following priorities:</p> <ul style="list-style-type: none"> ▪ improve the quality of life and standard of living; increase employment opportunities and reduce unemployment; reduce poverty incidence and provide social security for poor families; eradicate illiteracy and develop school and higher education; ▪ enhance the state of institutions based on respect for human rights and public freedoms; enhance judiciary independence; expand participation in political life; and enhance human resources and build up institutional capacity; ▪ increase rates of economic growth and investment; increase female participation in development; achieve a significant expansion in production and export capacity; improve industrial potential; promote innovation, scientific research and technological development; and preserve the environment. <p>Compared to the previous period there is thus the maintenance of focus on job creation and economic growth but a new focus on political reform and improvement of social conditions.</p> <p><i>Sources: CSP 2002-2006, CSP 2007-2013, NIPs</i></p>
<p>MED/2002 /003-396 (TEP A)</p>	<p>The CSP 2002-2006 highlighted the government's enthusiasm for export-led growth. The CSP also highlighted that the government's agenda in terms cooperation with international donor community, the highest priority was the Egyptian role as an active WTO member and a willing spokesperson in the new trade round debates.</p> <p><i>Source: CSP 2002-2006</i></p>
<p>MED/2002 /004-955 (TVET)</p>	<p>The CSP 2002-2006 pointed to the Prime Minister's declaration of the policy agenda and specified Human Resource Development, as a catalyst or a challenge to Egypt's economic and social development and emphasized on the Government's ambitious targets for job creation and social infrastructure (of which schools and education institutions. Moreover, the CSP pointed to president Mubarak's identified policy objectives which are job creation and modernization of education.</p> <p><i>Source: CSP 2002-2006</i></p>
<p>MED/2003 /005-716 (FISC Rural)</p> <p>MED/2003</p>	<p>The CSP 2002-2006 explicitly refers to the Egyptian policy agenda. As regards the three components of the FISC, the financial sector reform engaged by the GoE in the 1990s which assigned a central role to market forces in the mobilisation of savings, the allocation of credit and conduct of monetary policy is of particular importance. The Egyptian reform seeks to stimulate the stock market, reactivate the bond market, create new financial intermediaries and</p>

/005-719 (FISC Social) MED/2004 /006-224 (FISC Financial)	address financial sector skills deficit. Moreover, the GoE's policy objective of job creation to reduce rising unemployment (President Mubarak's speech to Parliament in December 2000) and the President's commitment to SME growth are of major importance for FISC Social and Rural. <i>Source: CSP 2002-2006</i>
MED/2005 /017-543 (Water)	Despite not being originally foreseen in the CSP 2002-2007, the water sector is mentioned several times in the CSP in the context of the Government's policy outlined in September 2000 to achieve high growth rates: the water sector is both seen as essential for developing the country's infrastructure and as a tool for improving social conditions. It is also mentioned in a the broader regional context since Egypt's share of the Nile water (which is its only water source) depends on its relationships with upstream states; the maintenance of good relationships, the reaching of agreements with neighbouring countries and the promotion of peace in the region are of paramount importance. Egypt's involvement in the Nile Basin Initiative is mentioned as being crucial in this context. <i>Source: CSP 2002-2006</i>
MED/2005 /017-557 (SAA)	The CSP 2002-2006 specifically identifies the overall policy agenda that was set in the year 2000 as well as the short term economic goals. With reference to the SAA, the Government's agenda included civil service reform in terms of structure, role, skills and overall modernization, pointing that lack of progress in civil service reform will ensure that other reforms will be far more difficult to achieve in any area where the government plays a role. <i>Source: CSP 2002-2006</i>
MED/2005 / 017/203 (HR)	The CSP/NIP 2002-2006 makes no reference to the Egyptian policy agenda <i>Source: CSP 2002-2006</i>
DDH/2005 /017-240 (HR 2 & 3)	The EIDHR instrument is a global instrument, complementary to other instruments. There is no mention of it regarding Egypt in the CSP. <i>Source: CSP 2002-2006</i>
MED/2006 /018-354 (Pollution)	N/A not included in the CSP/NIP
ENPI/2007 /019-248 (Education)	The FA immediately and clearly puts the intervention in the light of the GoE's national development priorities where education is put at the top of the social agenda. <i>Source: FA</i>
ENPI/2008 /019-607	The CSP refers to the Egypt National Development Plan 2002-2007, that aims at enhancing the state of institutions based on respect of human rights and public freedoms, enhance judiciary independence, expand participation in political life and enhance human resources and build up institutional capacity. <i>Source : CSP 2007-2013</i>

I.1.2.2	Programming documents (CSP/NIP) explicitly show how the Commission's priorities are aligned on these objectives
Overall	<p>The CSP 2002-2006 proposes the following priorities for EC-Egyptian cooperation:</p> <ul style="list-style-type: none"> ▪ promoting the effective implementation of the EU-Egypt AA primarily by assisting Egyptian enterprises and institutions to meet the challenge of increasingly competitive internal and external markets. ▪ Supporting the process of economic transition from an inefficient command economy to an efficient and liberalised free market economy able to support sustainable growth and create employment. ▪ Supporting stability and sustainable and balanced socio-economic development to match economic liberalisation with social and political reform, good governance, the rule of law, the constructive involvement of civil society, and the protection of Egypt's fragile environment. <p>These priorities are supportive of the GoE objectives but not necessarily aligned on them (they do not follow GoE priorities as set out in I 1.2.1).</p> <p>This is not the case for the next CSP 2007-2013 where GoE objectives are mirrored closely by the EU-Egypt cooperation objectives:</p> <ul style="list-style-type: none"> ▪ supporting Egypt's reforms in the areas of democracy, human rights, good governance and justice; ▪ developing the competitiveness and productivity of the Egyptian economy; ▪ ensuring the sustainability of the development process with effective social, economic and environmental policies and better management of natural resources. <p>The CSP explains that priorities are selected on the basis of (i) strategic interest to the EU, (ii) consistency with the National Development Plan, (iii) linkage with the conclusions of the subcommittees on implementation of the Action Plan, and (iv) CE added value.</p> <p><i>Source: CSP 2002-2006, 2007-2013.</i></p>
MED/2002 /003-396 (TEP A)	<p>The CSP defined three objectives to base upon its programming exercise, of which, promoting the effective implementation of the EU-Egypt Association Agreement, with its main pillar based on Trade Cooperation. Support to Trade Enhancement addresses both the highest priority of the government to push for exports and balance its trade equations as well as addressing the structural and institutional impediments to the international trade, which are impediments to the effective implementation of the trade and trade-related measures in the in the EU-Egypt AA.</p> <p><i>Source: CSP 2002-2006</i></p>
MED/2002 /004-955 (TVET)	<p>The CSP's objective to support the process of economic transition, defined in human resource development addresses the dire necessity of the reform of the technical and vocational training and education to close the skills gap crippling Egypt's ambition to develop competitive industrial and service industries.</p> <p><i>Source: CSP 2002-2006</i></p>
MED/2003 /005-716	<p>This Commission's intervention identified in the NIP is directly in line with Egyptian priorities, in particular with the GoE's financial sector reform since it</p>

(FISC Rural)	<p>supports the offer of financial intermediaries and the improvement of banking skills.</p> <p><i>Source: NIP 2002-2004</i></p>
MED/2003 /005-719 (FISC Social)	<p>This Commission's intervention identified in the NIP is directly in line with Egyptian priorities, in particular with the GoE's policy for employment and job creation through the provision of financial and non financial services to MSE.</p> <p><i>Source: NIP 2002-2004</i></p>
MED/2004 /006-224 (FISC Financial)	<p>This Commission's intervention identified in the NIP is directly in line with Egyptian priorities, in particular with the GoE's financial sector reform since this intervention promotes a more effective and relevant financial system.</p> <p><i>Source: NIP 2002-2004</i></p>
MED/2005 /017/203 (HR)	<p>In the NIP 2002-2004, this Commission's intervention identified in the NIP is not explicitly directly linked with Egyptian priorities, as these are not referred to. However, the NIP 2005-2006 refers to an evaluation of the EC's Country Strategy for Egypt (1996-2006), and states that, with regard to the strategic objective of democracy, human rights and the building of civil society, dialogue with the Egyptian Government should be strengthened in close cooperation with MS and that the human rights, governance and democracy should be mainstreamed in the future programming exercise.</p> <p><i>Source: NIP 2002-2004, NIP 2005-2006</i></p>
DDH/2005 /017-240 (HR 2 & 3)	<p>The CSP 2002-2006 does not explicitly show how the Commission's priorities are aligned on these objectives</p> <p><i>Source: NIP 2002-2004; NIP 2005-2006</i></p>
MED/2005 /017-557 (SAA)	<p>It cannot be claimed that the design of SAA stemmed from the government prioritized policies directly. However, within the declaration and recognition of the government that its civil service and administration is underdeveloped compared to the ambitions of the government at economic development and overall reform fronts, it could be deducted that SAA tackles this issue, even though it has not been the basic foundation behind the design and development of the Programme.</p> <p><i>Source: CSP/NIP</i></p>
MED/2005 /017-543 (Water)	<p>For the water sector support (CSP 2002-2007, NIP 2005-2006) the situation is slightly odd as the water sector was not a focal sector in the CSP 2002-2007 but was nevertheless decided to be included in the 2005-2006 NIP as a follow up to the EU Water Initiative (launched following the Johannesburg summit in 2002). As a result the CSP is silent on water whilst the NIP stresses the EC's interest in promoting integrated water management plans for water resources for all countries by the end of 2005 which seems (although this is not actually spelled out as such) to be in line with the GoE's ongoing reform of the water sector (which is described as having produced a National Water Resources Plan).</p> <p><i>Source: CSP/NIP</i></p>
MED/2006 / 018-354 (Pollution)	<p>N/A not included in CSP/NIP</p>

ENPI/2007 /019-248 (Education)	The support to the education sector is a direct support to the reform led by the Ministry of Education: it is thus fully aligned on the GoE's policy agenda. <i>Source: CSP</i>
ENPI/2008 /019-607 (PPHR)	The Commission's intervention identified in the NIP is directly in line with Egyptian priorities, particularly in consolidating the role of institutions, promote the protection of human rights and fundamental freedoms, continue maintaining and ensuring judiciary independence and expand the participation in political life. <i>Source: CSP 2006-2013</i>
I.1.2.3	Explicit links established between selected interventions (FA/MoU) and GoE priorities and objectives in the targeted sector/area
MED/2002 /003-396 (TEP A)	The link between TEP A design and GOE targets are not explicit although they address two of the government's main concerns which are: <ul style="list-style-type: none"> ▪ Administration reform that would support the overall reform that the government has been planning and pushing forward through the capacity building of trade organizations and technical institutions responsible for international standards and testing. ▪ Trade balance reform, improving on the exports' capacities of Egypt and providing exporters with civil service adequate enough for them to compete on international markets through the capacity building programs for the key governmental players who provide support, documentation and advisory services to Egyptian exporters. <i>Source: FA</i>
MED/2002 /004-955 (TVET)	The links between TVET and GOE priorities are explicit. The intervention is designed to address Egypt's priority in human resources development in order to fill the empty skills gap that is widening between market requirements and an education and training system that cannot meet the needs. <i>Source: FA</i>
MED/2003 /005-716 (FISC Rural)	The links between the selected interventions and GoE priorities are not explicit. However, the intervention is designed to address Egyptian priorities: <ul style="list-style-type: none"> ▪ It pursues the objectives of the GoE's financial sector reform as it will provide (i) credit to small and medium producers of agricultural products, processors and entrepreneurs through commercial banks and (ii) institutional strengthening to banks and intermediaries. ▪ It is aligned with the Long-Term Agricultural Development Strategy (2017) which aims at increasing employment opportunities and improving living standards in rural areas. Indeed, the overall objective of the intervention is to increase employment and income opportunities for the rural population. <i>Source: FA, PS, The Sixth Five-Year Plan (2007)</i>
MED/2003 /005-719 (FISC Social)	The link between the intervention and GoE objectives is explicit. The intervention is designed to address an Egyptian priority: job creation and income generation. Indeed, the overall objective is to contribute to poverty reduction and socio-economic development through job creation and income generation for low-income groups, thus contributing to stronger economic and social cohesion.

	<i>Source: FA</i>
MED/2004 /006-224 (FISC Financial)	<p>The link between the intervention and GoE objectives is explicit. The intervention is designed to address an Egyptian priority: the modernising and strengthening of the financial sector. Indeed the overall objective of the intervention is to contribute to the modernisation of the Egyptian financial sector (Banks, Financial Institutions and Regulators) in order to meet the challenges of globalisation and to support private sector growth in the Egyptian economy.</p> <p>The FA further explains Egyptian priorities in stating that “Egyptians are committed to reducing the state’s share in the banking sector, promote competition, innovation and efficiency. A process of privatisation has started, beginning with the sale of state shares in joint venture banks. Meanwhile the state-owned banks are engaged in a process of restructuring in order to strengthen their operations, upgrade their risk management policies and address the bad debt problems. As regards banking supervision, the late 1990s witnessed an evolution of the role of the CBE which issued a number of new prudential regulations.”</p> <p><i>Source: FA</i></p>
MED/2005 /017-543 (Water)	<p>The link between the intervention and GoE objectives seem to be explicit as the monitoring reports stress the alignment of the SBS upon the NWRP which itself addresses the essential needs of the population (safe drinking water but also securing sufficient water for agricultural and industrial uses) and of sustainable development by protecting and restoring the vital eco-systems. According to the preliminary information available from the monitoring reports and the results of the MEDA evaluation (still to be finalised) the NWRP adopted the integrated water resources management approach which is highly relevant for the basic needs of the population and for socio-economic development in general. The plan is very comprehensive, taking into account interfaces with other sectors concerning water use (agriculture, health, energy, tourism, trade and industry) and macro-economic and demographic developments (this information could be counterchecked during the field phase by consulting the sector strategy and by interviewing stakeholders).</p> <p>The NIP only indicates that the three objectives of the GoE’s overall reform of the water sector are mirrored by the proposed SBS operation’s specific objectives.</p> <p><i>Source: Monitoring reports, MEDA Evaluation, CSP/NIP</i></p>
MED/2005 / 017/203 (HR)	<p>The CSP/NIP 2002-2006 makes no reference to the Egyptian policy agenda</p> <p><i>Source: CSP 2002-2006</i></p>
MED/2005 /017-557 (SAA)	<p>The link between SAA and the GOE is not explicit, although it provides support indirectly to the Egyptian strategy of reform of civil service and administration. It also provides indirect support to economic development and trade promotion in the form of upgrading institutions that are responsible for the implementation of the association agreement with its different articles.</p> <p><i>Source: FA</i></p>
MED/2006/ 018-354	<p>The EPAP II assists the Egyptian Environmental Affairs Agency (EEAA) to implement the environmental protection (law 4/1994) which embodies GoE’s</p>

(Pollution)	<p>priorities in the area of environmental protection. The project continues earlier support to GoE in launching programmes and projects that promote industrial pollution abatement and ensure the compliance of Egyptian industries with law 4/1994. The Project Fiche does not present an analysis of challenges and needs and does not present either a description of GoE priorities and objective; these are more clearly presented in other documents such as the Operations Manual or the ToR for the TA to be financed under FEMIP.</p> <p><i>Source: Project Fiche</i></p>
ENPI/2007 /019-248 (Education)	<p>The FA for the ESPPS clearly situates the intervention in the light of the GoE's national development priorities where education is put at the top of the social agenda (see also I.6.1.1). An explicit link is thus made between the ESPSP and the GoE priorities and objectives in education.</p>
ENPI/2008 /019-607	<p>The general objective of the programme is to strengthen the respect of human rights programme, by increasing the capacity of GoE's concerned institutions and of Civil Society Organisations in effectively implementing international conventions related to the human rights and the protection of the environment.</p> <p><i>Source: action Fiche for Egypt : Promotion and Protection of human rights and civil society in Egypt</i></p>
I.1.2.4	<p>Views of stakeholders on appropriateness of Commission's interventions with respect to GoE priorities</p>
Overall	<p>There is a general feeling that the Commission's interventions have increasingly taken into account the priorities of the GoE. The turning point can be identified as 2004 when change was prompted by several factors: a new reform minded government took office, the EC's cooperation strategy's evaluation results pointed towards the need for some strategic redirecting of the cooperation and Egypt signed the Association Agreement. The timeliness of the EC programming cycle allowed these changes to be reflected first in the new NIP for 2005-06 and then in the new CSP for 2007-2013.</p> <p>Discussions at field level have also revealed that although EC interventions have increasingly been selected with the GoE's priorities in mind, the appropriateness of the interventions with regards to priorities has suffered from the length of the programming, identification and preparation phases: by the time a project or programme becomes effective, the priority might have changed substantially or have already been addressed by GoE or another donor. This is particularly the case in areas and sectors where timeliness is important or when dealing with dynamic ministries or agencies (such as TEP A or SAA). The choice of type of intervention, the modalities retained for implementation may also negatively influence on the response to GoE priorities (see further EQ8).</p> <p>Finally, it is also noted by both parties that a number of priorities expressed by GoE receive no response from the EC. This may be due to the unwillingness of the EC to include some items in its cooperation programme and to the fact that GoE demands cannot be accommodated in the pipeline due to the inflexibility of the programming process. Sometimes however items are excluded from cooperation for reasons that are not well understood the more so when it concerns support that only the EC can deliver (because it concerns trade issues related to access to EU markets).</p>

	<p><i>Sources: MN 61, 83, 111, 270, 275, 285</i></p>
MED/2002 /004-955 (TVET)	<p>Egyptian priorities, as have been expressed by Ministry of Foreign affairs, confirmed the need of a cross cutting human resources development initiative that tackles HRD issues at political, technical and implementation dimensions and across all sectors. The Commission choose instead to focus its interventions on specific sectors: TVET was designed within a specific sector orientated framework.</p> <p>In relation to the TVET this is seen as an incomplete and non comprehensive solution. Incomplete in the sense that it is too short to put reform policy in place, and incomprehensive because it is modelling Reform around the manufacturing (production-based) industries. Beneficiaries criticised the lack of comprehensive planning at the commission side, designing a Reform Programme to be kicked off and completed in a few years. Reform takes time and takes a successive number of initiatives with a number of iterations in order to reach real Reform. Adhoc initiatives without complementing / successive interventions lead to disappointment in lack of sustainability as well as real impact.</p> <p>Whereas TVET is a national challenge that resulted in a huge gap between the market needs and TVET provision, but one of the main challenges is that it is widespread across more than 15 -20 entities, most of which are not considered in the reform setup.</p> <p>Some institutional responsibility questions arose with the Ministry of manpower and immigration during the TVET BoT in which disagreement on decisions taken, emphasizing that whereas the law is giving MoMM the only constitutional rights to approve or disapprove skills standards and accreditation of training, the TVET project is undertaking solely decisions and solutions, seeking only MoMM signatory approval not technical input. This highlighted the misplacement of TVET in position, authority and reporting mechanisms.</p> <p><i>Source: MN 61, MN 270</i></p> <p>Although in principle the intervention addresses a high priority issue which is vocational training in Egypt, the way the commission designs its programs is targeting industrial modernization for overall competitiveness, whereas in Egypt perspective the issue of skills development is an issue of labour market modernization and employment enhancement, topics that the commission hasn't tackled within its interventions or design considerations</p> <p><i>Source MN 63</i></p>
MED/2002 /003-396 (TEP A)	<p>Trade Enhancement and development has been on the agenda of the Reform-pushing government well before TEP started. Stakeholders have commented that on the macro level it was coinciding with the Government's agenda and priorities, but on the implementation levels the program was delayed to the extent that by the time it started, the government priorities and list of action had already changed.</p> <p>Stakeholders expressed their belief that the actual beginning of TEP was not parallel to the GoE readiness or list of priorities but to the association agreement negotiation status. Whereas the TEP discussions started in the late</p>

	<p>nineties, it wasn't practically mobilized except after signature of the AA. Also now, whereas there is a dire necessity for a follow-up on TEP within the Ministry of Trade, some challenges in the progress of negotiations, as obvious in the last negotiation round, seem to freeze TEP continuation.</p> <p>It was also revealed during the interviews with the stakeholders that trade development priorities that the Government has are not necessarily the same that the Commission has. Commission has put the AA and the Neighbourhood action plan on its priority actions, whereas at the time the QIZ (Qualifying Industrial Zones) and bilateral agreements and their trade-related issues were hot on top of the GoE agenda.</p> <p><i>Source: MN 285</i></p>
DDH	N/A
MED/2005 /17203; ENPI/2008 /019-607	See EQ3 on the questioning of appropriateness of National institutions to select NGOs despite the fact that working with National institutions is a given. See as well findings of the Evaluation of channelling aid through civil society organisations (I.3.1.4.; I.3.2.4.)
MED/2003 /005-716 (FISC Rural)	FISC-Rural fits within the GoE priorities of increased access of SMEs to credit / development of SMEs. <i>Source: MN 94, MN 212</i>
MED/2003 /005-719 (FISC Social)	FISC-Social fits within the GoE priorities of increased access of SMEs to credit / development of SMEs. <i>Source: MN 157, MN 212</i>
MED/2004 /006-224 (FISC Financial)	FISC-Financial was clearly embedded within the GoE's agenda of reform of the financial sector targeting: restructuring of banks, combat non-performing loans, introduce risk-management practices, address problems regarding regulation. <i>Source: MN 101, MN 68</i>
MED/2005 017-543 (Water)	<p>The SBS supporting the water sector reform and reorganisation of the main institutions linked to water supply and sanitation, which are GoE priorities, the SBS is thus also appropriate. The various stakeholders seem to be very positive about the SBS which has helped to implement reform initiatives smoothly.</p> <p>Some questions remain however on the appropriateness of the uses of the SBS monies which have partly served to procure very sophisticated engineering equipments: one does wonder at the appropriateness and urgency of these procurements in the face of the reform's objectives (improving water quality delivery but also improving cost recovery and cost efficiency) and vis-à-vis GoE and EC's development objectives (providing services to the entire population including the poor). It might be advisable to investigate this issue further before launching into a second phase of SBS support.</p> <p>Sources: MN 60; MN 83; MN 213; MN 218.</p>
MED/2005 017-557 (SAA)	<p>Stakeholders view SAAP as a form of technical assistance, not necessarily administrative reform and harmonization according to the Acquis.</p> <p>However, it can be confirmed that Administration reform has been on the list</p>

	of priorities of the Reform Government and has taken some measures in many areas in order to push it forward such as in Customs, E-government, establishment of a number of regulators such as the Mortgage finance authority and the water regulator.
MED/2006 018-254 (Pollution)	The point was not raised with Government officials but since the use of the money was initially allocated to finance a sector reform facility and was converted upon GoE's request to an IRS for EPAP II, one can suppose that the GoE thought this to be an appropriate use of the funds. <i>Source: Project Fiche</i>
ENPI/2007 019-248 (Education)	There is no question about the appropriateness of the EC's support to the sector and to the sector priorities (reform) but rather a questioning of the instrument used, SBS (see EQ8). In education, priorities of the GoE would have been respected since the SBS gives the MoE all freedom to organise resource allocation according to its own priorities. However, as will be seen in EQ7, due to the particularities of the PFM system (in particular the budgeting process), this needs to be qualified by the finding that SBS resources are effectively allocated exclusively to reform measures which have a direct impact on the satisfying of SBS conditions for disbursement. Even so (and save the few PFM issues) the stakeholders appear to be quite happy that the SBS supports the appropriate sector priorities. <i>Sources: 'National Strategic Plan for Pre-University Education Reform in Egypt 2007/08-2011/12' Ministry of Education; MN 77; MN 92; MN 175; MN 296.</i>
J1.3	<i>Strategic and programming documents refer to and support the efforts of the partner to achieve one or several of the EC-Egypt agreements' objectives</i>
I.1.3.1	Evidence in the programming documents of the strategic contribution of interventions to one or several of the EC-Egypt agreements (Association Agreement and/or Action Plan)
Overall	The EU-Egypt Agreements are anchored in the Barcelona process (see EQ9) and take the form of the Association Agreement (AA), itself underpinned by the European Neighbourhood Policy (ENP) Action Plan. The EC-Egypt Association Agreement (AA) spells out in its Article 1 that its objectives are: <ol style="list-style-type: none"> 1. to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties; 2. to establish conditions for the progressive liberalisation of trade in goods, services and capital; 3. to foster the development of balanced economic and social relations between the Parties through dialogue and cooperation; 4. to contribute to the economic and social development of Egypt; 5. to encourage regional cooperation with a view to the consolidation of peaceful co-existence and economic and political stability; 6. to promote cooperation in other areas which are of mutual interest. <p>The objectives are further detailed in the areas of political dialogue and economic cooperation as follows. In its Article 3 (Title I Political Dialogue) the aims of the political dialogue and cooperation are outlined as to:</p>

	<ul style="list-style-type: none"> ▪ develop better mutual understanding and an increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one or the other Party; ▪ enable each Party to consider the position and interests of the other; ▪ enhance regional security and stability; ▪ promote common initiatives. <p>In its Article 39 (Title V Economic Cooperation), the objectives of economic cooperation are specified as follows:</p> <ul style="list-style-type: none"> ▪ encourage the implementation of the overall objectives of this Agreement; ▪ promote balanced economic relations between the Parties; ▪ support Egypt's own efforts to achieve sustainable economic and social development. <p>In addition, Article 40 underlines that economic cooperation will be primarily geared to sectors suffering from internal difficulties or affected by the overall process of liberalisation of the Egyptian economy, and in particular by the liberalisation of trade between Egypt and the Community. Cooperation will be mostly directed to areas generating growth and employment and to measures designed to develop intra-regional cooperation.</p> <p><i>Source: EC-Egypt Association Agreement</i></p>
Overall	<p>In the CSP 2002-2006 it is clear that the interventions have been chosen so as to help to achieve the AA objectives; all three specific objectives of EU-Egyptian cooperation are directly linked to the AA objectives and the first one is explicitly and specifically linked to the efforts to support Egyptian enterprises to meet the challenges of increased external competition (see I 1.2.2). In turn the proposed interventions' specific objectives as described in the NIPs are well aligned to the overall specific objectives of the cooperation as outlined in the CSP.</p> <p>In the CSP 2007-2013 the manner in which the EC intends to target its financial assistance to reach the three cooperation objectives (see I 1.2.2) is well documented and clearly framed within the ENP AP (see section 5.2 of the CSP). Similarly to the previous NIPS, the interventions proposed under the NIP 2007-2010 appear aligned to the CSP objectives.</p> <p><i>Source: CSP 2002-2006, 2007-2013</i></p>
Overall	<p>What is however missing from the programming documents is an analysis of the Government's efforts in reaching the AA objectives: the programming documents present Egypt's constraints and challenges rather than its Government's efforts, achievements and progress towards the AA objectives. This approach limits the recognition of accomplishments and may thus miss opportunities to identify initiatives that might be capitalised upon.</p> <p><i>Source: CSPs, MN 270.</i></p>
MED/2002/003-396 (TEP A)	<p>Support to Trade Enhancement is a direct input to the association agreement implementation. Hurdles challenging the implementation of the agreement lie in trade and trade-related issues and customs inefficiencies. As a main pillar of the association agreement trade enhancement with all its related issues lie in the</p>

	core of the association agreement objectives.
MED/2002 /004-955 (TVET)	TVET in the CSP is a direct input of the commission within the umbrella of supporting the process of economic transition. The NIP 2002-2004 specifies that the TVET primary target is post secondary technical and vocational training whose reform and upgrading addresses an aim of a modernized enterprise sector.
MED/2003 /005-716 (FISC Rural)	The financial and investment sector reform supported in the CSP 2002-06 is embedded in the wider support of the Commission to the economic transition process. It directly supports one of the priorities of the EU-Egypt Action plan: “improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs ...” and contributes to two of the aims of the EU-Egypt Association Agreement: “to establish the conditions for the progressive liberalisation of trade in goods, services and capitals” and “to contribute to the economic and social development of Egypt”. Through these contributions to the Action Plan and the AA, the reform supported also contributes to the achievement of the 2 nd pillar of Barcelona: the construction of a zone of shared prosperity. <i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, CSP 2002-2006, Barcelona Declaration</i>
MED/2003 /005-719 (FISC Social)	
MED/2004 /006-224 (FISC Financial)	
DDH/2005 /017-240 (HR 2 & 3)	There is no evidence in the programming documents of the strategic contribution of interventions to one or several of the EU-Egypt agreements (Association Agreement and/or Action Plan). <i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, CSP 2002-2006, Barcelona Declaration</i>
MED/2005 /017-543 (Water)	There are no references in CSP/NIP to the contribution of the water sector SBS to the objectives of the AA or AP (see also I.1.1.1). Oddly in the subsequent CSP (2007-2013) this is discussed (even for water which should reasonably not be included as the financing has been done on the previous EDF/NIP). However, it is clear that the water SBS supports the fourth and fifth objectives of the EEAA (i) to contribute to the economic and social development of Egypt, and (ii) to encourage regional cooperation with a view to the consolidation of peaceful co-existence and economic and political stability and directly supports the third objective of economic cooperation which is the support of Egypt's own efforts to achieve sustainable economic and social development. The specific role of water (and in particular of the water sector reform) is not singled out as a priority in the Action Plan. Nevertheless, the water SBS has a direct contribution to make to the AP's objective in environmental performance improvement and good environmental governance enhancement; in particular it is a good example of an ‘active action for prevention of deterioration of the environment, protection of human health, and achievement of rational use of natural resources, in line with the Johannesburg Plan of Implementation’. The SBS in the water sector can also be assessed as contributing indirectly to the AP's objective of agriculture and fisheries modernisation and restructuring (which includes the enhancement of water use efficiency) and of course, in fine, to sustainable socio-economic development. <i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, CSP</i>
MED/2005	NIP 2005-2006 explicitly mentions that the SAA addresses priority of

/017-557 (SAA)	promotion of AA and preparation of the ENPI, through the legislative, institutional and regulatory modernization and creation or strengthening of institutions public institutions that are mainly trade facilitators.
MED/2005 /017/203 (HR) ENP/2008 /019-607 (PPHR)	<p>The internal political reform of Egypt supported by the EC is guided by the framework for political dialogue stated in Article one of EU-Egypt Association Agreement, allowing the development of close political relations between the both parties.</p> <p>The interventions support one of the priorities of the Action Plan, to “enhance the effectiveness of institutions entrusted with strengthening democracy and the rule of law and consolidate the independent and effective administration of justice” and “promote the protection of human rights in all its aspects”. Through these contributions to the Action Plan and the AA, the supported reform also contributes to the achievement of the 1st pillar of the Barcelona: the Political & security partnership: Establishing a common area of peace & stability.</p> <p>The ENPI/2008/019-607 builds on the MED/2005/017/203, project that created a more favourable environment to human rights and democratisation, preparing the ENPI/2008/019-607 for investing more in policy and reform.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, CSP 2002-2006, Barcelona Declaration</i></p>
MED/2006 / 018-254 (Pollution)	Nothing is explicitly stated since the operation was not foreseen in the CSP/NIP anyway.
ENPI/2007 /019-248 (Education)	<p>The contribution of the support to the education sector reform programme is not explicitly analysed in the programming documents in terms of its contribution to fulfilling the AA or AP’s objectives although it is stated that a reform of education must accompany the efforts to transform the Egyptian economy into a modern economy that can compete in world markets.</p> <p><i>Source: CSP</i></p>
I.1.3.2	Existence in the MoU/FA of an explanation of the link between the proposed interventions and of their strategic contribution to one or several of the agreements objectives and/or the Barcelona objectives
MED/2002 /003-396 (TEP A)	The FA explicitly pointed the enhancement of trade gearing towards the improvement of Egypt’s overall export potential, access of international markets and creation of necessary support and facilities for businesses to operate. It further acknowledged that the TEP is designed to provide trade policy administration support and upgrade trade instruments as well as build the institutional capacity of oversight trade authorities to be able to utilize full-forcefully the AA provisions.
MED/2002 /004-955 (TVET)	No direct reference in the FA to the AA or its subsequent ENPI Action plan. However, the overall objective is to increase the competitiveness of Egyptian enterprises and enabling them to position their products in international markets thus contributing to trade and economic integration.
MED/2003 /005-716 (FISC Rural)	There is an explicit mention of the strategic contribution of the intervention to one or several objectives of the EU-Egypt Agreements since the purpose and content of the intervention clearly fit within the EU-Egypt Agreements.

	<p>Indeed, the overall objective of the intervention is to support the efforts of the GoE to increase income and create job opportunities in rural areas. Moreover, the intervention will provide credits to small and medium producers of agricultural products, processors and entrepreneurs through commercial banks. It will therefore support two of the priorities of the EU-Egypt Action plan: “improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs ...” and “boost industrial development and enterprises capabilities and competitiveness through improved skills, better access to finance, encouraging entrepreneurship and innovation, and development of efficient business support services...” and contribute to two of the aims of the EU-Egypt Association Agreement: “to establish the conditions for the progressive liberalisation of trade in goods, services and capitals” and “to contribute to the economic and social development of Egypt”. Through these contributions to the Action Plan and the AA, the intervention will also contribute to the achievement of the 2nd pillar of Barcelona : the construction of a zone of shared prosperity.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration, FA, Final evaluation</i></p>
<p>MED/2003 /005-719 (FISC Social)</p>	<p>There is an explicit mention of the strategic contribution of the intervention to one or several objectives of the EU-Egypt Agreements since the purpose and content of the intervention clearly fit within the EU-Egypt Agreements.</p> <p>Indeed, the overall objective of the intervention is to contribute to poverty reduction and socio-economic development through job creation and income generation for low-income groups, thus contributing to stronger economic and social cohesion.</p> <p>It will therefore supports two of the priorities of the EU-Egypt Action plan: “improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs ...” and “boost industrial development and enterprises capabilities and competitiveness through improved skills, better access to finance, encouraging entrepreneurship and innovation, and development of efficient business support services...” and contribute to one of the aims of the EU-Egypt Association Agreement: “to contribute to the economic and social development of Egypt”. Through these contributions to the Action Plan and the AA, the intervention will also contribute to the achievement of the 2nd pillar of Barcelona : the construction of a zone of shared prosperity.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration, FA</i></p>
<p>MED/2004 /006-224 (FISC Financial)</p>	<p>There is an explicit mention of the strategic contribution of the intervention to one or several objectives of the EU-Egypt Agreements since the purpose and content of the intervention clearly fit within the EU-Egypt Agreements.</p> <p>Indeed, the overall objective of the intervention is to contribute to the modernisation of the Egyptian financial sector (Banks, Financial Institutions and Regulators) in order to meet the challenges of globalisation and to support private sector growth in the Egyptian economy.</p> <p>It will therefore supports two of the priorities of the EU-Egypt Action plan:</p>

	<p>“improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs ...” and “boost industrial development and enterprises capabilities and competitiveness through improved skills, better access to finance, encouraging entrepreneurship and innovation, and development of efficient business support services...” and contribute to one of the aims of the EU-Egypt Association Agreement: “to contribute to the economic and social development of Egypt”. Through these contributions to the Action Plan and the AA, the intervention will also contribute to the achievement of the 2nd pillar of Barcelona: the construction of a zone of shared prosperity.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration, FA</i></p>
MED/2005 /017-543 (Water)	<p>There is no specific analysis in the FA which links the proposed intervention to one or several objectives of the AA or Barcelona. Despite this lack of explicit analysis, it is nevertheless clear that support to the water sector reform implementation is likely to contribute to improving the provision of safe drinking water for the population, securing water supply for agricultural, industrial and services use and protect and improve the eco-systems. This in turn contributes to the sustainability of Egypt’s development and directly responds to the needs of the Egyptian population.</p> <p><i>Sources: FA and MR 2007.</i></p>
MED/2005 /017-557 (SAA)	<p>FA explicitly refers to the association agreement implementation through undertaking legislative, administrative and institutional measures within governmental and public entities. The overall aim is the approximation of the administrative framework in Egypt with that of the EU and the adaptation of companies to the legal frameworks of the future free-trade area with particular attention the priority areas of the future joint Neighbourhood Action Plan. Furthermore the FA specifies that the selection of those governmental bodies will be assessed based on their direct link with the implementation of the association agreement and coherence with the priorities identified in the ENPI Action plan.</p>
MED/2005 /017-203 (HR)	<p>The FA links the intervention with the AA between EU and Egypt (June 2004) that refers to respect and promotion of HR as well as democratisation as basic principles on which to build cooperation and political dialogue, including fostering social development and women’s rights.</p> <p>It does so by strengthening the Ministry of Interior and Ministry of Justice, the Women Ombudsman office, the Complaints Office of the National Council of HR and of Egyptian NGOs and umbrella organisation in the areas of internal democratic governance in particular.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration, FA</i></p>
DDH/2005 /017-240 (HR 2 & 3)	<p>There is no explanation of the link between the proposed interventions and of their strategic contribution to one or several of the agreements objectives and/or the Barcelona objectives.</p> <p><i>Sources: EU-Egypt Action Plan, EU-Egypt Association Agreement, Barcelona Declaration, FA</i></p>
MED/2006	No reference is made in the project fiche.

/018-254 (Pollution)	
ENPI/2007 /019-248 (Education)	<p>The link is not made explicit but education reform is expected to contribute to social stability, reaching the OMD for education, adaptation of the student output to the needs of the labour market, and in fine in enabling the Egyptian economy to be more competitive in international markets.</p> <p><i>Source: NIP 2007-2010.</i></p>
ENP/2008 /019-607	The FA/MoU not yet signed
I.1.3.3	Views of stakeholders on appropriateness of the priorities chosen with respect to the objective of the achievement of the EC-Egypt agreements goals
Overall	<p>As a general point it was clear from discussions that the EC-Egypt agreements are extremely important to both parties as a backbone to the cooperation strategy and that the objectives of the agreements shape the cooperation programme so that the cooperation priorities chosen are in line with them. However it is also clear that the AA covers many areas (many more than can be covered by the EC technical and financial cooperation), that the EC and GoE are both committed to the pursuit of its objectives and that the prioritisation of these objectives or the speed with which these objectives ought to be pursued differs somewhat between the two parties and this difference is reflected in the programming priorities. The programming choices are in line with the AA objectives, but the prioritisation of these choices is not necessarily the outcome of a shared process (as seen above in I.1.1.5): left to itself, the GoE would have prioritised its cooperation programme with the EC differently, even though, most importantly, the consultation process has much improved over time. In general then it is felt that priorities are appropriate to the objectives of the EC-Egypt agreements but that other priorities have not been addressed for reasons that are not necessarily well understood or that remain unjustified. This compromises the EC-GoE working relationship and the progress that Egypt is trying to make towards attaining the AA objectives, especially when the priorities not addressed can only be tackled by the EC because they concern EU market access matters.</p> <p><i>Sources: MN 61; MN 270; MN 285.</i></p>
MED/2002 /003-396 (TEP A)	<p>To get a clear glimpse of the requirements of GoE at the time TEP was designed, kicked off or implemented is not possible because the players have changed at the delegation and the Ministry of Industry and Trade. But the documents recall that the existence of PSU has helped translate the Government's requirements into TEP Actions. TEP was managed through a Steering Committee at the MoTI side. Steering Committee were representatives from the private sector and the government. There were regular meetings between the PSU and the steering committee that has placed the Government's priorities into the TEP actions and vice versa. This set-up which favoured close consultations between the GoE, the private sector and the project in choosing TEP intervention areas will most probably have ensured that each stakeholder's voice was heard before setting priorities for TEP support within the overall context of aiming for AA objectives.</p>

	<i>Source: MN 269</i>
MED/2005 /17203 ENPI/2008	Reservations are expressed about strengthening civil society via national institutions and the great risk of government controlling the development of civil society. See EQ3.
DDH/2005 /017-240 (HR 2 & 3)	The initiative comes with selected themes, a budget and specific procedures. The priorities chosen with respect to the objective of the achievement of the EC-Egypt agreements goals are dealt with “en amont” in Parliament, with MS, in Brussels. Once it is applied at the delegation level, it is a matter of launching the call for proposals, mainly a technical “headache” with final decision made in Brussels, with little back up from Brussels and technical means for proper follow up. The little flexibility that is available is being used, the margin of manoeuvre is not great. The need for dialogue is stressed as determinant as well as civil society participation in defining terms of references of calls for proposals (through consultations).
MED/2003 /005-716 (FISC Rural)	The project fits within the EU-Egypt agreements goals: support to SMEs: it supports the development of SMEs via increased access to credit and therefore the EU-Egypt objective of better access to finance. <i>Sources: MN 212, MN 94</i>
MED/2003 /005-719 (FISC Social)	The project fits within the EU-Egypt agreements goals: it supports the development of SMEs via increased access to credit and therefore the EU-Egypt objective of better access to finance. <i>Sources: MN 212, MN 157</i>
MED/2004 /006-224 (FISC Financial)	The project fits within the EU-Egypt agreements goals: it supports the reforming of the financial sector which is one of the objectives of the EU-Egypt agreements. <i>Sources: MN 101, MN 68</i>
MED/2005 /017-557 (SAA)	The project is designed to push forward the implementation of the Association Agreement through technical assistance aiming at administrative reform and harmonization of the legislative framework in targeted sectors. Egyptian partners received it very well considering that the program was tried before within the pre-accession context. At the beneficiary side, it is recognized that the aim is to implement the Acquis Communeautaire or at least harmonize but they try as possible to marginalize, delay or ignore this aspect of the twinning projects. <i>Source MN 73, MN 201</i>

EQ2	To what extent have Commission’s interventions been articulated with each other so as to promote mutual synergies and avoid conflicts and to what extent have they been supported by and/or supportive of regional strategies and interventions?																							
J.2.1	<i>Commission's interventions (including Commission funds managed by the EIB) aiming for similar objectives have been designed so as to create complementarities with each other</i>																							
I.2.1.1	Programming documents (CSP/NIP) identified interventions that contribute to similar objectives and designed them in a way that maximises their complementarities																							
Overall	<p>The CSP 2002-06 and corresponding NIPs identified interventions that contribute to similar objectives. For the first priority (Promoting the effective implementation of the EU-Egypt AA), the design of the interventions as foreseen in the NIPs foresees complementarities between them (see table hereunder). For other priorities, complementarities are not systematic. Regarding priority n° 2 (Supporting stability and sustainable and balanced socio-economic development), complementarities have been sought between the Social development and civil society programme (NIP 2002-04) and the Support to social reforms programme (NIP 2005-06): the first one focused on the social protection of the most economically vulnerable and socially marginalised groups while the second aims at supporting government reforms within a broader national strategy aimed at reducing poverty in Egypt. Moreover, programming documents mention that complementarities could be envisaged with MEDA funded interest rate subsidies to EIB loans for two programmes.</p> <table border="1"> <thead> <tr> <th>Specific objectives of the CSP 2002-2006</th> <th>Priorities of the CSP 2002-2006</th> <th>Interventions identified in the NIPs to support the priorities</th> <th>Complementarity envisaged with other interventions</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Promoting the effective implementation of the EU-Egypt AA</td> <td>Support to Trade Enhancement</td> <td>Trade Enhancement Programme</td> <td>Industrial Modernisation Programme (IMP) (competitiveness of SME sector)</td> </tr> <tr> <td>Support to Comprehensive restructuring</td> <td>Spinning and weaving programme (restructuring of the spinning and weaving sector)</td> <td>PERPP (privatisation of public companies) IMP</td> </tr> <tr> <td>Support to modernisation of the legislative, institutional and regulatory framework</td> <td>Support to the Association Agreement Programme (SAAP)</td> <td>Builds on the experience of: IMP TEP FISC</td> </tr> <tr> <td rowspan="2">Supporting the process of economic transition</td> <td>Human resource development</td> <td> <ul style="list-style-type: none"> ▪ TVET ▪ TEMPUS (higher education) </td> <td></td> </tr> <tr> <td>Financial and investment sector reform</td> <td>Financial and investment sector cooperation</td> <td></td> </tr> </tbody> </table>			Specific objectives of the CSP 2002-2006	Priorities of the CSP 2002-2006	Interventions identified in the NIPs to support the priorities	Complementarity envisaged with other interventions	Promoting the effective implementation of the EU-Egypt AA	Support to Trade Enhancement	Trade Enhancement Programme	Industrial Modernisation Programme (IMP) (competitiveness of SME sector)	Support to Comprehensive restructuring	Spinning and weaving programme (restructuring of the spinning and weaving sector)	PERPP (privatisation of public companies) IMP	Support to modernisation of the legislative, institutional and regulatory framework	Support to the Association Agreement Programme (SAAP)	Builds on the experience of: IMP TEP FISC	Supporting the process of economic transition	Human resource development	<ul style="list-style-type: none"> ▪ TVET ▪ TEMPUS (higher education) 		Financial and investment sector reform	Financial and investment sector cooperation	
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	Financial and investment sector reform	Financial and investment sector cooperation																						

		Adoption of an Innovation Culture	Research, development and innovation	Builds on the experience of: IMP	
		Support to the Management of water resources	Support to Water sector	MEDA funded interest rate subsidies to EIB loans	
	Supporting stability and sustainable and balanced socio-economic development	Decentralised and integrated local development	South Sinai programme	MEDA funded interest rate subsidies to EIB loans	
		Support to Social development and the development of civil society structures	Social development and civil society		
			Support to social reforms		
			Health sector reform programme II	Builds on HSRP I	
		Democratisation, human rights, civil society an good governance			
	<p>In the CSP 2007-2013 and NIP 2007-2010, NIPs identified several interventions that contribute to similar objectives. The potential complementarities between them are not clearly spelled out. However, several programmes build on/continue past Commission programmes in the same field.</p>				
		Specific objectives of the CSP 2007-2013	Priorities of the CSP 2007-2013	Interventions identified in the NIP 2007-2010 to support the priorities	Complementarity envisaged with other interventions
	Supporting Egypt's reforms in the areas of democracy, human rights, good governance and justice	Supporting Egypt's reforms in the areas of democracy, human rights, good governance and justice	Support for political development, decentralisation and promotion of good governance		
Promotion and protection of human rights and involvement of civil society in protecting the environment			Builds on Democratisation, human rights, civil society an good governance (NIP 05-06)		
Support for modernisation of administration of justice and enhancement of security					

	Developing the competitiveness and productivity of the Egyptian economy	Developing the competitiveness and productivity of the Egyptian economy	Support for implementation of the Action Plan Programme	Builds on SAAP
	Ensuring the sustainability of the development process with effective social, economic and environmental policies and better management of natural resources	Ensuring the sustainability of the development process	Support for reform of education	Builds on EEP
			HSRP II	Builds on HSRP I
			Support for investment in the transport, energy and environment sectors (EIB IS)	
	<p>The field mission made clear that there is no active research of synergies between bilateral interventions at design stage. At implementation stage, synergies between bilateral interventions have been rare. The synergies envisaged between the interventions supporting the implementation of the EU-Egypt AA (Spinning and weaving, IMP, TEP, etc.) have not materialized: IMP was finished before TEP-A starts and the synergies foreseen between the Spinning and weaving programme and IMP have not materialized, mostly due to the major problems and delays encountered by these two programme. The ECD is making efforts to create synergies between the TVET programme and the Education SBS, and synergies happened by chance between SAAP and Water SBS. In future programming (NIP 2011-2013), the ECD is willing to put more attention to that issue.</p> <p><i>Sources: CSPs (and corresponding NIPs) 2002-2006 and 2007-2013, MN 275, MN 111, MN 285</i></p>			
MED/2003/005-716 (FISC Rural) MED/2003/005-719 (FISC Social) MED/2004/006-224 (FISC Financial)	<p>Several programmes that aim at the same objective (i.e supporting the process of economic transition) are identified in the NIP 2002-2004:</p> <ul style="list-style-type: none"> ▪ FISC (3 components) that promotes an effective financial system; ▪ TEVT which supports the reform of the post-secondary technical and vocational training; ▪ TEMPUS programme to promote the development of tertiary education through international cooperation. <p>There is no explicit mention in the NIP to an attention given in the design of these interventions so as to promote complementarities between them.</p> <p>The field mission confirmed that the 3 FISC-programmes have not been designed nor implemented in complementarity with each other.</p> <p><i>Source: NIP 2002-2004,</i></p>			
DDH/2005/017-240	<p>Programming documents do not make reference to EIDHR contracts.</p> <p><i>Sources: CSPs (and corresponding NIPs) 2002-2006 and 2007-2013</i></p>			

I.2.1.2	FA/MoU explicitly refer to other interventions undertaken either in the same or in other sectors/areas so as to promote complementarities
MED/2006/018-254 (Pollution)	<p>The project fiche for the interest rate subsidy mentions the complementarity between this and the SBS in water. The IRS fall under the EPAP II project of which one component provides funds to the NBE for on-lending (at advantageous conditions) to public and private enterprises' for undertaking investments that reduce pollution. On the other hand the sector budget support to the water sector aims to improve water quantity and quality.</p> <p>The way complementarities are to be sought between the two interventions is not spelled out in the project fiche.</p> <p>There are potential synergies between the interest rate subsidy which supports public and private enterprises' initiatives for reducing pollution and the sector budget support to the water sector which aims to improve water quantity and quality; from available documentation it is noted that such synergies were at least sought since the June 2008 TA report notes that loans in Alexandria tended to focus too much on air pollution (73% of the value) whilst the initial intention had been to focus on wastewater discharges into Lake Maryut and the bays of El Mexx and Abu Qir. Corrective action, embodied by introducing internal project screening and prioritisation appraisals, was proposed in June 2008 to bring the two initiatives closer together in their pursuit of the overall global goal. This was later (February 2009) dropped as it was agreed that EPAP II funds should no longer be limited just to water pollution control in Alexandria and air pollution control in Greater Cairo because of the problems in finding adequate projects for sub-lending. The synergy between the EPAP II and the SBS Water is essentially theoretical since the two interventions merely support the same ultimate objective of water quality improvement, but without necessarily having developed actual synergies in implementation.</p> <p><i>Sources: June 2008 TA report, World Bank mission Aide-mémoire February 2009.</i></p>
ENPI/2007/019-248 (Education)	<p>The FA explicitly refers to two interventions undertaken concurrently with the Education SBS:</p> <ul style="list-style-type: none"> ▪ the national Technical Vocational Education and Training System (€ 33 m) which promotes the transition from a centralized, segmented and supply-driven system to a decentralized, demand led one. The programme's cornerstone is the establishment of 12 partnerships of private and public providers of training in different sectors of the Egyptian economy. ▪ within the framework of the Children at Risk programme (€ 20 m), the EC is assisting the National Council for Childhood and Motherhood (NCCM) in establishing 200 girl-friendly schools in seven governorates across Egypt. Girl-friendly schools enable children both to work with their parents and attend school, thanks to curricula and administration mechanisms specifically designed to encourage girls – often burdened with traditional household responsibilities – to attend lessons. The active learning approach used in these schools help children to acquire the basic life skills needed for active participation in social development. <p>According to the FA, the formulation of the main objectives of the ESPSP have mainstreamed and valorised the main pillars and achievements of the TVET sector reform and Children at Risk (in its component of Girls Education).</p> <p><i>Source: FA</i></p>

MED/2003 /005-716 (FISC Rural)	<p>The FA does not make mention of other Commission interventions undertaken, either in the same or in other sectors. The field mission confirmed that FISC-rural has not been implemented in synergy with other bilateral interventions.</p> <p><i>Sources: FA, MN 212, MN 94</i></p>
MED/2003 /005-719 (FISC Social)	<p>The FA does not make mention of other Commission's interventions in the same area so as to promote complementarities. However it mentions that the FISC-Social is limited to direct support for entrepreneurial activities while the improvement of the legal and regulatory environment is endeavoured by SFD in cooperation with other stakeholders and programmes. Moreover, it is stated that SFD will endeavour complementarity of interventions in order to maximise impact on the poverty status of its target groups. The field mission confirmed that FISC-social has not been implemented in synergy with other bilateral interventions.</p> <p><i>Sources: FA, MN 212, MN 157</i></p>
MED/2004 /006-224 (FISC Financial)	<p>The FA mentions that the Component 2 of the intervention (restructuring selected public sector banks) will not cause prejudice to the privatisation of selected public sector banks supported by the Commission Industrial Modernisation Programme. Moreover, it states that links and synergies will be established with relevant Commission programmes (IMP and TEP-A). Synergies between FISC-Financial and either IMP or TEP-A have not been highlighted by stakeholders during the field mission.</p> <p><i>Sources: FA, MN 68, MN 101</i></p>
MED/2005 /017-543 (Water)	<p>There is no mention in the FA of any past or present interventions funded by the EC that may take place in the same sector and which may be complementary to the water sector support operation. The NIP 2005-06 initially mentioned that Interest rate subsidies via the EIB may also be undertaken in the water sector to complement the budget support operation but this is not mentioned in the water SBS FA and has actually not taken place since the IRS has been used for a pollution abatement project (EPAP II) which is not specific to the water sector.</p> <p><i>Source: FA, NIP 2005-06</i></p>
MED/2005 /017/203 Human Rights	<p>The FA does not make mention of other Commission interventions undertaken, either in the same or in other sectors.</p> <p><i>Source: FA</i></p>
ENPI/2008 /019/607	<p>FA not signed yet.</p>
DDH/2005 /017-240	<p>The EIDHR contracts do not make mention of other Commission interventions undertaken, either in the same or in other sectors.</p> <p><i>Source: EIDHR contracts</i></p>
MED/2002 /004-955 (TVET)	<p>The FA doesn't refer to any other related/complementing interventions.</p> <p><i>Source: FA</i></p>
MED/2002 /003-396	<p>The FA refers to a supportive budget support (TEP – B) to support in the implementation of trade liberalization. It also refers to the common umbrella</p>

(TEP A)	<p>with the Industrial Modernization Programme, in the way that IMP is building capacities of Egyptian enterprises to help their overall international competitiveness whereas TEP A is building capacities of the government to provide the civil service requested by private enterprises to undertake the activities of exporting.</p> <p>Synergies have been reported between TEP B and IMP which both assisted in the development of a strategic plan for sustainability of issuing harmonised standards.</p> <p><i>Sources: FA, Final evaluations of TEP A & B</i></p>
MED/2005/017-557 (SAA)	<p>No complementing programs or initiatives are mentioned in the SAAP FA.</p> <p><i>Source: FA</i></p>
I.2.1.3	<p>Programming documents (CSP/NIP) selected interventions in the full knowledge of and in complementarity with interventions financed under thematic budget lines (EIDHR, LIFE third countries, etc.)</p>
Overall	<p>With NGOs as its principal beneficiaries, the EIDHR is intended to work in complementarity with the bilateral assistance programmes of the Commission. However, there is no evidence in programming documents (CSP/NIP) that the bilateral interventions have been selected in complementarity with interventions financed under EIDHR.</p> <p>The CSP 2002-2006 mentions that Egypt benefits from non MEDA funding (i.e. from the EIDHR and LIFE budgets) but that the amounts are small in overall budgetary terms. It also stressed that Egypt is not currently a priority country for EIDHR funding. In the CSP 2007-13, reference to Life third countries is made once in the in the description of the MEDA regional cooperation included activities on the environment.</p> <p>The NIP 2005-06 refers to the Communication on "Reinvigorating European Actions on Human Rights and Democratisation with Mediterranean Partners" which aims at maximising the effectiveness of the instruments at the disposal of the EU and its Mediterranean partners in the field of human rights and democracy. This communication sets out working guidelines to promote Human Rights and fundamental freedoms in co-operation with the Mediterranean partners which propose 10 recommendations. The NIP mentions that their implementation will be enhanced by three levels of complementarity: between the political dialogue and financial assistance, between the MEDA programme and assistance under the European Initiative for Democracy and Human Rights (EIDHR), and finally between the national and regional dimensions.</p> <p>The CSP 2007-2013 mentions that “with regard to the thematic programmes, Egypt received support from the cooperation with NGOs budget line (€5.4 million) and from the European Initiative for Human Rights and Democracy (EIDHR: €5 million).” The new Instrument for Human Rights and Democracy (ex-EIDHR) will also be available to support thematic activities in the area of migration and asylum.</p> <p><i>Source: CSP and NIPs 2002-2006 and 2007-2013</i></p>

I.2.1.4	Views of stakeholders on complementarities achieved within Commission interventions
MED/17203 ENPI 2008 / 019/607 DDH /2005 /017-240 (HR 2 & 3)	<p>Although the EIDHR instrument is meant to be complementary with other programmes, it is not happening at country level. Each intervention follows its own project cycle, its own procedures. There is no coordination of agendas and therefore it is difficult to make complementarities between interventions happen. Bilateral projects are designed for three years with their own logic and the EIDHR organises calls for proposals every year. In the project “Children at Risk” there was a bit of overlap with EIDHR because of the very general theme of women and children but there were no complementarities, the project was designed in 2006 with its own deliverables set. In the education sector, defining the education budget support is a very long consultation process and the government selects the themes it sees fit. The NCWC component of ENPI/2008/019/607 will not keep the education theme as was the case in the project “Children at Risk”, to avoid overlaps with the coming education budget support. It seems even more difficult to seek complementarities in the health sector.</p> <p>There is now some margin of manoeuvre with the EIDHR instrument in selecting themes (as compared to the initiative until 2007) but it is not enough to have complementarities with other EC interventions, considering the isolation of project cycles and the inflexibility during implementation.</p> <p>There is collaboration among colleagues at the delegation, with information sharing and mutual support but there is compartmentalisation in procedures, agenda, consultative processes, that are not conducive of complementarities. The three DDH interventions are stand alone projects, in the way they were selected and implemented.</p> <p><i>Sources: MN129, MN 78, MN 151</i></p>
ENPI/2007 /019-248 (Education)	<p>Although the two interventions of TVET and SBS to education do not naturally fit together in one framework because of the institutional and policy compartmentalisation of the two areas in Egypt, the Delegation has started a process of bringing together the various actors in these fields with the ultimate aim of building bridges between the different education areas. A meeting between the Ministry of Trade and Industry (responsible for TVET) and the Ministry of Education was scheduled for July 2009; at the same time the EC organised a DAC group member meeting with all donors to discuss technical education and professional training at the same time as education generally; it brought together donors involved in both areas.</p> <p>In education there is thus a dynamic research of complementarities between different policy areas which is facilitated by the fact that the EC is actively supporting the two areas of education and TVET and can thus capitalise on its knowledge to bring actors together.</p> <p><i>Sources: MN 77, 86, 92, 160.</i></p>
MED/2002 /004-955 (TVET)	TVET is designed to complement a set of programmes aiming at industrial modernization. In most of the regional countries, TVET and IMP have been intertwined such that one aims at institutional capacity building and the other complements the efforts through labour skills development. In all cases, promoting international trade is the aim of the interventions. There has not

	<p>been any synergy between TVET and IMP as IMP was finished before TVET started.</p> <p><i>Sources: MN 63, MN 221,</i></p>
MED/2002 /003-396 (TEP A)	<p>Currently some initiatives are being undertaken through SAAP with the consumer protection and the Egyptian organization for Standardization, but it cannot be claimed that those were initially designed to form synergies between programs, and there has not been actual synergies between TEP-A and SAAP.</p> <p>Between TEP-A and IMP, there have not been synergies at implementation stage though they had been intended at design stage. IMP worked on the competitiveness of SMEs while TEP-A aimed at the promotion of exports through the enhancement of the government capacities.</p> <p><i>Source: MN 285</i></p>
MED/2005 /017-557 (SAA)	<p>Coordination with Task managers inside the delegation is a mean but not an objective. Initiatives are selected based on demand from Egyptian counterparts, not based on creating comprehensive complementing system of interventions in sectors. In some sectors it happened by chance such as the Water Sector, but it was not designed</p> <p><i>Source: MN 193</i></p>
J.2.2	<i>Commission's bilateral and regional interventions have been designed so as to be mutually supportive</i>
I.2.2.1	Programming documents at bilateral and regional level indicate cross-references to each other's set of interventions
Overall	<p>Reference to regional strategies/interventions is rare in the CSP 2002-2006. The latter mentions only once a regional programme under consideration in the field of innovation to support the process of economic transition.</p> <p>In the CSP 2007-2013, reference to regional strategies/interventions exists. Indeed, it presents past and ongoing MEDA regional cooperation activities: these included activities on governance and public administration reform, the environment (pollution in the Mediterranean Sea, SMAP, METAP, Life Third Countries and local water management), justice and home affairs (migration, police and judiciary), political and economic research, South-South economic cooperation, statistics, transport (including global satellite navigation GNSS I and II) and energy (including the Euro-Masher gas market project), maritime safety (SAFEMED I and II), modernisation of higher education under TEMPUS, information society (EUMEDIS), audio-visual, protection of cultural heritage and development of youth exchanges and co-operation in the field of youth in the Euro- Mediterranean region.</p> <p>The regional strategy (RSP 2002-2006) mentions the need for increased synergy between Bilateral and Regional Co-operation. The RSP 2007-2013 makes numerous references to bilateral programmes.</p> <p><i>Sources: CSPs and RSPs 2002-2006 and 2007-2013</i></p>
MED/2005 /017-543 (Water)	<p>In terms of interventions in the water sector the regional dimension is very much present in the sector and was well highlighted in the NIP 2005-2006. The NIP explains the origin of the water sector support inclusion in the EC-Egypt</p>

cooperation programme in reference to the EUWI initiative of which the integrated management of water resources is one of the three components, in particular working towards the implementation of integrated management plans for water resources in all countries by the end of 2005. The Nile Basin Initiative (launched in 1999 by the World Bank and UNDP and financially supported by some MS) aims at cooperation between the 10 basin countries in the planning and management of integrated water resources, including the preparation of action programmes in the different parts of the basin. This initiative is of particular interest to Egypt who is the main user of the Nile water and wants to maintain its share of the Nile water. Here water management can be considered as an entry point for an overall process of regional integration, in all its dimensions, as well as an important case of building confidence, peace and security in a region subject to much turbulence. In the framework of this initiative, the Commission has proposed to allocate extra funding to support transboundary river basin management in Africa (indicative budget 80M€).

Although no further details are given in the NIP, the regional Strategy document and the Regional NIPs confirm indeed that support to the environment, and notably the water sector, is a longstanding priority of regional EC support. Regional co-operation for the protection of the environment dates back to when the SMAP - Short and Medium-Term Priority Environmental Action Programme was started in 1999. SMAP aimed at addressing the most important problems of common interest and identified five priority areas for action:

- integrated water management ;
- waste management ;
- hot spots (covering both polluted areas and threatened bio-diversity elements);
- integrated coastal zone managements ; and
- combating desertification.

Regional budget allocations to regionally coordinated environment and in particular water activities were as follows:

- SMAP I (ended in 1999): € 6 m,
- SMAP II (ongoing in 2001): € 30 m
- Regional Local Water Management Programme: € 40 m
- Support to the Water Information System approved in 2003: € 2 m
- Environment support allocation for 2004 in RIP 2002-2004: € 15 m
- Environment support allocation for 2008 and 2009 in RIP 2007-2010: € 9 m/year
- Environment support allocation for 2010 in RIP 2007-2010: € 15 m

The water sector has thus received considerable attention at regional level; although it is clear that the NIP recognises that activities at regional level are undertaken and are complementary, the RIP and RCP do not dwell on the type of complementary actions undertaken at country level under bilateral cooperation programmes. One can just surmise that the objectives of the interventions at regional and national level being extremely close, there would naturally be good potential for complementarities between activities undertaken at the two levels; these are however not spelled out in the programming documents.

	<p><i>Source: NIP 2005-2006, RSP 2002-2006, RIP 2002-2004, RIP 2005-2006, RSP 2007-2013</i></p>
I.2.2.2	Interventions at bilateral level are designed in the full knowledge of and in complementarity with regional interventions
Overall	<p>The CSP 2002-2006 mentions that a regional programme is under consideration in the field of innovation to support the process of economic transition and that additional bilateral cooperation might be appropriate later.</p> <p>The NIP 2002-2004 envisages complementarities with regional interventions for two bilateral interventions out of eight:</p> <ul style="list-style-type: none"> ▪ the TEP should be complementary to the regional EuroMed Market Programme; ▪ The South Sinai programme could develop synergy with other planned developments (e.g. the extension of regional energy networks and the development of the special economic zone in Aqaba). <p>The NIP 2005-06 does not mention regional interventions in the interventions proposed.</p> <p>The CSP 2007-13 mentions that successful achievement of the third strategic objective “<i>sustainability of the development process</i>” will require a combination of regional and national action.</p> <p>It also mentions that the Regional ENPI programme will complement bilateral operations:</p> <ul style="list-style-type: none"> ▪ On political development issues: bilateral assistance supports the implementation of political reforms while regional activities include support for establishing regional networks and platforms of CSOs. ▪ On cooperation on justice and security issues: bilateral assistance will focus on strengthening institutions and implementing national strategies while regional activities will include judicial cooperation on cross-border issues, networks of organised crime and trafficking of human beings and migration. ▪ On transport and energy: bilateral assistance will target regulatory reform and implementation of the national strategy while regional activities will concentrate on trans-national activities. <p>The NIP 2007-10 reports that the design of the Support for implementation of the Action Plan Programme (SAPP) builds upon the MEDSTAT regional programme which highlighted the need to take the issue of modernisation of the statistical system a step forward through a more substantial bilateral programme.</p> <p>The field mission and interviews within HQs made clear that the designs of bilateral and regional programmes are two distinct processes. The programming of regional programmes is done by Relex while bilateral interventions are prepared by the ECD. The staff in charge of the preparation of the programmes knows what are the regional/bilateral programmes implemented and ensures that there is no overlap but the research of synergies between bilateral and regional interventions has generally not been done. As a result, the complementarities between regional and bilateral interventions during</p>

	<p>implementation are limited (see also I.2.2.3).</p> <p><i>Sources: NIP 2002-04, NIP 2005-2006, CSP 2007-2013, NIP 2007-2010, MN 270, MN 131, MN 299, MN 107, MN 212, MN 111, MN 275, MN 123</i></p>
MED/2003 /005-716 (FISC Rural)	<p>The FA does not make mention of regional Commission interventions undertaken, either in the same or in other sectors. The field mission confirmed that this intervention has not been implemented in complementarity with a regional one.</p> <p><i>Sources: FA, MN 212, MN 94</i></p>
MED/2003 /005-719 (FISC Social)	<p>The FA does not make mention of regional Commission interventions undertaken, either in the same or in other sectors. The field mission confirmed that this intervention has not been implemented in complementarity with a regional one.</p> <p><i>Source: FA, MN 212, MN 157</i></p>
MED/2004 /006-224 (FISC Financial)	<p>The FA does not make mention of regional Commission interventions undertaken, either in the same or in other sectors. The field mission confirmed that this intervention has not been implemented in complementarity with a regional one.</p> <p><i>Sources: FA, MN 68, MN 101</i></p>
MED/2005 /017/203	<p>The FA does not make mention of regional Commission interventions undertaken, either in the same or in other sectors. The identification report presents the external factors driving towards change, among those, The Barcelona process: A Gradualist European Approach to Democratisation; the Tunisia Declaration and Reform and Transnational Civil Society Mechanisms; The Arab Regional Political Framework (Arab Reform Initiatives at State and Civil Society Levels-Arab Reform Forum). However, it does not refer to specific regional interventions.</p> <p><i>Sources: FA and Identification report</i></p>
ENPI 2008 /019/607	<p>The formulation report does not make mention of regional Commission interventions undertaken, either in the same or in other sectors.</p> <p><i>Source: Transtec formulation report</i></p>
I.2.2.3	<p>Interventions at regional level are designed in the full knowledge of and in complementarity with bilateral interventions</p>
Overall	<p>The RIP 2002-2004 mentions that three interventions out of the twelve planned have been designed in complementarity with bilateral interventions:</p> <ul style="list-style-type: none"> ▪ The training of public administrations: MEDA bilateral programmes will be the major instrument to finance and assist institutional reforms but a regional action will positively contribute to the identification of needs and define programmes that will then be implemented through the NIPs. In addition, it states that a regional action will provide a cooperation and training mechanism in areas in which economies of scale can be achieved. ▪ The telecommunications project proposes an agreement at regional level on the responsibilities of the regulatory authority while it will be implemented nationally with the support from the NIPs from 2005. ▪ The justice and home affairs programme foresaw that the partners should be assisted to develop their crime prevention and crime-fighting machinery

through the NIPs from 2005.

The RIP 2005-06 mentions that the MEDA regional co-operation seeks to complement and reinforce the programmes and activities undertaken bilaterally with Mediterranean partners. Complementarities will be sought with bilateral interventions for the following regional programmes:

- The justice and home affairs programme (see above)
- The EUROMESCO programme (Consolidation and development of the network of Euro-Mediterranean Foreign Policy Institutes)
- In the area of internal market approximation, a regional approach will complement MEDA bilateral programmes in order to ensure legislative and regulatory convergence with common approaches, benchmarks and indicators for those countries that adopt National Action Plans under the Neighbourhood policy.
- NATP II (2005-2007) which will intensify cooperation in the field of regulatory reform and e-government is supporting several bilateral MEDA projects for assistance to the electronic communications regulators.

The RIP 2007-2010 mentions complementarities between regional and bilateral actions for :

- EUROMESCO
- South-South regional economic cooperation: while bilateral actions supported Modernisation of customs administration and procedures, and removal of trade Impediments, the regional programme will support the development of a regional approach to trade facilitation, by sharing best practices, pooling together assistance on the basis of common identified needs and increasing modalities of customs cooperation within administrations in implementing preferential agreements.

The following regional interventions are/have been implemented in Egypt:

Regional Programmes	Objectives
- SMAP	- Support the protection of the environment in the region, in particular integrated water and waste management, hot spots, integrated coastal zone management and combating desertification.
- Anna Lindh Foundation	- Promote dialogue between cultures and contribute to the visibility of the Barcelona Process through intellectual, cultural and civil society exchanges.
- New Approaches to telecommunication Policy (NATP)	- Develop competitiveness by improving the quality and lowering the cost of telecommunications services.
- MEDIBTIKAR	- Stimulate innovation in private and public enterprises through new and improved instruments
- Middle East Peace Projects (MEPP)	- Support the Middle East peace process and to increase regional cooperation between Israelis and Palestinians in fields such as education, environment, legal matters, etc.

	- EUMEDIS	- Support the provision of basic resources for the development of the information society
	- MED-ENEC	- Encourage energy efficiency and the use of renewable energy in the construction sector.
	- Euro-Mediterranean Energy Market Integration Project (MED-EMIP)	- Reinforce EU-Mediterranean energy cooperation, with particular emphasis on energy security and sustainability.
	- Euromed Justice	- Support the strengthening and development of the institutional and administrative capacity, good governance and a sound public administration in the field of justice.
	- Euromed Heritage	- Preservation and development of the Euro-Mediterranean cultural heritage.
	- Euromed Transport programme	- Increase efficiency of the Mediterranean transport system.
	- Euromed Audiovisual	- Support regional multi-annual projects in the fields of television and cinema.
	- Euro-Mediterranean Partnership's Education and Training for Employment (MEDA-E TE)	- Support MEDA partners in the design and implementation of relevant technical and vocational education and training (TVET) policies that can contribute to promoting employment through a regional approach
	None of these regional programmes are/have been implemented so as to maximise synergies with bilateral interventions.	
	<i>Sources: RIP 2002-2004, RIP 2005-06, RIP 2007-2010, European Commission, "Euromed Information Notes, Euro-Mediterranean Partnership and MEDA Regional Activities", 2005, MN 131, MN 299, MN 107, MN 212, MN 111</i>	
I.2.2.4	Stakeholder views on complementarity between national and regional Commission interventions	
Overall	Interviews with stakeholders point to a lack/absence of synergies between bilateral and regional interventions. Beneficiaries expect better synergies between bilateral and regional programmes in the field of energy and transport with the recently designed/upcoming bilateral interventions in this field.	
	<i>Sources: MN 270, MN 131, MN 299, MN 107, MN 212, MN 111</i>	

EQ3	To what extent have the Commission’s interventions contributed to the implementation of reforms in the area of human rights, democracy and the rule of law?
J.3.1	<i>The Commission has identified specific areas for support in the field of human rights, democracy and the rule of law</i>
Overall	<p>During the early period of the first CSP (2002-2006), the Commission, in agreement with the GoE, focused more on fundamental rights with the civil society channelling social service delivery to the poor and, being, on a local level, an implementing agency of government social programmes. In that respect, one of the priorities of the CSP (2002-2006) is “Supporting sustainable socio-economic development” to match economic liberalisation with social and political reform, good governance, the rule of law, the constructive involvement of civil society, and the protection of Egypt’s fragile environment. The NIP 2002-04 identified a programme on social development and civil society: children at risk (MED/2003/005-722) for €20m which concentrated on the social protection of the most vulnerable and marginalised groups, such as children at risk, and the strengthening of the capacity of the non-governmental sector to contribute effectively to social development.</p> <p>In the course of 2002-2003, the Commission adopted a number of policy orientations, most significantly:</p> <ul style="list-style-type: none"> - the Communication on “Wider Europe and the New Framework for Relations with our Eastern and Southern Neighbours” which sets out the framework for the EU policy building upon the AA and outlines the importance of the dialogue on HR as part of the political dialogue with MPC; and - the Communication “Reinvigorating European Actions on Human Rights and democratisation with Mediterranean Partners” which sets out working guidelines to promote human rights and fundamental freedoms in co-operation with the Mediterranean Partner Countries (MPC). <p>Taking into account these new orientations as well as the recommendations of the 2004 Country Strategy Evaluation which advised a strengthening of the dialogue with the GoE on democracy, human rights and the building of the civil society, the NIP 2005-06 included the first bilateral intervention targeting explicitly democratisation, human rights and civil society (MED 2005/17203). This first programme concretised the ongoing dialogue of the GoE and Commission on these issues as well as the gradual evolution of the Commission’s support: from a support directed to development issues towards advocacy. While the Commission initially wanted to support the NGOs directly, lengthy discussions resulted in a programme having state partners for two components of the programme - the National Council for Human Rights (NCHR) and the National Council for Women (NCW), and two component implemented by the UNDP, one supporting the Ministry of Justice and the Ministry of the Interior, and the other supporting the General Federation of NGOs.</p> <p>At the end of the evaluation period, the Commission’s approach in this field is further evolving towards a more explicit and direct support to HR and democracy issues as a result of an increased dialogue on these sensitive issues mostly pushed by the EU. The CSP 2007-2013 reflects this evolution in</p>

designating the support to Egypt's reforms in the areas of democracy, human rights and good governance and justice as one of the three key objectives of the Commission's cooperation and in proposing three programmes dealing directly with these issues in the NIP 2007-10:

1. Support for political development, decentralisation and promotion of good governance with three components: electoral process (reform of the electoral system), decentralisation reform and good governance (further modernisation and development of public services rendered to citizens).
2. Promotion and protection of human rights and involvement of civil society in protecting the environment with four components: i) promotion and protection of human rights; ii) protection of women's and children's rights; iii) strengthening the role of civil society; and iv) support for freedom of expression and freedom of the media.
3. Support for modernisation of administration of justice and enhancement of security so as to support Egypt's efforts on modernizing administration of justice and strengthening the capacity of law enforcement bodies.

For the time being, the second programme for the promotion and protection of Human Rights and Civil Society in Egypt is at design stage. The decision has been taken in 2008 (ENPI/2008/019-606) but the FA has not yet been signed. This programme is the continuation of two previous programmes: MED/2005/17203 (Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance) and MED/2003/005-722 (Children at Risk), hereby envisaging to support the National Council for Childhood and Motherhood, the NCHR, the NCW but to stop the support to the Federation of NGOs and support the Environmental Affairs Agency in view of integrating the dimension of environmental rights. The other two programmes are not yet in the pipeline since the reforms (electoral and decentralisation reforms) must advance on the Egyptian side before the identification of an intervention tackling them can take place.

EIDHR

Through the thematic budget line European Initiative for Democracy and Human Rights (EIDHR, Initiative and then Instrument), the Commission gives worldwide support to specific areas in the field of HR, democracy and the rule of law.

The general objective of the European Initiative for Democracy and Human Rights and of the European Instrument for Democracy and Human Rights -set out formally respectively in Regulations (EC) No 975/1999 and No 1889/2006- is to contribute to the development and consolidation of democracy and the rule of law, and respect for all human rights and fundamental freedoms, within the framework of the Community's policy on development cooperation, and economic, financial and technical cooperation with third countries, and consistent with the EU's foreign policy as a whole.

EIDHR offer independence of action, allowing for the delivery of assistance in principle without the need for government consent, which is a critical feature of cooperation with civil society organisations at national level, especially in the sensitive areas of democracy and human rights.

	<p>In 2003 four worldwide priorities for specific human rights activities were identified under the EIDHR:</p> <ul style="list-style-type: none"> ▪ Support to strengthen democratization, good governance and the rule of law ; ▪ Activities in support of the abolition of death penalty ; ▪ Support for the fight against torture and impunity and for international tribunals and the International Criminal Court ; ▪ Combating racism and xenophobia and discrimination against minorities and indigenous people. <p>Under the Initiative, the programming is annual and the allocation of funds is done per campaign (in total €100m were allocated annually to the Initiative). To implement EU strategies in these fields, the Commission either used:</p> <ul style="list-style-type: none"> ▪ Targeted projects identified by the Commission in the pursuit of specific objectives that are implemented by international organisations e.g. Council of Europe (CoE) or Office for Democratic Institutions and Human Rights (ODIHR). ▪ Calls for proposals used to mobilize a wide range of actors, especially international and local NGOs. They facilitate the participation of civil society as a partner in achieving the EIDHR aims. Two types of projects are funded: <ul style="list-style-type: none"> ○ Macro-projects with a Commission contribution of more than €300,000 are implemented by NGOs and/or local authorities and managed by the EC in Brussels. ○ Micro-projects are small projects of less than €50,000 are implemented by local NGOs and administered by the Delegations of the Commission in the countries concerned. <p>EIDHR (Instrument) is the successor to the EIDHR (Initiative); it entered into force in January 2007. A strategy paper drafted by DG RELEX for the period 2007-10 defines 5 strategic objectives :</p> <ol style="list-style-type: none"> 1) Enhancing respect for human rights and fundamental freedoms in countries and regions where they are most at risk; 2) Strengthening the role of civil society in promoting human rights and democratic reform, in supporting the peaceful conciliation of group interests and in consolidating political participation and representation; 3) Supporting actions on human rights and democracy issues in areas covered by EU Guidelines, including on human rights dialogues, on human rights defenders, on the death penalty, on torture, and on children and armed conflict; 4) Supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law and the promotion of democracy; 5) Building confidence in and enhancing the reliability and transparency of democratic electoral processes, in particular through election observation. <p>This document reflects the consultations held with the NGOs and CSOs, and has been agreed by the EU MS while the Parliament has a regard on it.</p> <p>The 5 objectives of the EIDHR Strategy Paper are then turned into Annual Action Plans by DG Aidco. These plans indicate the global envelope available</p>
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	<p>(around €100m per year) and present a detailed set of actions in the form of action fiches. Some action fiches include the detailed allocation of funds per country. Each action is implemented either through calls for proposals managed directly by HQ or ECD, contribution to trust funds, or procurement/grant contracts directly managed by the HQ.</p> <p>The Country Based Support Scheme (CBSS), component of the EIDHR designed to support locally Civil Society Organisations, is designed to take into account the characteristics and the specific needs of each Country. It applies to Objective 2 of the EIDHR Strategy Paper "Strengthening the role of civil society in promoting human rights and democratic reform, in facilitating the peaceful conciliation of group interests and in consolidating political participation and representation." The global objective of the 2009 CBSS in Egypt is to support local civil society organisations in two fields:</p> <ul style="list-style-type: none"> • Supporting the democratic electoral process (lot 1): actions should target the monitoring of elections, the analysis of the electoral law, capacity building and coaching of monitors, etc. • Improving social and economic rights (lot 2): actions should target the support to local civil society organisations to promote socio economic rights in rural and urban areas and/or the promotion of labour rights in the formal and the non-formal sectors. <p><i>Sources: CSP 2002-06, CSP 2007-13 and corresponding NIPs, EU-Egypt Action Plan, EIDHR Strategy Paper 2007-10 , Council Regulations (EC) No 975/1999 and No 1889/2006, Annual Action Programmes 2008 and 2009 for EIDHR, Country-Based Support Scheme (CBSS) Egypt 2009, MN 129, MN 78, MN 81, MN 173, MN 78</i></p>
I.3.1.1	Strategy and Programming documents (CSP/NIP, EIDHR strategy paper and action programme) identified specific needs in these areas
Overall	<p>Both <u>CSPs</u> (2002-2006 and 2007-2013) and corresponding NIPs do not explicitly identify needs in the areas of HR, democracy and the rule of law. They present detailed sections on the main features of the Egyptian political background and overall policy agenda of the GoE. HR and democracy is a highly political issue, perceived by the Egyptians as an internal matter where the EU does not have to intervene. Indeed, this issue is mostly pushed by the EU and, as a result of long negotiations between the EU and the GoE, the GoE is progressively accepting to discuss these issues with the EU. This situation therefore makes it difficult for the EU to identify needs in this area and to explicitly refer to them in the CSP and NIP, the latter only including programmes accepted by the GoE.</p> <p>The evolution of the dialogue on these issues between the GoE and the Commission is reflected in the CSPs/NIPs. The first CSP refers to the implications of the sluggish pace of political and social reform for the vitality of the more rapid economic ongoing reform process and for social stability. and proposes that the Commission could support institution building measures for existing structures dealing with the most vulnerable groups of population (notably the NGOs and the relevant parts of the social security and judicial systems). This is maybe not strictly speaking an identification of needs but it comes as a logical approach from the Commission in the context hereabove described. In the second CSP, these issues are more explicitly tackled: the first priority of the CSP 2007-2013 is “supporting Egypt’s reforms in the areas of</p>

	<p>democracy, human rights and justice”. Three programmes are proposed under this priority in the NIP 2007-2010. As an illustration, the first one seeks to address needs in terms of improvements in public participation and the legislative framework which regulates the electoral process.</p> <p>The <u>EIDHR</u> is a global financial instrument piloted from Brussels. The choice of the thematic campaigns for the Initiative and of the objectives for the Instrument is done by the Commission HQ at a worldwide level (see also J3.1 hereabove). Annual Action Programmes that define a set of actions to be carried out within the framework of the Initiative and Instrument and an overall envelope of funds are also done by Commission HQ at a worldwide level. As a result, the actions carried out in specific countries under the Initiative and the Instrument do not respond to specific national needs. The allocation of the funds under the instrument and the identification of the priorities per country do not therefore follow an analysis of the needs.</p> <p><i>Sources: CSP 2002-06, CSP 2007-13 and corresponding NIPs, EIDHR Strategy Paper 2007-10, Annual Action Programmes 2008 and 2009 for EIDHR, MN 129, MN 78, MN 61, MN 81, MN 151, MN 270</i></p>
I.3.1.2	<p>Strategy and Programming documents (CSP/NIP, EIDHR strategy paper and action programme) considered the state of play of Government reforms in these areas and in particular assessed the areas where the Commission support would be accepted</p>
Overall	<p>Strategy and programming documents considered the state of play of the GoE reforms in these areas. The increasing explicit attention to these issues in the two CSPs reflects the evolution of the dialogue between the EU and the GoE in these areas.</p> <p>The CSP 2002-2006 presents the overall GoE policy agenda but the latter does not contain specific points dealing with HR, democracy and the rule of law. It refers to the fact that President Mubarak has spoken frequently of the need for internal political reform and that there have been significant but cautious moves (e.g. in the official monitoring of elections by the judiciary and the allowing of candidates representing technically proscribed Islamic parties to stand for, and win office). At that time, the Commission could not directly tackle these issues through programmes targeting explicitly these areas. Instead, the Commission proposed institution building measures for existing structures dealing with the most vulnerable groups of population (notably the NGOs and the relevant parts of the social security and judicial systems).</p> <p>The CSP 2007-2013 presents the overall GoE policy agenda as well as a description of the overall political background. In its description of the political context, the CSP 2007-2013 identifies the main structural problems that the political reforms aim at tackling :</p> <ul style="list-style-type: none"> ▪ low participation in political life; ▪ the exclusion of certain political movements and groupings from the political arena ; ▪ a fragile culture of democracy and of recognition of civil and political rights; ▪ centralisation of powers and decisions; ▪ continuation of the emergency law introduced in 1981 after the assassination of President Sadat.

Other key challenges for political reform are identified in the CSP: guaranteeing the independence of the media, freedom of expression and assembly, and the independence of the judiciary. The CSP also stresses that the GoE reform agenda calls for a gradual and phased process of decentralisation as a means to achieve sustainable development and improve quality and delivery of services across the country.

As regards rule of law, the CSP highlights that the functioning of the judiciary is hampered by the lack of independence from the executive, the backlog of cases, delays in resolving disputes and the persistence of the Law on the State of Emergency. Comprehensive legal reforms are planned in order to improve judicial efficiency and certainty.

The CSP 2007-13 mentions that the 2004 CSE Evaluation recommendations, such as calling for greater focus of EC assistance on implementation of the Association Agreement in its entire dimension, including its political dimensions, or for targeting the EU's strategic goals of democracy and human rights and supporting social development and policy reform, are taken on board in the strategy proposed.

The CSP 2007-13 assessed the areas where the Commission support would be accepted. In particular, explicit mention is made on the fact that the "EU's approach to supporting this sector is based on the recognition that it is Egypt's own wish to pursue an internal political reform agenda and that the scale of support will be subject to the extent to which reforms are carried out". It further states that the EU will target financial assistance on Egypt's priorities for political reforms, in particular the enhancement of the effectiveness of institutions entrusted with strengthening democracy and the rule of law, the review of the electoral system, the process of decentralisation as well as capacity-building of civil society.

In the design of its programmes, the Commission also assesses where its support will be accepted. As an illustration, for the ENPI programme, the Commission perceived the difficulty of continuing to support the GFNF in a sensitive context where most donors and CSOs perceive the GFNF as controlled by the government. As a result, it decided not to continue supporting the GFNF, advocating technical reasons. Similarly, for the programme Support to political development and good governance (NIP 2007-2010), the envisaged support to the electoral process has been reconsidered as the Egyptian authorities did not consider it as a priority for international cooperation and the decentralisation component has been postponed until the new decentralisation Law is in place.

EIDHR Annual Action Programmes that define a set of actions to be carried out within the framework of the Initiative and Instrument are done by Commission HQ at a worldwide level (see also J3.1). Within that framework, actions financed under EIDHR in Egypt a priori do not consider the state of play of the GoE reforms nor assess areas where the Commission support would be accepted. The field mission confirmed this point.

	<i>Sources: CSP 2002-06, CSP 2007-13 and corresponding NIPs, Annual Action Programme 2008, EIDHR Strategy Paper 2007-10, MN 129, MN 78, MN 61, MN 81, MN 151, MN 270, MN 125</i>
I.3.1.3	FA/MoU have been designed so as to initiate reforms in these areas and/or to support the implementation of the reforms in these fields
MED/2005/017/203 (HR)	<p>Although the project does not support reforms per se, it supports awareness raising activities for institutions that were created to support citizens' rights (such as NCW, ...) and that are part of the new legislative developments intended to implement the reforms. The FA's main components aim at increasing HR know-how, the awareness and expertise of the Ministry of Interior and Ministry of Justice staff in terms of protection of citizen' rights; enhanced capacities of the Women Ombudsman offices' staff to be effective in the record of women rights complaints and in addressing gender discrimination; an efficient Complaints (Ombudsman) Office at the NCHR ; increased capacity of the Egyptian NGOs and their umbrella organization especially in the areas of internal democratic governance, planning, networking administrative financial management, sustainability and access to international funding opportunities.</p> <p><i>Source: FA</i></p>
ENPI/2008/019/-607(PPHR)	<p>The project "Promotion and protection of human rights and civil society in Egypt" is building on ongoing, successful activities implemented in the framework of the programme "Support in the field of democratisation, human rights and civil society" (MED/2005/017/203). The specific objective is to increase the capacity of the GoE's concerned institutions and of CSOs in effectively implementing international conventions related to human rights and the protection of the environment with three components: civil and political rights, women and child rights and environment rights.</p> <p><i>Source: Transtec Formulation report</i></p>
DDH/2005/017-240 (HR 2&3)	N/A. EIDHR (Initiative) is not designed to support government reforms.
I.3.1.4	The policy dialogue has focused on a sharing of views on the issues of human rights, democracy and the rule of law
Overall	<p>The EU/Egypt Association Agreement reflects the approach of the Barcelona Process. Its overall objective is to establish the appropriate framework for cooperation and partnership. It plans a regular political dialogue and cooperation to develop better understanding and increase convergence of positions on international issues, enhance regional security and stability and promote common initiatives, peace, democracy and regional development. An Association Council provides the political guidance, makes policy decisions and the Association Committee has delegated powers for implementation.</p> <p>Eight sub-committees have been set up by the Association Council, one being on Political Matters: the subcommittee on political matters (HR and democracy, international and regional issues). Whereas the Commission Communication "Reinvigorating European Actions on Human Rights and democratisation with Mediterranean Partners" recommended the creation of a specific sub-committee on HR, Egypt expressed its desire to enlarge the sub-committee to more general political issues to push away HR from the political debate. Created in 2007 in Egypt, the sub-committee on political matters mostly reflects the</p>

	<p>EU's interest to have this topic on the agenda. It constitutes a central mechanism for a strengthened dialogue on concrete HR issues since there was no specific dialogue on this issue with the GoE prior to the existence of this sub-committee. The EU hopes that it will allow discussing HR issues in an open and constructive manner. The members have been appointed and approved. Presided by an Egyptian diplomat, it consists of Egyptian high ranking persons and representatives of the EC and of Member countries. The 1st sub-committee has been held last June and the second one met for the second time on July 17, 2009.</p> <p>During the 4th meeting of the EU-Egypt Association Council, Luxembourg, 28 April 2008, the EU welcomed the readiness of the Egyptian Government to hold a dialogue on human rights and democracy issues. The EU will seek to identify with the Egyptian authorities areas where it may provide practical support for the furthering of Egypt's own reform measures, notably in the area of the judiciary, civil society, police procedures and individual rights for men and women alike.</p> <p><i>Sources: EU HR report 2006 & 2007, 4th meeting of the EU-Egypt Association Council, Luxembourg, 28 April 2008, MN 173, MN 151</i></p>
<p>MED/2005 /017/203 (HR)</p>	<p>The mechanisms that would facilitate the policy dialogue at the country level are not specified in the documents. There is dialogue on project via the Steering Committee but there is no indication that it is policy oriented.</p> <p><i>Source: Steering Committee minutes of MED/2005/017/203</i></p> <p>The identification report (February 2005) argues that “the State has a conflated space for manoeuvre within the framework of reform and democratisation, versus the more delimited space allowed to civil society. The states tactics in the case of Egypt emphasise the role of National dialogue and alternative processes (e.g. alternative institutions to replace civil society organisations and associational mechanisms such as the NCHR) as a stabilisation phase. The space for manoeuvre allowed or appropriated by civil society is far limited than the state”.</p> <p><i>Source: Final Identification Report. February 2005. A.R.S. Progetti S.r.l</i></p> <p>The NCHR has been created by government decree, like other national councils such as the NCW or the NCMC. For the ECD, this council is a useful body for dialogue by proxy with the government. During the life of the project, the Delegation has been able to open discussions on topics that were not discussed before, on sensitive issues such as death penalty, the release of prisoners under the emergency law, freedom of expression, torture, etc. The NCHR can relay the topics to government. Several interviewees confirm that the discussions on sensitive subjects are more possible now, there is an ambiance for some dialogue that was not present before. There are two levels of dialogue with the NCHR : (1) between the respective political heads of the NCHR and the Commission, which is highly political and quite diplomatic, pointing positive changes even though at a slow space, and (2) the bureaucrats' level where staff have to deal with specific issues at programming level. It is more at that level that hard negotiations take place and that difficulties emerge, when points of</p>

	<p>divergence appear.</p> <p>Some reservations are expressed within the delegation and with some donors and NGOs about the effectiveness of the NCHR. It is perceived by some as playing the role of gate keepers to avoid significant advances. There are advances like the critical report of the Council, more books and films on difficult topics, more new papers in Arabic and more independent papers. But for some, it is perceived as a showcase for the GoE to point positive actions that do not have a significant impact outside a minority of intellectuals.</p> <p>At the intervention level, the Steering Committee concentrates on discussions about the progress of activities.</p> <p><i>Sources: MN 73, MN 129, MN 173, MN 107, MN 151</i></p>
<p>DDH/2005 /017-240 (HR 2&3)</p>	<p>The Commission has a firmer orientation towards dialogue with civil society, but up to now, it was within the framework of bilateral programming.</p> <p>The policy section of the delegation organises regular, informal meetings with civil society. Unfortunately, the organisations showing capability in discussing policy are still very few and are always the same individuals. The opportunity is taken to dialogue with civil society (a dozen) in the framework of preparation of the meeting agenda of the HR Sub-Committee of the Association Council. On July 17, the subcommittee has had its second meeting ; at the time of the field mission, the delegation was pushing for one full day debate on HR. A debriefing session is organised with the same NGOs after the meeting of the sub-committee. NGOs that participate at these informal meetings feel frustrated because the dialogue is not directly held with the government but via the Commission. The dialogue is also taking place on annual progress reports of projects supported by the EIDHR. However, dialogue is limited to the setting of call for proposals, the only financial instrument available to reach the civil society.</p> <p><i>Sources: MN 78, MN 151; The EC Evaluation on channelling aid through civil society organisations, September 2008</i></p>
<p>ENPI 2008 /019/607 (PPHR)</p>	<p>The formulation of the intervention was completed in December 2008. The FA was communicated to the Ministry of International Cooperation in February 2009 and is still under negotiation. The ENPI 2008/019/607 is mostly a continuation of MED/2005/17203 which has not been evaluated. There have been consultations with partner institutions (NCW, NCHR, NCMC, EEAA) on the content of the project but it would appear that the choice of working with national institutions is a given : the Commission has no other choice but working through the same national institutions. One should also note that the Commission has not sought to identify change agents that could be more effective in promoting HR/democracy than national institutions controlled by the GoE. It is mostly through those national bodies that dialogue/working relations will be established between the government and civil society. The means selected to establish those relations is systematically decentralised calls for proposals. The tenders are made under Commission rules and procedures that are complex, in English, and not adapted to build a civil society able to go beyond service delivery and act as a collective force active in the development process. In particular, the NGOs skilled to answer to tenders are the large ones</p>

	<p>and often international NGOs used to tender processes. These points are still debated at the moment (negotiations on FA). There is a plan to strengthen the capacity to manage public tenders by important international TA input.</p> <p>The 2008 Commission <i>Evaluation on channelling aid through civil society organisations</i> is rather firm on the EC needing to adopt a more affirmative and strategic role towards playing a role of “change agent”. The following finding reflects the EC position in Egypt (Egypt was one of the countries selected for the evaluation). It reads: “<i>All these limitations (i.e. overall management systems) confront the EC with major challenges to improve the impact of governance-related interventions funded through the CSO channel. Various stakeholders insisted on the need for the EC to enhance its own political and institutional capacity to act as a ‘change agent’. This implies strengthening the leverage of the EC to operate as a political actor willing and able (i) to go beyond instrumental approaches to working with CSOs; (ii) to help opening up and defending a democratic space for civil society participation; to target relevant ‘drivers of change’; (iv) to develop strategic alliances with CSOs/networks; (v) to promote the building of social capital in all its programmes, etc. However, evidence collected from various sources suggests that the EC is still largely perceived as a prudent actor, not always ready to openly criticise the government in case agreed principles with regard to civil society participation –as enshrined in legal documents such as the Cotonou Agreement or MEDA- are not respected (e.g. Eritrea, Algeria, and Egypt).</i>”</p> <p><i>Sources: Transtec formulation report, EC evaluation on channelling aid through civil society organisations, MN 129, MN 78, MN 81</i></p>
<p>J.3.2</p>	<p><i>In complementarity to supporting these reforms, the Commission supported initiatives of non state actors in the areas of human rights, democracy and the rule of law</i></p>
<p>I.3.2.1</p>	<p>Programming documents (CSP/NIP) selected specific interventions to support the initiatives of non public organisations in the promotion of HR, democracy and the rule of law</p>
<p>Overall</p>	<p>In the early 2000s, the support of the Commission in these areas has been directed directly to national bodies active in these areas such as the National Council for Women and the National Council for Human Rights. While the Commission was willing to support NGOs’ initiatives directly, this approach was not accepted by the GoE. Later on, reflecting an improvement of the dialogue of the Commission with the GoE on these issues, the Commission and the GoE found a mutual ground of understanding in having the Commission supporting NGOs through calls for proposals managed by government bodies.</p> <p>The Democratisation, human rights, civil society, good governance programme included in the NIP 2005-06 does not support the initiatives of non public organisations in the promotion of HR, democracy and the rule of law. It supports the initiatives of public organisations in these areas, in particular:</p> <ul style="list-style-type: none"> ▪ increased awareness and expertise of the Ministry of Interior and Ministry of Justice staff in terms of protection of citizens’ rights through UNDP, and ▪ an efficient complaints ombudsman office at the National Council for Human Rights. <p>The two programmes identified by the NIP 2007-10 dealing with these issues which are not yet at formulation stage do not support the initiatives of non public organisations, but support the government’s efforts.</p>

	<p>The third programme identified by the NIP 2007-2010: “Promotion and protection of human rights and involvement of civil society in protecting the environment” (ENPI/2008/019-607) under formulation foresees in each of its components a support to CSOs through calls for proposals launched and managed by the National Councils with specific thematic priorities, in particular:</p> <ul style="list-style-type: none"> - NCHR with the following priorities: awareness raising promotion, involvement in the election process, promotion of health rights, etc. - NCW with the following priorities: family law reform, family court, etc. - EEAA with the following priorities: waste management, water sanitation, planting, awareness, energy efficiency and conservation, and water conservation. <p><i>Sources: NIP 2002-04, NIP 2005-06, NIP 2007-10, FA MED/2005/12203, Action fiche and formulation report ENPI 2008 /019/607, MN 270, MN 81, MN 151</i></p>
I.3.2.2	<p>Programming documents (CSP/NIP) selected specific interventions to support the capacities of non public organisations in the promotion of HR, democracy and the rule of law</p>
Overall	<p>The Democratisation, human rights, civil society, good governance programme included in the NIP 2005-06 supports the capacities of non public organisations in the promotion of HR, democracy and the rule of law. Indeed, the strengthening of the capacities of CSOs is one of the specific objectives of the programme. The NIP indicates that the programme could support measures to promote freedom of association, aiming, for example, at increasing capacity-building of NGOs; developing a networking system of NGOs; promoting dialogue with the institutions; increasing public awareness of the role of civil society and of their own rights as citizens; involvement of community-based organisations; operating in more remote areas of the country to raise awareness of human rights and democratisation issues. The other areas identified by the programme do not explicitly refer to non public organisations.</p> <p>The NIP 2007-10 identified three programmes to deal with these governance issues. Two of these programmes include capacity building towards NGOs:</p> <ul style="list-style-type: none"> ▪ Promotion and protection of human rights and involvement of civil society in protecting the environment (which continues and deepens the cooperation started in the “Human rights, civil society and good governance” project) <p>Two components out of 4 include civil society strengthening: “Strengthening the role of civil society and involving civil society in protecting the Environment” and “Support for improvements in freedom of association and of expression and pluralism of the media”. These two components also include support to government institutions.</p> <ul style="list-style-type: none"> ▪ Support for modernisation of administration of justice and enhancement of security <p>The programme includes support to Egyptian authorities for communities and NGOs committed to this objective and for improving conditions in prisons and places of detention.</p> <p><i>Source: NIP 2002-2004; NIP 2005-2006; NIP 2007-2010</i></p>

I.3.2.3	Non programmatic instruments (such as the EIDHR budget line in particular) funded specific interventions to support initiatives of non public organisations in the promotion of HR, democracy and the rule of law
Overall	<p>Over the period 2000-2007, 36 projects (EIDHR) have been implemented in Egypt in the following fields:</p> <ul style="list-style-type: none"> ▪ Governance ▪ Fight against racism ▪ Peaceful conciliation ▪ Electoral process ▪ Trained team from observation of national elections ▪ Civil society contribution to process of democratization ▪ Rule of law including penal system ▪ Strengthening CSO ▪ HR education, training and awareness raising ▪ Mediation, dialogue. ▪ Etc. <p><i>Source: MN 129</i></p>
DDH/2005 /017-240	<p>EIDHR (Initiative and then Instrument) are designed to support initiatives of non public organisation in the promotion of HR, democracy and the rule of law.</p> <p>The EIDHR Annual Workplan 2006 –first annual workplan- has defined four thematic campaigns. Each campaign bundles a limited number of inter-related specific human rights and/or democratisation priorities:</p> <p>Campaign 1: Promoting justice and the rule of law Campaign 2: Fostering a culture of human rights Campaign 3 Promoting the democratic process Campaign 4: Advancing equality, tolerance and peace Egypt is eligible for Campaigns 2 and 3.</p> <p>This evaluation selected 3 specific interventions under campaigns 2 and 3 financed from EIDHR (Decision DDH/2005 /017-240) that have been implemented in Egypt:</p> <ul style="list-style-type: none"> ▪ Organisation: the Egyptian Association for Community Participation Enhancement Title of project: The Egyptian democratic status watch (Ref n° 123785) ▪ Organisation: Egyptian Center for Womens’ Rights Association Title of project: Fighting violence cultivating democratic culture (Ref n° 123808) ▪ Organisation: The Egyptian Association for Community Participation Enhancement Title of project: Fostering human rights culture in public schools (Ref n° 124021) <p><i>Sources: NIP 2002-2004; EIDHR „Annual Work Programme 2006; specific contracts (123808, 124021, 123785),</i></p>
I.3.2.3	FA/MoU have been designed so as to support non public organisations in the promotion of HR, democracy and the rule of law
MED/2005 /017-203	The FA identifies one stakeholder of the project as being the General Federation of NGOs and Foundations GFNF, to increase capacity of Egyptian

(HR)	<p>NGOs and their umbrella organisation, especially in the area of internal democratic governance, planning, networking, administrative financial management, sustainability and access to international funding opportunities.</p> <p><i>Source: FA</i></p>
ENPI 2008 /019/607 (PPHR)	<p>One of 3 components of the “Promotion and protection of human rights and civil society in Egypt” project is dedicated to reinforce the involvement of the EEAA and CSOs on environmental issues, supporting the activities of CSOs in the implementation of the national environment action plan. The other two components of the project include advocacy activities implemented by CSOs active in the field of the promotion and defence of HR and on women’s and children’s rights (through national partner institutions).</p> <p>Support to civil society organisations will be part of all the components of the programme, so as to enhance their capacity to be active on all different issues but also in order to enhance dialogue, understanding and partnership between the targeted institutions and civil society.</p> <p><i>Source: Action project fiche in Egypt, Promotion and Protection of HR and civil societies</i></p>
DDH/2005 /017-240 (HR 2&3)	<p>The three selected interventions executed by two NGOs supported the promotion of HR, democracy and the rule of law. The specific themes are: fostering a human rights culture in public schools, reinforce communities in their capacity to defend and promote their rights, especially in fighting violence against women, and support groups of civil society in monitoring electoral processes.</p> <p><i>Sources: EIDHR Contracts</i></p>
I.3.2.4	<p>Views of stakeholders on the appropriateness of the support received in strengthening the capacities of public and non public institutions promoting human rights, democracy and the rule of law</p>
	<p>For the bilateral intervention (MED/2005/17203), although there are very tangible outputs achieved in the various components of the intervention, these are mainly quantitatively measured. Progress reports indicate many inputs/outputs in terms of capacity building (number of trainees, number of complaints, number of governorates, number of training sessions, etc.) see J.3.3.). At the last Steering Committee (28/07), the need to have qualitative data became an important issue in the discussions among beneficiaries. There is a need to analyse the results of capacity building. Several partners are starting to initiate qualitative analysis of data. UNDP is preparing an evaluation in the coming months, attempting to measure to what extent the trainees are using their new knowledge and awareness in their professional lives. An evaluation of the NCHR component was planned for July. The NCW has adapted its monitoring tools to follow up the response to complaints and is able now to do content analysis of complaints to identify problems facing Egyptian women and hindering their empowerment. It produced a qualitative report for the 2007 complaints and is producing now a report on the 2008 complaints.</p> <p>The fact that the FA does not contain indicators (only general ones in the CSP) and that there is no baseline data is seen as a constraint. This has particularly been an issue for the Human Rights Capacity Building Project BEENA component, especially raised by other donors supporting the BEENA UNDP component and lacking regular and solid reporting.</p>

It is thus difficult at the moment to assess to what extent the support is appropriate and effective in strengthening the capacities of public and non public institutions in promoting human rights, democratisation and the rule of law (outcomes). The information is not available yet.

For the EIDHR initiative and (now instrument), its practical application has improved since the first call for proposals in 2006: the EC Delegation is attempting to introduce modest ways to encourage synergies among eligible NGOs as well as coaching them during implementation. The modality is not however not adequate to stimulate dialogue between NGOs..

Some applicants having benefited from subsequent support for several campaigns have gained more experience and so has the Delegation in defining terms of reference that are more appropriate although the margin of manoeuvre is quite slim, the basic principle of the call for proposals being competitiveness.

Two issues keep surfacing in interviews:

- the inappropriateness of having national institutions playing the role of selecting eligible NGOs/CBOs, and
- the fact that the calls for proposals is the only instrument being used both by bilateral programmes and actions financed under EIDHR to outreach and strengthen civil society.

Many comments provided by stakeholders are in tune with the findings of *The Evaluation of EC aid delivery through Civil Society Organisations*, September 2008. In particular, the Evaluation states that “*there are major institutional constraints hampering a strategic management of the CSO channel such as the less than optimal use of the Call for Proposals as a tool for channelling aid to CSOs and the weak monitoring and evaluation systems. The most pervasive bottleneck lies in the prevailing administrative culture, which focuses primarily on spending aid and ensuring financial accountability. This leaves limited time for EC Delegation staff to take on board essential functions that are critical for a strategic management of the CSO channel, such as: knowing the actors; engaging in dialogue; doing field visits; ensuring quality monitoring of EC funded interventions; linking CSO projects with other programmes; investing in donor harmonisation; sharing knowledge*”.

Several beneficiaries elaborated on lessons learned as regards Commission procedures that should be taken into account in the ENPI 2008 programme since the latter plans to generalise the use of call for proposals for all the project’s components and that calls for proposals are also the rule for future projects funded under the EIDHR). Here are some of them:

- Regulations are not suitable to NGOs’ management capacities. For example, receiving 80% of the funds the first year is too much and difficult for NGOs to manage. NGOs often have insufficient knowledge and practice as executing bodies and this is bound to lead them to contractual mistakes that are severely punished afterwards.
- The amounts allocated to NGOs for HR go beyond their absorptive capacity. In the ENPI programme, the amounts earmarked for calls for proposals have increased (€3.9m is earmarked for calls for proposals in the ENPI programme) without an evaluation of the MED/2005/17203 or a diagnostic of the capacity of civil society.

- The selected NGOs are not necessarily the most strategic ones or the most effective. Calls for proposals capture larger NGOs, mostly international ones and those organisations that master the English language and are used to filling applications. The NCMC had the first experience with the project “Children at Risk”. It selected 14 NGOs and encouraged them to work with 101 CBOs in governorates (thanks to the dynamism of the NCMC). The ECWR (EIDHR grant) as well formed coalitions to carry out its campaigns. But these are exceptions, the solidarity among NGOs is not very strong in their organisational culture. It needs to be encouraged and translated in terms of reference and closely monitored. Within the call for proposals this year on the theme of electoral process (in Egypt), terms of reference propose (they still need to be approved by Brussels) that interested NGOs answer the call as a coalition of NGOs/CBOs. Only one respondent (a group of NGOs/CBOs presenting a common project) will be selected, rather than selecting a dozen of groups doing their own separate projects independently. This is a way to attempt to limit the project approach supported by call for proposals where dialogue is focusing on project activities of a dozen of organisations that won the competition and not on dialogue with civil society as a change agent and partner to implement strategies, as well as a means to be more knowledgeable about the capacities of civil society to make it a real partner for change.
- The D+3 rule is not suitable for NGOs/CBOs. Selected organisations have to prepare public tenders at the implementation stage within the D+3 time constraint, while it is too early for the needs to be well defined and later on NGOs are judged on that poor performance. This was particularly the case in building schools in the Children at Risk project. Calls for proposals had to be launched very early on in the project cycle, before establishing the number of schools needed and where, etc. and in a strategic concerted manner. This impacts negatively on results (quantitatively and qualitatively).
- The preparatory phase is too long due to the overall management/contracting system of the Commission and this reduces the timeframe available for the implementation of the project (3 years) that should focus on producing adequate results. Requesting an extension is an administrative burden that deter NGOs to do so.

The findings of the Evaluation of EC aid delivery through Civil Society Organisations are quite similar to the observations made in Egypt: *“The potential of a wide range of (increasingly capable) local CSO actors is often less than optimally used, partly because the EC lacks knowledge on the civil society arena, partly because many procedural hurdles prevent (small) local organisations to participate. The ‘project approach’ remains the preferred way to channel aid to CSOs in geographic and thematic instruments, despite its limitations...”* Although Egyptian civil society is not particularly strong and is limited in its capacity and is dispersed, the question arises as to the effectiveness of using the Call for proposals to enlarge and strengthen civil society. It is interesting to compare the approach of the EC with that of the Canadian Cooperation, which has elaborated a strategy to expand and consolidate civil society and has done diagnostics of the capacities of civil society. It seems to be acknowledged among the donor community that the EC has not developed a strategy to work with civil society, and questions are raised as to the appropriateness of reaching civil society through

	<p>government (National Councils, NFNF, etc.). The EIDHR instrument is not seen as a complementary tool, planning modes are not in tune (procedures, timing, and agendas).</p> <p><i>Sources: MN 78, MN 129, MN 56, MN 125, MN 217, MN 73, MN 177, MN 80</i></p>
J.3.3	<i>Commission's interventions have contributed to implement tangible changes in the fields of human rights, democracy and the rule of law</i>
I.3.3.1	Indicators of good governance have been identified in the MoU/FA and show progress over the implementation period
MED/2005/017-203(HR)	<p>Indicators of good governance are not clearly defined in the Egypt programming. Governance is a complex concept. It includes the state's institutions and structures, its decision-making process, its capacity to implement guidelines and the relationship between government officials and the public. One can refer to local governance, private sector participation, voice of the poor, civil service reform, capacity building... Many international donors have invested in determining indicators of good governance (the World Bank, UNDP, Swedish cooperation, GTZ, etc.). The EC as well has invested in further defining governance in sector operations. It adopted a broad definition of governance in its 2003 Communication on 'Governance and Development' (6): <i>'Governance concerns the state's ability to serve the citizens. It refers to the rules, processes and behaviour by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in that context. Governance is a basic measure of the stability and performance of a society. As the concepts of human rights, democratisation and democracy, the rule of law, civil society, decentralised power sharing and sound public administration gain importance and relevance, a society develops into a more sophisticated political system'</i>.</p> <p>The identification report seems to refer to good governance in terms of establishing a balance of respective space for manoeuvre of the State and that of civil society as dynamic of change in political reform. The report underlines that the pertinence and effectiveness of developing civil society through national institutions needs to be part of an on-going dialogue.</p> <p>The FA does not contain indicators of good governance or of other areas but details activities to be undertaken.</p> <p>Some illustrative indicators are presented in the NIP/2005-2006. They are:</p> <ul style="list-style-type: none"> - number of women representatives in local and national parliament and in professional associations/chambers; number of women entrepreneurs, number of women in top administrative posts including the judiciary; - Creation of mechanisms and adequate national legislations to protect human rights - Number of complaints of citizens to the NCHR - Increasing access of citizen to justice - Mechanisms of involvement of civil society. <p>The latest results of the intervention were presented at the meeting of the Steering Committee on 28/06/2009 while the evaluation team's field mission was taking place. Some of these indicators above are used to report progress. The PMU reports by activity with statistics when appropriate. There has been</p>

	<p>significant progress and most outputs will have been achieved by the end of the project.</p> <p><i>Source: FA; Minutes of Steering Committee 14/01/2009 and of 28/06/2009; identification and Formulation of a Programme for Democratisation, Human Rights, Civil Society, Good Governance in Egypt. Donata Maccelli, Sherin SaadAllah, Andrea Stroppiana, Final report, Cairo, February 2005; Europaid. Analysing and Addressing Governance in Sector Operations, Tools and Methods Series. Reference n° 4 November 2008.</i></p>
ENPI 2008 /019/607 (PPHR)	<p>The FA/MoU is not signed yet. The FA was presented to the Ministry of International Cooperation in February and negotiations are still going on. There are no indicators of Good Governance. The indicators are activity/input oriented and mostly quantitative or too general.</p> <p>The FA is not available because it is still at negotiation stage.</p>
DDH/2005 /017-240 (HR 2&3)	<p>Although there are indicators required in the guidelines for open call proposals, the indicators found in the three projects selected remain quantitative and activity/outputs oriented. The projects do not address governance issues; they support specific campaigns for awareness of specific target groups with specific deliverables. There is no horizontal analysis that would give some information on progress on a specific campaign or theme, those types of evaluations would be global and piloted by Brussels. If the campaigns reinforce the management capacity of beneficiaries or management processes, it is not analysed nor is an expressed objective in projects.</p> <p><i>Sources: Project proposals, progress and final reports under DDH/2005/017-240</i></p>
I.3.3.2	<p>Evidence of changes in these fields: frequency of recourse to justice, frequency of references to international treaties in delivery of justice, media coverage of human rights and democracy issues</p>
MED/2005 /017/203 (HR)	<p>The 28/07/2009 steering committee meeting reviewed the results achieved to date. It was already mentioned that the bilateral project is activity oriented and demonstrates well the outputs of the project by component without assessing the extent to which outputs led to more recourse to justice, more references to international treaties in delivery of justice,.</p> <p>The bilateral project is creating a better environment to potentially facilitate changes in the frequency of recourse to justice, frequency of references to international treaties in delivery of justice, media coverage of human rights and democracy issues.</p> <p>For example, there is information about some media activities and visibility of some issues addressed by Councils. These results confirm the many comments during interviews with stakeholders to the effect that sensitive issues are being more written about in media, newsletters. The project has contributed to that general observation.</p> <p>Among the publications supported by the project, it is worth to mention the First Glossary of International Human Rights Terminology in the Arab World, the Code of Conducts distributed to the Public Prosecutors according to the request of the Attorney General Representative, a new book on HR and Citizenship. Publications to be delivered during the next period were the Academic Journal "Human Rights Journal", a book on Human Rights and terrorism and a book on Human Trafficking. There is no information about the use of these tools to make significant changes in addressing cases in court.</p>

	<p>The results of the bilateral project include the number of workshops (almost 400), reaching over 28,000 participants from the police, judiciary, media and CSO in 11 directorates. This does not mean that there are meaningful changes in the field in the professional application of the new knowledge of participants.</p> <p>Close to 30,000 complaints were received by the NCHR since the beginning of the project when the ombudsman office and the two mobile units for the regions (for collecting complaints and for raising awareness) were launched: before then there were no established channels for complaints and thus no complaint monitoring. There is little information on the kind of complaints and how they were processed, that would indicate the frequency of recourse to justice, frequency of references to international treaties in delivery of justice. The majority of the complaints fall within the socio economic rights, explained by the fact that the majority of the Egyptian population is suffering from the access to basic rights. Apart from those figures, the major achievements are considered by the members of the Steering Committee as raising the citizens' awareness on their rights, the council's success in breaking the barrier of fear, the increased connection between the council and citizens and the mobile units role as tools to speak to the citizens.</p> <p>See also annex 6 for detailed reporting of outputs.</p> <p><i>Sources: Minutes of 4th Steering Committee of the Support for HRs, Democratisation and civil society, 28th June 2009</i></p>
<p>DDH/2005 /017-240 (HR 2&3)</p>	<p>The three interventions selected are not designed to bring significant changes by themselves, they are activity oriented and do not create a critical mass for change. There is no horizontal analysis made that would indicate significant changes at a macro level on specific campaigns.</p> <p>However, as the EIDHR call for proposals has improved and some room for dialogue has been made in that context, there is some evidence that EIDHR has influenced policy. One NGO, the Egyptian Center for Women's Rights (ECWR) has benefited from EC funding for four of its campaigns since 2006 and has been able to cumulate/strengthen effects and therefore make some campaigns effective.</p> <p>The ECWR was the first to advocate for a quota of women in Parliament, with the support of the EC. A built coalition of 27 NGOs started campaigning (there were three women candidates in 1998 elections) when the NCW was still saying that a quota was unconstitutional. For the association, the amendment that was just approved last week, establishing the quota on 64 women in the first chamber and proposed by the NCW.</p> <p>For the anti-harassment amendment, the EC supported this campaign already on-going and led by volunteers during 2 years. The EC funding allowed a real campaign with publications, high quality experts, and to prepare a draft to send to Parliament. The EC supported a survey that dealt with stereotypes that women in veils are less harassed. The campaign is as well working on defining the law and overcome the judges' resistance to the law by offering a diversity of penance and not too harsh to discourage the judges in accepting judging cases.</p>

	<p>Another amendment is currently proposed to the 100 year-old Family status law. There was an amendment made in 2000, and in 2004 a coalition of NGOs was organised to work on further improving the law. It would seem that a proposal for a new amendment has been made by the NCW but is not public. In the amendment the ECWR and its coalition is proposing, it regulates divorce. In working on amendments such as this, the ECWR is consulting judges and relevant judiciary personnel to offer changes that are realistic and yet forward looking.</p> <p><i>Sources: Interim narrative and final reports of the three projects, MN 78</i></p>
ENPI 2008 /019/607 (PPHR)	The FA/MoU is still under negotiation.
I.3.3.3	International indicators in the field of human rights, democracy and rule of law have improved
Overall	<p>The CSP/NIP for 2007-2013 gives an overview of the progress made in recent years on protection of Human Rights.</p> <ul style="list-style-type: none"> ▪ the creation of the National council for human rights, under the chairmanship of former Un secretary-general Boutros Boutros Ghali. ▪ Establishment of special departments for HR within some ministries ▪ The parliamentary committee for HR ▪ The inclusion of HR issues in the school curricula <p>The EC yearly HR reports (2006 & 2007) mention a positive evolution with the work carried out by the National council of for Human rights in defending HR and raising awareness. The NCHR is preparing a National Plan on Human Rights. Considerable steps were taken to improve the status of women and children. There are positive measures in the areas of detention of suspects and harsh penalties.</p> <p>There continue to be causes for concern: harsh treatment of the opposition, bad treatment of minorities, use of torture, death sentences, continued state of emergency since 1881. The media are relatively free, but there is increasing control over the internet.</p> <p>Egypt was elected to the UN HR council on 17/05/07 and it is hoped (by the EU) that HR practice in Egypt will improve as a consequence.</p> <p>According to the US department of State (Bureau of democracy) the situation of HR in Egypt remains poor. The government's respect for human rights remained poor, and serious abuses continued in many areas. These included limitations on the right of citizens to change their government; a state of emergency, in place almost continuously since 1967; torture and abuse of prisoners and detainees; poor conditions in prisons and detention centres; impunity; arbitrary arrest and detention, including prolonged pre-trial detention; executive branch limits on an independent judiciary; denial of fair public trial and lack of due process; political prisoners and detainees; restrictions on civil liberties--freedoms of speech and press, including internet freedom; assembly and association; some restrictions on religious freedom; corruption and lack of transparency; some restrictions on NGOs; and discrimination and violence against women, including FGM.</p> <p>Amnesty International's 2008 report highlights constitutional amendments (34</p>

	<p>articles). However they are considered as the most serious setback for HR since the state of emergency was reintroduced in 1981.</p> <p>The amendment on art. 179 paved the way for new anti-terrorist legislation that is expected to further erode HR protection (the anti terrorist law is drafted with 58 articles). The Military Justice Code (Law No 25 of 1966) was amended but the changes did not address the fundamental flaws inherent in trying civilians before military courts. Amnesty International reports abuses related to war on terror (forced returns of suspected terrorist and tortures), administration detention without charge or trial on orders of the Interior Minister under the emergency law, torture and other ill-treatment leading to deaths, rising violence against women but progress continued to be made in 2007 regarding female genital mutilation. Repression of trade unionists and NGO activists (strikes being considered unauthorised and illegal, harassment and prosecution of journalists and bloggers, discrimination based on religion, death penalty with at least one person executed, excessive force against migrants especially refugees from Sudan.</p> <p><i>Sources: CSP 2007-13, EC yearly reports (2006/2007), US department of State web site: http://www.state.gov/g/drl/br/; e: Amnesty International, 2008 report on Egypt</i></p>
<p>I.3.3.4</p>	<p>Views of stakeholders on the evolution of the situation as regards human rights, democracy and the rule of law</p>
	<p>Most stakeholders can point out ameliorations in the situation as regards human rights, democracy and the rule of law. The most recurrent comment is that sensitive themes are no longer taboo and can now be talked about. Laws have seen amendments made with the contribution of the EC. The NCMC has been very active in bringing amendments through awareness raising and work with NGOs/CBOs, it contributed to amend the child law in 2008. That includes the criminalisation of female genital mutilation (FGM), increase the age of marriage for girls from 16 to 18. The responsibility of parents has been identified by the law as being accountable for their children. Protective Committees were set up to oversee implementation and enforcement of the Child law at governorate level and sub-levels.</p> <p>As regards MED/2005/017-203, there are statements by beneficiaries that the training of the judges and prosecutors on human rights practice and international standards has contributed to the mainstreaming of human rights principles; that the project has a ground breakthrough and pioneering character and is achieving significant impact also thanks to the wide geographical coverage of the activities. These perceptions still need to be verified.</p> <p>EIDHR contributed in some successful campaigns (see above).</p> <p>For most stakeholders, the laws that are still making obstructions to real improvements are the emergency law (planned to be eliminated by April 28 2010), the anti-terrorist law, the law on associations (which is being reviewed at the moment, with fears that civil society will see more restrictions on its funding and activities), the law concerning freedom of expression and the law related to unions and professional associations.</p> <p><i>Sources: MN 107, 173, 129, 78, 72</i></p>

J.3.4	<i>Commission's interventions have contributed to establishing sustainable bases for improved governance</i>
I.3.4.1	Evidence that beneficiaries have been involved in the design and implementation of interventions
DDH/2005 /017-240 (HR 2&3)	<p>The EIDHR is a financial instrument that provides grants to support civil society in a number of programming themes such as the four campaigns established in the EIDHR Annual Work Programme (2006).</p> <p>NGOs/CBOs (and not only the official ones) can respond to open calls for proposals for the EIDHR campaigns. They respond to the guidelines for grants applicants. They are the designers and the implementers of their projects. This is considered as a criterion for sustainability and empowerment.</p> <p>However, the lack of EC flexibility on implementation and its focus on a project approach rather than long term sustainable capacity building objectives is seen by beneficiaries and part of EU delegation staff as limiting effectiveness, continuity and strategic results. (</p> <p><i>Sources: EIDHR, Micro-projects "Promoting the democratic process" Guidelines for grant applicants responding to the call for proposals for 2006 (ref. Europaid/124962/L/ACT/EG; EIDHR Annual Work Programme (2006); MN 78</i></p>
MED/2005 /017-203 (HR)	<p>The FA mentions that the Government of Egypt, in collaboration with the team of experts, identified a set of interventions considered central to the GoE efforts.</p> <p>A Steering Committee made up of representatives of the beneficiary institutions and the Delegation pilots and monitors the intervention, with the management support of a PMU supported by a full time TA and specific TA support (organisational expert and communication expert).</p> <p>Beneficiaries confirm their involvement in selecting activities and in implementing them. They were involved for their own component but not in the intervention as a whole. They appreciate the supporting role of the PMU (technical support of TAs), particularly in terms of monitoring. Last meeting of the Steering Committee shows a dynamic of information sharing among beneficiaries, through presentations of detailed progress made every 6 months (see results by component). The beneficiaries could gain in being more critical towards each other, presentations are rather static. Towards the end of the intervention, common needs (to all components) were identified and two specialists were hired. Common communication tools are being developed that will give the intervention global visibility and ownership and some common awareness raising device (brochure and video accessible in larger circles).</p> <p><i>Sources: FA, MN 125, MN 177, MN 56</i></p>
ENPI/2008 /019/607 (PPHR)	The formulation report underlines that a consultation process took place with the stakeholders to develop activities. It also states that lessons were drawn as to support organisations that showed results in the previous project (MED/205/17203) and Children at Risk project. In concrete terms, the overall design of the intervention and the choice of beneficiaries are made at the level

	<p>of the Ministry of International Cooperation.</p> <p>The implementation will be supervised by the Ministry for International Cooperation. The four direct beneficiaries will receive a grant to implement the actions related to their areas of competence.</p> <p>The project will have components whereby beneficiaries design and implement activities awarded through open call for proposals.</p> <p><i>Source: Action Fiche for Egypt, Promotion and protection of human rights and civil society in Egypt</i></p>
<p>I.3.4.2</p>	<p>Evidence that capacity building measures have been included where needed</p>
<p>MED/2005 /017/203 (HR)</p>	<p>All the four components (Ministry of Interior and Justice, OO of NCW, OO of NCHR, General Federation of NGOs) include capacity building measures. It translates in training activities of police staff, judges and prosecutors and members of Family Courts, training of managerial and support staff for the offices in Cairo, Aswan and other of NCW, training of lawyers and members of equal opportunity units on women s’ rights, design, delivery of training modules and support to grassroots organisations. The components also received computer materiel and other programme equipment.</p> <p>The latest results show significant inputs and impressive outputs. As already stated, the outcomes remain to be measured in terms of evidence that capacities were developed and used to attain stated objectives. Capacity building measures have been included where needed but their effectiveness in terms of long term capacity development is not yet clear, especially in terms of dialogue between state and civil society and in terms of building added value in the role of civil society.</p> <p>This finding is particularly significant when reading how the Evaluation on channelling aid through civil society is assessing “to what extent the EC has developed a clear and consistent overall policy framework for using the CSO channel in line with stated policy objectives.</p> <p><i>“On the whole, the Evaluation Team found no evidence that regional, sectoral and thematic policy documents provide such a consistent overall policy framework on how to use the CSO channel. This is reflected in the absence of clarity in these documents on questions such as: What is covered under the notion of civil society? What are the various levels of civil society that need to be distinguished and what are their respective added values? How to ensure a clear division of roles and responsibilities between state and civil society? What are the actors to be used and/or supported, when and how? In brief, examined EC policy documents remain rather vague if not silent on many ‘who, when and how’ questions with regard to the use of the CSO channel”. ... “The EC has integrated the question of CSOs in the regional policy framework for MEDA. Yet limited attention is paid to what it actually means to work with civil society in difficult contexts”</i></p> <p>The Evaluation suggests that “<i>EC Communications and other policy documents do not necessarily form the most adequate instrument to specify the added value or address essential questions on the use of the CSO channel. This type of advice is rather to be provided through other tools such as operational guidelines, seminars, thematic networks, targeted research, etc.”</i></p>

	<p>This finding corresponds with the need expressed at delegation level to have more expertise and be better supported by Brussels to adapt global policies at national level.</p> <p><i>Sources: FA, Minutes of 28/06/2009 Steering Committee Meeting, Evaluation of channelling aid through civil society organisations, September 2008</i></p>
<p>ENPI/2008 /019/607 (PPHR)</p>	<p>The project, in its formulation, has built up on capacity building at the institutional levels of partners as well as the reinforcement of NGOs effectiveness in carrying their mandates pursued by MED 200/017/203.</p> <p>The project aims at strengthening the NCHR OO with provision of TA and audit, increase of staff and focal points, exchange of service between the NCHR and the general Authority of Adult Educations; training, seminar and study tours; support to launching of Call for proposals.; training of law enforcement agents, running workshops, seminar and studies.</p> <p>For the NCW, training and workshops, conference and annual meetings, creation of OO in 5 prisons equipped with computers, staff and a referral system, establishment of a Women’s Civic Education Center, support CSOs via launch of Call for proposals (provision of TA Institutional support to the NCCM and to Child Rights NGO Coalition); institutional support in scaling up of the technical unit of NCCM, training health personnel on FGM and legal Personnel; institutional support to the Project Unit (Social Communication Unit); training of youth (TOT) on art and media, create and equip communication centres in Youth centres.</p> <p>For EEA, the third component on Environment rights, provision of TA, human resources and equipment and up-grating the NGOs unit (part of the Agency) to the rank of General Department, training on data entry and management, leadership and team building and technical subjects.</p> <p>Even though these capacity building measures are core to the ENPI and are largely building on the MED/2005/17203 experience, they are not selected on the base of evaluation results or a well defined strategy, but rather on political grounds (working with national institutions is not re-questionned) and using similar procedures and similar activities on a grander scale (such as systematic call for proposals to reach out to civil society, even though they are being largely criticised by beneficiaries and by the 2008 EC Evaluation on channelling aid through civil society).</p> <p><i>Sources: Evaluation of channelling aid through civil society organisations, September 2008, Transtec Formulation Report</i></p>
<p>DDH/2005 /017-240 (HR 2&3)</p>	<p>Through Campaigns 2 and 3, capacity building of two NGOs, the Egyptian Centre for Women’s rights and the Egyptian Association for Community Participation Enhancement, via EIDHR Call for Proposals: training and networking mostly, staff and office equipment, etc. that strengthen the capacity of beneficiaries to perform better in carrying out the campaigns. Reports elaborate on outputs reached in the campaigns. The organisational strengthening is not really a focus, it is rather learning by doing. The continuity is not addressed in calls for proposals, thus it is not always certain that capacity</p>

	<p>is sustained after funding stops. There are some initiatives taken by the delegation staff to give technical support but it is limited for lack of capacity.</p> <p>The Evaluation of EC channelling aid through civil society organisations summarises the weaknesses of the EC in relation to civil society : <i>Serious questions can be raised on the likelihood of sustainable impact of aid channelled through CSOs considering (i) the limited scope and duration of isolated and narrowly defined CSO projects; (ii) the lack of a clear-cut strategies to transform the positive dynamics generated by well targeted projects into wider change processes owned by the various stakeholders; (iii) the limited connection between these projects and broader national and sector programmes (especially when CSOs already operate as service providers) or other donor interventions; (iv) the difficulty of ensuring a coherent EC support over a longer period of time, partly induced by inadequate procedures; (v) the poor attention generally given to how donors can contribute to improving the enabling environment for civil society and to the (financial) sustainability of the CSOs themselves. This holds particularly true for CSOs involved in advocacy, policy research and watchdog activities. Their effective functioning over time – especially in hostile environments – critically depends on reliable forms of (core) funding. All these questions point to the need to elaborate a much broader and strategic approach to using the CSO channel. This would make it possible to address all the various dimensions that have a key influence on achieving (sustainable) impact through this channel.</i></p> <p><i>Sources: the three EIDHR contracts and progress reports; Evaluation of channelling aid through civil society organisations, September 2008</i></p>
I.3.4.3	Evidence that achievements have outlasted Commission support
MED/2005/017/203 DDH/2005/017-240 ENPI 2008/019/607	MED/2005/017/203 is still being implemented; ENPI 2008/019/607 (still at a negotiation stage) has not yet started and will be mostly a prolongation of MED/2005/017/20. The 3 projects of DDH/2005/017-240 are completed but there is no evaluation that can affirm that the effects are still ongoing after completion. The focus was mainly on activities.
J.3.5	<i>Commission support in the fields of human rights, democracy and the rule of law added benefits to what would have resulted from EU MS alone</i>
I.3.5.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in the area of human rights, democracy and rule of law
Overall	<p>The CSP 2002-2006 and corresponding NIPs do not refer to a comparative advantage of the Commission in these areas.</p> <p>The CSP 2007-13 mentions that “through the ENP, the EU’s comparative advantage as a trade and political partner will be strengthened. The prospects for closer economic relations, political cooperation and regulatory approximation in relevant fields will contribute to enhancing Egypt’s partnership with the EU”. It further states that “the EU will focus on carefully selected key areas where the EU considers that it has a comparative advantage”. The comparative advantages of the EU are not further explained.</p> <p><i>Sources: CSP 2002-06 and 2007-13 and corresponding NIPs</i></p>
MED/2005/017/203	The NIP and FA do not refer to any comparative advantage of the Commission.

	<i>Source: NIP 2002-2004; FA</i>
ENPI/2008 /019/607	The formulation report does not refer to any comparative advantage of the Commission. <i>Source: Transtec formulation report</i>
DDH/2005 /017-240	There has been consultation with member states in formulating the new EIDHR strategy. But programming documents do not refer to any comparative advantage of the Commission. <i>Source: NIP 2002-2004; FA; EIDHR strategy paper 2007-20012</i>
I.3.5.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention
MED/2005 /17/203 and ENPI 2008 /019/607	<p>The Commission is a rather new player in the field of human rights, democratisation and the rule of law. The Children at Risk project, the very first engagement in the sector, has been successful because the partner, the NCCM, is a strong and dynamic organisation, enjoying political clout and, being involved in the theme of mother and child, is not too challenged in terms of political sensitivity, the theme being rather neutral and oriented towards social service delivery. The amount of funds provided (20 million over five years) was substantial and brings visibility and credibility to the EC (building schools but as well influencing the Child law).</p> <p>The MED/2005/17203 intervention is more sensitive and more political. The Commission will remain engaged for another three years with the same partners and the same kind of interventions with the ENPI 2008 (capacity building of national institutions and civil society, with increased amounts of funding). The MED 2005/17203 experience has proven a positive experience in terms of outputs and a more open manner in dialoguing with national institutions. Lessons still have to be learned regarding the longer term benefits in terms of governance and building a credible partnership/dialogue between the state and an independent civil society. The ENPI 2008 new intervention needs to reflect on the conclusions of the Evaluation on channelling aid through civil society, in particular the following finding: “Lack of clarity on the role of the EC as a “change agent within highly political change processes. Evidence suggests that the EC has not yet fully come to terms with the ‘political’ implications when it applies its policies of participatory development and channels its aid through CSOs. In providing funding and strengthening CSOs that aspire to play a role in domestic governance processes, the EC may encounter opposition from dominant power holders or reluctant governments. How does the EC position itself in such complex equations? The Evaluation findings suggest that serious thinking is required on how the EC can effectively play its role as ‘change agent’ (implied in its major policy documents) and combine a menu of intervention strategies/channels.</p> <p>As well, the Commission, as a relatively new and inexperienced player in the field, needs to collaborate more closely with other “like minded” donors. The EC has had a sound collaboration with UNDP in the BEENA component of the MED 2005/17203, as a first entry point. It needs to establish more strategic collaborative efforts to diversify its funding channels and diminish risk taking. The situation in Egypt reflects well enough the Evaluation of channelling aid through civil society finding: “about doubts the overall EC institutional capacity to manage the CSO channel in accordance with the new</p>

	<p>political agenda. <i>The Evaluation Team collected ample evidence from various sources that the EC has not yet adapted its overall institutional machinery and incentive system for dealing with CSOs to the requirements of its new policy framework towards civil society. This is visible at the level of the internal processes for programming aid to and through CSOs; the management systems and procedures used; the monitoring and Evaluation systems; the available human and institutional capacities and the strategies towards reinforcing the capacity of CSOs to be an effective and efficient recipient of EC aid. These institutional bottlenecks hamper the capacity of the EC (i) to manage the CSO channel in a strategic and pro-active manner; (ii) to exploit windows of opportunities as they arise to support interesting initiatives; (iii) to reach out to the various categories of actors (particularly small CSOs) in support of their respective added value; (iv) to ensure linkages between project support to CSOs and wider development processes; (v) to develop strategic partnership relations with CSOs.</i></p> <p><i>Sources: Evaluation of channelling aid through civil society organisations, September 2008; MN 129, MN 151, MN 78, MN 177, MN 143, MN 73, MN 125, MN 148, MN 234</i></p>
<p>I.3.5.3</p>	<p>Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them</p>
<p>Overall</p>	<p>As of the NIP 2005-06, the Commission's approach on HR democracy becomes more explicit. As explained hereabove (see J3.1), this is the result of an improved dialogue of the Commission with the GoE on these issues. This also reflects new policy orientations taken by the Commission and crystallised in communications, in particular the Communication "the European Union's role in promoting human rights and democratisation in third countries" (2001) which identifies the promotion of democracy, the rule of law and the respect of human rights and fundamental freedoms as one core objective of the EU's external policies and the Communication "Reinvigorating European Actions on Human Rights and democratisation with Mediterranean Partners" (2003) which sets out working guidelines to achieve this goal. The Communication developed a set of recommendations, from which some are being applied in Egypt:</p> <ul style="list-style-type: none"> - Ensure systemic inclusion of human rights and democracy issues in all dialogues taking place on an institutional basis (Association Councils and Association Committees) and explore the possibility of establishing technical sub-groups to address these issues; - Include HR and democratisation in the dialogue conducted locally by the Delegations with the partner; - The enhancement of the human rights dimension of CSPs. <p><i>Source: Commission, COM 2003 (294) final, NIP 2005-2006 and CSP 2007-2010</i></p>
<p>DDH/2005 /017-240</p>	<p>As explained in the Commission Communication of 25 January 2006, the new EIDHR strategy builds on the work being done with and through civil society organisations, aiming at defending the fundamental freedoms which form the basis for all democratic processes and helping civil society to become an effective force for political reform and defence of human rights. The new strategy tries to be more strategic and more flexible in its approach.</p> <p>However, there is a particular difficulty in capitalisation in the framework of the EIDHR which is global (thematic evaluations are carried out (on torture for example); they are piloted by Brussels. There were consultations with the civil society (European and their partners) to design the instrument strategy.</p>

	<p>Interviewees in the field underline the gap existing between the global level and the pertinence of recommendations of evaluations at country level. The evaluations or thematic studies done at the global level are not necessarily known at national level. Progress reports and final reports made by beneficiaries are focusing at project level outputs, since the approach is a project approach. There are no mechanisms in place to go beyond this level of reporting, that would foster dialogue on the impact of civil society at policy level (see finding of Evaluation in I.3.4.2.). The informal dialogue with some dozen of NGOs/CBOs may be a good first step for dialogue and perhaps capitalise or at least share information. However, within the EIDHR initiative (and now instrument), having a sole financial mechanism (call for proposals) to choose from that is not conducive to capitalisation (one on one project evaluation at selection level and project by project reporting), combined with the overwhelming focus on administration and financial considerations led several interviewees to make comments to the effect that the EC is a two-faced organisation, one with policies and progressive policy <i>discours</i> and helpful technical support and the other one characterised as bureaucratic, insensitive, inflexible and in contradiction with the other.</p> <p><i>Sources: EIDHR Strategy Paper 2007-2010, Commission Com; 25 January 2006, MN 78, MN 234, MN 80</i></p>
<p>MED/2005 /017/203 (HR) ENPI 2008 /019/607 (PPHR)</p>	<p>The “Promotion and Protection of Human Rights and Civil Society in Egypt” programme is formulated in taking into account the strengths and weaknesses of the previous project and the gaps identified in reforms areas that still need to be addressed.</p> <p>As established earlier, interventions are designed in isolation in terms of procedures and timing. Evaluation has not been done of MED/2005 that would influence the design of ENPI. Timing of evaluations is problematic as well, procedures can delay the process and recommendations come too late. Even if capitalisation mechanisms were in place and used, the political aspects associated with the theme can interfere with lessons learned.</p> <p>The EC Evaluation on channelling aid through civil society organisations, September 2008, lists all the tools used by Delegations to keep track, follow-up and assess EC aid channelled through CSOs They are:</p> <ul style="list-style-type: none"> - the CRIS database (covers Egypt) - financial and technical reports submitted by partners (exist in Egypt although the quality is said to need improvements), - audits (they are used in Egypt), - regular meetings with project managers (limited because of human resources), - project Evaluation missions (there were none in Egypt), - field visits (very limited for lack of human resources but very appreciated by CSOs) - Results Oriented Monitoring (ROM) reports (one for a project financed by EIDHR in 2006) - Workshops organised with CSOs (not done in Egypt), - Donor coordination fora (The DAC group with is a sub-group on HR for information sharing; the EU-MS informal HR working group, like-minded group meetings with EC, Norway, Canada, etc. It is informal and for information sharing.

	<p>These tools are designed and used in the framework of a project approach that limits very much the capitalisation beyond specific projects. This finding is reflected in the <i>EC Evaluation on channelling aid through civil society organisations</i>. According to the evaluation, evidence indicates that these M&E tools are adequate to ensure a financial and administrative management of CSO projects until the moment of closure. However, they are ill-adapted to ensuring a strategic management of civil society as ‘actor’ and as ‘aid delivery channel’ in the overall cooperation process (across sectors of intervention, themes and instruments), as they do not allow to monitor in a systematic way issues such as: (i) the evolutions within the civil society sector; (ii) the quality of CSOs participation in development processes; (iii) the added value of the civil society channel in different sectors or instruments; (iv) the impact and sustainability of aid channelled through CSOs; and (v) the (cross-cutting) lessons learned in using the CSO channel. This, in turn, tends to have a negative impact on the EC capacity to programme aid and to ensure a result-based management.”</p> <p>According to the 2008 evaluation, in terms of knowledge systems on CSO, “the country missions in particular suggest such systems are generally not in place at the level of EC Delegations. Indicators of this state of affairs are (i) the limited opportunities for a structured exchange among different units on dilemmas encountered when using the CSO channel; (ii) the lack of strategic planning sessions at Delegation level focusing specifically on civil society as an ‘actor’ and ‘channel’ for aid delivery; (iii) the inadequacy of capitalisation processes of the wide range of experiences gained with CSO projects and programmes”.</p> <p>Sources: Transtec formulation report “Promotion and Protection of Human Rights and Civil Society in Egypt”, The EC Evaluation on channelling aid through civil society organisations.</p>
I.3.5.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of human rights, democracy and rule of law
MED/2005/017/203 and DDH/2005/017-240	<p>For the bilateral project, beneficiaries such as the OO of the NCCR, the NCC, the Commission is the only funder and therefore for the two components implemented by UNDP, the relationship with beneficiaries is not established with the Commission but the UNDP. It is therefore not possible to see the comparative advantage of the Commission.</p> <p>As for the EIDHR, the comparative advantage for NGOs is that the amount of 100,000 euros allows campaigns that are more visible and have more impact because the large amount of funding allows for more professional services such as experts and campaigns effective tools.</p> <p>Sources: MN 78, MN 73</p>
I.3.5.5	Evidence that the Commission and EU MS have a common political agenda in the area of human rights, democracy and rule of law
ALL	<p>At a general level and from the political point of view, the Commission has a leading role in the preparation of the annual sub-committees and Council geographical working groups.</p> <p>As regards EIDHR, the strategy paper has been shaped through consultations and discussions with representatives of the European Parliament, Members States and civil society. The MS are involved “en amont” of the process of revision of EIDHR initiative, that reflects their contribution on a political agenda in strategic papers. The challenge is to transpose the common political agenda at national level and in concrete actions. Although there are regular</p>

	<p>exchanges with MS (as stated above), there is no common planning that would translate the common political agenda set in Brussels. The EC is carrying its own programme, as well as MS do. There is the case of BEENA where several MS are contributing but it does not mean that there is common reflection in that framework. The Steering Committee of BEENA met once only and UNDP reporting has not been satisfactory.</p> <p><i>Sources: EIDHR Strategy Paper 2007-2010, MN 173</i></p>
I.3.5.6	Evidence of a mandate given to the Commission by the MS in the area of human rights, democracy and the rule of law
Overall	<p>The Commission has a mandate from EU MS in this field. The field mission showed that the Commission is the main European donor supporting these fields in terms of amounts committed (France is also supporting justice and human rights but with smaller commitments) and the support of the Commission in this area is appreciated by the group of EU MS which push this agenda in positioning themselves behind the Commission.</p> <p>However, there is no common EU voice in the MEDA region. There is an EU foreign policy but EU MS foreign policies have a stronger weight in the region than the European one.</p> <p><i>Sources: MN 134, MN 109, MN 173, MN 107</i></p>
I.3.5.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of human rights, democracy and the rule of law
MED/2005 /017/203 and DDH/2005 /017-240	<p>Interviewees' comments on the scope and quality of dialogue in DDH and MED/200517203 at programming level go in the same direction: there seems to be a two tier attitude. The technical support is praised (PMU, TAs, EC technical staff) but seems to be undermined by the financial and administrative consideration in terms of inflexibility, the inability to see beyond a project and the inability to manage by results. For interviewees, procedures take precedence. Again, this is confirmed in the Evaluation of EC channelling aid through civil society organisations (see above).</p> <p><i>Sources: MN 217, MN 78, MN 56, MN 125, MN 73</i></p>

EQ4	To what extent has the Commission's support to the modernisation of Egypt's business environment (including the regulatory, institutional and administrative frameworks, the operation of banking and financial institutions and external trade facilitation) contributed to developing Egypt's external trade?
J.4.1	<i>The Commission's interventions stimulated reforms of the institutional and regulatory environment enabling productive sector activities</i>
Overall	<p>Two specific objectives (out of 3) of the CSP 2002-06 foresee Commission's interventions to support the reforms of the institutional and regulatory environment enabling productive sector activities:</p> <ul style="list-style-type: none"> ▪ Promoting the effective implementation of the EU-AA primarily by assisting Egyptian enterprises and institutions to meet the challenge of increasingly competitive internal and external markets. <ul style="list-style-type: none"> ○ Support to Trade Enhancement (NIP 2002-04) to simplify essential import/export and customs procedures and improve government services to exporters: institution building through TA, support to legislative and customs reform, development of trade promotion instruments ○ Support to Comprehensive restructuring of spinning and weaving sectors (NIP 2002-04) ○ Support to the AA (SAAP) (NIP 2005-06) to support the Egyptian public entities concerned with the implementation of the AA in preparing and implementing legislative, administrative and institutional measures to fully reap the benefits of the AA. ▪ Supporting the process of economic transition, from an inefficient command economy to an efficient and liberalised free market economy able to support sustainable growth and create employment. <ul style="list-style-type: none"> ○ Support to Financial and Investment sector reform (NIP 2002-04): support to financial sector supervision through the Egyptian Central Bank reform and to financial sector responsiveness to the needs of savers and borrowers ○ Support to the water sector (NIP 2005-06) which aims, among others, at a more efficient use of water resources through increased participation of private enterprises <p>One of the specific objectives of the CSP 2007-2013 foresees one significant Commission intervention (€250m) to support, among others, the reforms of the institutional and regulatory environment enabling productive sector activities:</p> <ul style="list-style-type: none"> ▪ Developing the competitiveness and productivity of the Egyptian economy: <ul style="list-style-type: none"> ○ Support for implementation of the Action Plan Programme (SIAP) (NIP 2007-10) which aims at building up capacity and strengthening institutions to facilitate implementation of the reforms and commitments underpinning the different chapters of the Action Plan.
I.4.1.1	Commission's interventions have supported reforms of the regulatory, administrative and financial framework for business development (fiscal and financial legislation, access to credit for SMEs, reforms in tariffs and customs procedures, enterprise registration and support for business development, etc.)
SAAP	The design of the project in the NIP as well as the FA of the project don't assume reform interventions, rather capacity building and approximation

	<p>measures towards more liberalization and transparency of legal framework for free trade area contribute to institutional reform within the institutions of SAAP interventions. The SAAP thus aims primarily at enhancing the administrative capacities of institutions that are instrumental in the implementation of the AA and assisting them in preparing and implementing legislative, administrative and institutional measures: twinning arrangements between these Egyptian institutions and European institutions, technical assistance and associated TAIEX as well as SIGMA (Support to Improvement of Governance and Management) recently added as a possible instrument, are used for this. It is however noted that the twinning arrangements that have been implemented so far have been used more to gain technical know-how in specific areas than to implemented legislative changes or administration systems improvement. The regulatory functions of the Egyptian institutions including all legislation development, updates or changes and most of the administration procedures, must be approved by the Egyptian parliament and are thus not within the reach of the SAAP project.</p> <p><i>Source: NIP and FA, Annex 8 (Project interventions in brief), MN201</i></p>
TVET	<p>NIP and FA aim at the reform of post-secondary TVET. It is assumed that this will make a major contribution to the growth of a competitive modern Egyptian economy. The NIP mentions that recent developments related to the definition of a reform in this sector are encouraging but must be seen in the context of previous difficulties.</p> <p><i>Source: NIP and FA</i></p>
TEP A	<p>TEP A project purpose as expressed in the FA is “to implement trade related reforms that will progressively increase the competitiveness of Egypt’s trading sectors and boost exports volumes, in particular to imbed administrative and legislative modalities and mechanisms necessary for trade liberalisation including export promotion”. The backbone of the project consists of TA and training on trade-related aspects so as to enhance the capacity of the MTI and of the main Egyptian Export Promotion entities. At implementation stage, TEP-A initiatives were implemented within beneficiaries of operational role rather than strategic or regulatory role. The assistance related to regulations, procedures or legislations has generally not materialised.</p> <p><i>Source: FA, Final evaluation, MN 285</i></p>
FISC-Rural	<p>The FA does not explicitly mention that the intervention will support GoE reforms. However, the objectives of the intervention clearly support the GoE’s financial sector reform which aims to create new financial intermediaries and address financial sector skills deficits. Indeed, the intervention aims to improve the access to credit facilities to small and medium producers of agricultural products, processors and entrepreneurs active in the areas of agricultural post-harvest activities, input supply and marketing through commercial banks and to provide institutional strengthening to banks and intermediaries.</p> <p><i>Sources: NIP 2002-04, FA, PS, Final evaluation</i></p>
FISC-Social	<p>The intervention delivered direct support to the MSEs while the issues related to Egypt’s business environment (legal, regulatory and institutional aspects of MSE financing) are addressed by the authorities an SFD in cooperation with other stakeholders and programmes.</p>

	<i>Sources: NIP 2002-04, FA, final evaluation</i>
FISC- Financial	<p>The intervention directly supported reforms of the regulatory and financial framework for business development, and in particular financial legislation, access to credit for SMEs, and support for business development through its 3 components: (i) financial sector supervision, (ii) restructuring of selected public sector banks, and (iii) support to the Capital Market Authority. The reforms supported are part of the GoE Financial Sector Reform Programme (FSRP) which aims at a stable and efficient financial system able to finance the economy and in particular the SMEs.</p> <p><i>Sources: NIP 2002-04, FA, Monitoring reports, Mid-term evaluation</i></p>
MED/2005 017-543 (Water)	<p>EC's has supported the implementation of the water sector reform programme with a sector budget support of € 80 m over 2005-2009. This reform programme included important institutional changes since it involved the setting up of a Water Holding Company to manage water supply and sanitation, the change of the 27 subsidiary companies at regional level into regional water bodies and the setting up of a water regulator. These important institutional changes are accompanied by very important organisational changes and changes in management culture; the EC has been very active in supporting strengthening of the legal and regulatory framework (clarification of licensing procedures, provisions for public-private partnerships (PPP) in water management and investment) and in the management of financial resources (insisting inter alia on a transparent management of public resources, full accountability of public services with regards to quality and performance, decentralised and results based management of public resources). The entire regulatory, administrative and financial framework for water provision has thus been affected by the implementation of this major reform.</p> <p>In addition, an important development has been that the discussions around the conditions for disbursing the SBS tranches also allowed for the first time the discussion of the sensitive issue of water tariffs in Egypt (water is very heavily subsidised and Egyptian water tariffs are the lowest in the world). The EC funded a study on water affordability (realised by the OECD) and the issue of cost recovery and its consequences for the different types of users has become a topic that can be discussed with the GoE. Even though the SBS was provided against the understanding that the Water Holding Company should be self financing and that water tariffs would thus have to be adjusted accordingly, this has not yet been achieved. Instead, a new plan for a new tariff structure based on cost recovery in the first two years and then covering new investments thereafter has been developed and submitted to the GoE; however, the GoE has not accepted that this plan be implemented as yet and in the meantime the Treasury closes the gap between revenues collected and revenues based on the new tariff structure by providing a subsidy to the Ministry of Housing which passes it on to the Water Holding Company (the latter being legally unable to receive direct state subsidies from the Treasury). The new tariff structure is progressive, imposing higher rates for higher users. This will increase water costs for the industrial user but will also ensure a better quality water supply and enable the GoE to face an increasing demand of water by managing the resource more efficiently and more effectively.</p> <p><i>Sources: FA, MN 60, MN 83, MN 134, MN 213. MN 218, MN 217</i></p>

<p>MED/2006/018-254 (Pollution)</p>	<p>The EC supports the first component of EPAP II (the provision of a facility for credit to enterprises for pollution abatement investments) whilst the other two components of this project (of which the TA is funded by the EC's FEMIP) are supporting the implementation of the new environmental regulations (developed under EPAP I during 1997-2004).</p> <p>The EPAP II provides subsidised loans to private sector enterprises for investments in pollution abatement measures: to do so it provides cheap credit to the National Bank of Egypt which on lends to commercial banks for on-lending to private firms. This has supported reforms in the regulatory and financial environment in at least two ways. Firstly in terms of financial environment, the project has succeeded in introducing environmental lending into the banking world and has shown that this type of lending yields bankable, profitable investment opportunities. It is thus endeavouring to get banks to be responsive to firms wishing to invest in environmentally friendly production processes. Secondly the project has endeavoured to push commercial banks to develop their own criteria for environmental lending and to include environmental impact assessment as one of the normal appraisal criteria for lending. Banks have developed an environmental risk manual. In principle any loan extended by one of the four banks that benefit from the EPAP II should be based on an investment project that includes an environmental assessment. Indirectly the EPAP II this also pushes more firms to undertake these EIAs of their intended investments.</p> <p>Furthermore the EPAP contributes to improving the regulatory environment since it enables an increasing number of firms in the productive sector to become aware of the 1994 laws on environmental emission standards and the costs and benefits of compliance therewith.</p> <p><i>Source: MN 65, MN 128.</i></p>
<p>I.4.1.2</p>	<p>Commission's interventions have supported reforms and efforts to modernise the administrative capacities of institutions responsible for the provision of economic infrastructure essential for business development (transport, energy, communications, environment, information society)</p>
<p>SAAP</p>	<p>The intervention has supported the efforts to modernize administrative capacities of partner institutions responsible for provision of infrastructure. SAAP provides technical assistance through Twinning projects to develop Egyptian Institutions that are stakeholders in the implementation of the Association Agreement. Twinning projects aim at administrative, regulatory and legislative procedures approximation and acquis adoption.</p> <p>12 twinning projects have been developed to date to 12 Egyptian institutions. Egyptian institutions that are responsible for economic infrastructure provision are:</p> <ol style="list-style-type: none"> 1- Post Authority: Establishment of a Modern postal management for the Egyptian national Postal Organization with overall objective of a postal sector policy and liberalization of the postal sector in which Post Authority will deliver the social, economic and commercial objectives. 2- Maritime Safety: Institutional Building and legislation Approximation in Maritime Safety with an overall objective to enhance maritime circulation and safety by improving the institutional capacity to oversee services and implement relevant EU Acquis. 3- Railway Safety: Assistance to the Ministry of Transport for the reform

	<p>of railway safety regulations, procedures and practices</p> <ol style="list-style-type: none"> 4- Twinning Program for the National Telecommunication Regulatory Authority. 5- Development of Integrated Hazardous Substances and Waste Management System for the Egyptian Environmental Affairs Agency 6- Enhancing Road Safety in Egypt through the Reform of road safety planning and operations. 7- Capacity building to the Ministry of Water resources and irrigation to contribute to the improvement of the quality of water resources in Egypt and enhance progress in sustainable development. 8- Capacity Building to the Egyptian water regulatory authority for the overall support of the water sector reform. <p>As underlined above (I 4.1.1) the project's success in modernising administrative capacities has so far been limited as these changes have to be approved by Parliament and thus require time. In addition, Egyptian institutions, except where they deal with international trade, do not see the immediate benefits of pursuing approximation and Acquis adoption and are rather interested in receiving know how which will enable them to develop their own brand of administrative and regulatory changes.</p> <p><i>Source: Mid Term Evaluation, Annex 8 (Project interventions in brief), MN201</i></p>
TEP A	<p>TEP programs were designed to support the implementation of the Association Agreement such that it would concentrate on the institutional capacity and human resources upgrading in some of the key functions of the ministry. Although it was mentioned in the FA that TEP A should work on implementing trade reforms to increase the competitiveness of Egyptian trade sectors, the way TEP A was designed and implemented as referred in the subsequent documentation is that the programme focused on short-term needs of human resources development within the identified subdivisions inside the ministry. Initiatives were mainly stand-alone interventions designed in a hit and go manner. Long term reform was not foreseen during the implementation of TEP A against typical Trade Related Assistance that look into long term targets.</p> <p>Evidence during the field mission confirms this observation, two years after TEP A concluded, beneficiaries highlighted their disappointment from the lack of continuation and the fade-out of TEP results, which focused on short term capacity building, that has been diluted due to normal turnover of human resources inside the ministry.</p> <p><i>Source: NIP 2005-2006, FA, MN285</i></p>
FISC-Rural	<p>The intervention has not supported the efforts to modernise the administrative capacity of institutions responsible for the provision of economic infrastructure.</p> <p><i>Source: FA</i></p>
FISC-Social	<p>The intervention has not supported the efforts to modernise the administrative capacity of institutions responsible for the provision of economic infrastructure.</p> <p><i>Source: FA</i></p>
FISC-Financial	<p>The intervention has not supported the efforts to modernise the administrative capacity of institutions responsible for the provision of economic infrastructure.</p>

	<i>Source: FA</i>
MED/2005 017-543 (Water)	<p>EC's support to the water sector reform programme has contributed through capacity building, legal and institutional strengthening to important institutional changes in particular to the formation of regional water authorities and water user organisations and thus a more decentralised organisation of the sector. This institutional change should facilitate the management of water resources, whether water supply or sanitation and thus contribute to enable the government to face a growing demand of water whether for household or productive uses. Agriculture is a particularly important user of water for irrigation purposes: irrigated agriculture contributes 16% to GDP and employs 35% of the working population. The sustainability of Egypt's position as a producer and exporter of agricultural products and as an employer of rural labour is highly dependent upon its ability to ensure continued provision of water. In this respect, institutional reform leading to an improved ability to manage water, to manage water use conflicts and to improve water use efficiency coupled with tariffs based on cost recovery principles, are essential to ensure this sustainability.</p> <p>One of the important contributions of the EC in this area, apart from its key role in providing the Government with financial resources (SBS) which have greatly facilitated the implementation of the water sector reform (see also EQ7), is its insistence upon seeing the water issues treated under a single approach, whether it concerns the water supply and sanitation aspects or the management of the River Basin. This approach enables the problematic of water to incorporate all water use aspects, including the industrial and agricultural productive uses as well as the demand for household water consumption, thus creating a regulatory framework which is well coordinated between the different ministries and agencies involved.</p> <p><i>Sources: FA, MN 60, MN 83, MN 134, MN 213. MN 217, MN 218.</i></p>
MED/2006 /018-254 (Pollution)	<p>Within the context of the interest rate subsidy provided via the BEI to pollution abatement investments, there is also a strong TA team funded under FEMIP which assists in strengthening the EEAA's capacities in the areas of project management, Environmental Monitoring, Financial Management and Procurement, Environmental Public Awareness and Information and Pollution Abatement and Environmental expertise.</p> <p><i>Source: Project Fiche, MN 65</i></p>
I.4.1.3	<p>Commission's interventions have supported existing reform programmes in sectors which are critical for the Egyptian economy (contribution to GDP, employment, foreign exchange earnings) whilst making these reforms benefit from EU experience in these areas</p>
SAAP	<p>The intervention has supported reform to sectors that are critical for the Egyptian economy.</p> <p>SAAP is supporting the Tourism Development Authority with an overall objective of contribution to the sustainable growth of tourism in Egypt and the optimization of tourism's contribution to economic development and employment creation by improving the institutional capacity to the authority. In specific the intervention is to support the Egyptian tourism authority in modernising its structures, systems, management and human resources</p>

	<p>processes by applying and adopting the best practices on EU member states in the Egyptian context and work on introducing best practices of the National Tourism Organizations in the EU to its core task of marketing Egyptian tourism.</p> <p>The intervention is also providing capacity building to the general authority for investment, which is responsible for supporting local investments and attracting foreign direct investment.</p> <p><i>Source: Mid Term Evaluation</i></p>
TEP A	<p>CSP has identified that the underdevelopment and challenges within the trade sector is one of the defining factor of the GDP. Trade and trade related issues have been hindrances to Egypt's exporting capacity and GDP was halved from 1985 to 1995 due to the retardation of Egyptian Exports for trade challenges. Accordingly the intervention within the trade sector to enhance trade facilitation and provide a learning media for Egyptian institutions is definitely critical to the Egyptian economy. TEP worked on capacity building related to trade analysis, data and documentation and developing governmental officials to provide better service to Egyptian businessmen and promoting international trade concepts within the government to facilitate trade liberalization with an overall objective of economic impact.</p> <p><i>Source: CSP 2002-06</i></p>
TEVT	<p>The FA and CSP identified that Egypt's main weakness and hindrance to economic development is its unskilled workforce and the gap between market needs and suppliers provisions of educational and TEVT institutions. Accordingly, TEVT was designed to support filling up this gap through piloting a reform process and modernization of the TEVT providers capacities. This was foreseen to have an impact on better employment of developed labour and skilled graduates and an overall impact on overall competitiveness of Egyptian enterprises.</p> <p>Documentation to date hasn't provided evidence of actual reform of the TEVT system or impact on the beneficiary enterprises.</p> <p>Interviews have emphasized that the strategy proposal for Reform wasn't due on the project plan before the final year of the project and that the project was supposed to pilot different models of reform in different subsector before it actually delivers a strategy document.</p> <p>Interviews have also hinted that a policy statement has been drafted by the project within the context of a six-ministerial committee that has been established to monitor the development of the Reform Strategy. The policy Statement has been drafted by the project and is in the process of approval by the Prime Minister. The policy statement is composed of 8 topics of intervention that will be detailed in sector studies, a contract that has recently been awarded recently to conduct the relevant studies that should be the background information and backbone material for the strategy document.</p> <p><i>Source: FA and CSP 2002-2006, MN 63, XX</i></p>
FISC-Rural	<p>The intervention supported existing GoE reform programmes (financial sector reform) with a direct impact on employment. Indeed, through the provision of affordable credit via commercial banks in the rural areas, it aims at increasing</p>

	<p>employment and income opportunities for the rural population. From available documentation, it is not evident that the reforms benefit from EU experience in these areas.</p> <p><i>Source: NIP 2002-04, FA, PS, Final evaluation</i></p>
FISC-Social	<p>The intervention supported existing GoE reform programmes (financial sector reform) with a direct impact on employment. Indeed, the intervention aims at contributing to job creation and income generation through the provision of financial and non-financial services to the economic activities of MSEs who normally have little access to the formal financial system. From available documentation, it is not evident that the reforms benefit from EU experience in these areas.</p> <p><i>Source: NIP 2002-04, FA</i></p>
FISC-Financial	<p>The intervention supported an existing GoE reform programme (Financial Sector Reform Programme) in a critical sector for the Egyptian economy which is in transition. Indeed the GoE undertook a reform of the financial sector in the 1990s so that the latter is adequate for sustained private sector growth. The intervention aims at improving financial sector supervision and financial sector responsiveness to the needs of savers and borrowers.</p> <p>The FA foresees funds to enable a limited number of Corporate Governance Unit staff to undertake study tours to European counterpart organisations (component 3). In addition, the FA mentions the possibility of obtaining assistance and cooperation from the European Central Bank and the Eurosystem of Central Banks. During implementation, the CBE indeed benefited from the support of the ECB as the latter supervised the design of the project (component 1) and took an active part during implementation with the TL being appointed by the ECB.</p> <p><i>Source: NIP 2002-04, FA, MN 101, MN 68, MN 181</i></p>
MED/2006/018-254 (Pollution)	<p>The EPAP II is not specifically focused on enterprises which are important for economic growth; the main focus is on the environmental impact of the enterprises production process. The criteria for choice of the enterprises that are to benefit from the subsidised EPAP loans are based on: (1) the proposed sub-project is located in a hotspot identified by SPAP; (2) the enterprise is creditworthy with respect to the proposed sub-project; (3) the sub-project will achieve a reduction of at least 75 percent in the total load of at least one target pollutant of priority to that enterprise, as well as regulatory compliance with respect to that pollutant; (4) the enterprise negotiates and implements a Compliance Action Plan (CAP) with EEAA that will achieve broad compliance with legal environmental requirements within a period of time agreed between EEAA and the enterprise; and (5) the size of the loan investment to implement the sub-project is not more than LE 115 million.</p> <p>Independently from the criteria retained for beneficiary selection, the support for an improvement of environmental emissions is itself critical to Egypt's economic growth and performance in the medium and long term and is especially critical to the sustainability of this economic growth. It is important to note however that the EPAP is mainly directed towards SMEs and is not tackling the worst offenders (the largest polluter producers which are often public companies) because the sizes of the loans are too small for the</p>

	<p>investments required there.</p> <p><i>Sources: Project fiche, Operational manual, MN 68.</i></p>
J.4.2	<i>The Commission's interventions have contributed to facilitating the development of productive sector activities</i>
I.4.2.1	Indicators measuring ease of doing business (international comparisons, national indicators and/or specific indicators defined in the MoU/FA) have improved
Overall	<p>According to the 2009 Doing Business (covering the period April 2007-June 2008), Egypt is among the top 10 global reformers - the third time in 4 years - and top regional reformer. Overall, most ease of doing business indicators in Egypt show progress over time (see figure hereunder). Progress has been made as regards :</p> <ul style="list-style-type: none"> - starting a business (e.g Egypt reduced the paid-in minimum capital requirement by more than 80%, abolished bar association fees, and automatised tax registration while in 2006-2007 it cut the minimum capital required to start a business from EGP 50,000 to EGP 1,000, and halved start-up time and cost) - and trading across borders (e.g new one-stop shops have been established for traders at Egyptian ports; as a result, time to import has been reduced by seven days and time to export by five). <p>However, Egypt still trails the regional and income group averages in the following areas: (i) Getting Credit (Legal Rights Index), (ii) Employing Workers, and (iii) Paying Taxes (time in hours)</p>

Overall	Egypt			
	2004	2006	2008	2009
Ease of Doing Business Rank	..	..	126	114
Starting a Business				
Rank			55	41
Procedures (number)	13	10	7	6
Time (days)	37	22	9	7
Cost (% of income per capita)	65.6	104.9	28.6	18.3
Min. capital (% of income per capita)	855.4	739.8	12.9	2
Dealing with Licenses				
Rank			163	165
Procedures (number)	..	28	28	28
Time (days)	..	249	249	249
Cost (% of income per capita)	..	1169	474.9	376.7
Employing Workers ⁽¹⁾				
Rank			108	107
Difficulty of Hiring Index	0	0	0	0
Rigidity of Hours Index	20	20	20	20
Difficulty of Firing Index	60	60	60	60
Rigidity of Employment Index	27	27	27	27
Nonwage labor cost (% of salary)	..	25	25	..
Firing costs (weeks of wages)	123	132	132	132
Registering Property				
Rank			101	85
Procedures (number)	..	7	7	7
Time (days)	..	193	193	72
Cost (% of property value)	..	6.8	1	0.9
Getting Credit				
Rank			102	84
Legal Rights Index ⁽²⁾	..	1	1	3
Credit Information Index ⁽³⁾	2	2	4	5
Public registry coverage (% adults)	n.a.	1.2	1.6	2.2
Private bureau coverage (% adults)	0	0	n.a.	4.7
Protecting Investors ⁽⁴⁾				
Rank			83	84
Disclosure Index	..	5	7	3
Director Liability Index	..	3	3	5
Shareholder Suits Index	..	5	5	2.2
Investor Protection Index	..	4.3	5	4.7
Paying Taxes				
Rank			150	144
Payments (number)	..	41	36	29
Time (hours)	..	536	711	711
Profit tax (%)	..	..	13.2	13.6
Labor tax and contributions (%)	..	..	28.8	28.9
Other taxes (%)	..	..	5.8	3.6
Total tax rate (% profit)	..	50.4	47.9	46.1
Trading Across Borders				
Rank			26	24
Documents for export (number)	..	8	6	6
Time for export (days)	..	27	15	14
Cost to export (US\$ per container)	..	1,014	714	737
Documents for import (number)	..	9	7	6
Time for import (days)	..	29	18	15
Cost to import (US\$ per container)	..	1,049	729	823
Enforcing Contracts				
Rank			152	151
Procedures (number)	42	42	42	42
Time (days)	1,010	1,010	1,010	1,010
Cost (% of debt)	25.3	25.3	25.3	26.2
Closing a Business				
Rank			128	128
Time (years)	4.2	4.2	4.2	4.2
Cost (% of estate)	22	22	22	22
Recovery rate (cents on the dollar)	16	16	16.6	16.8

Legend:

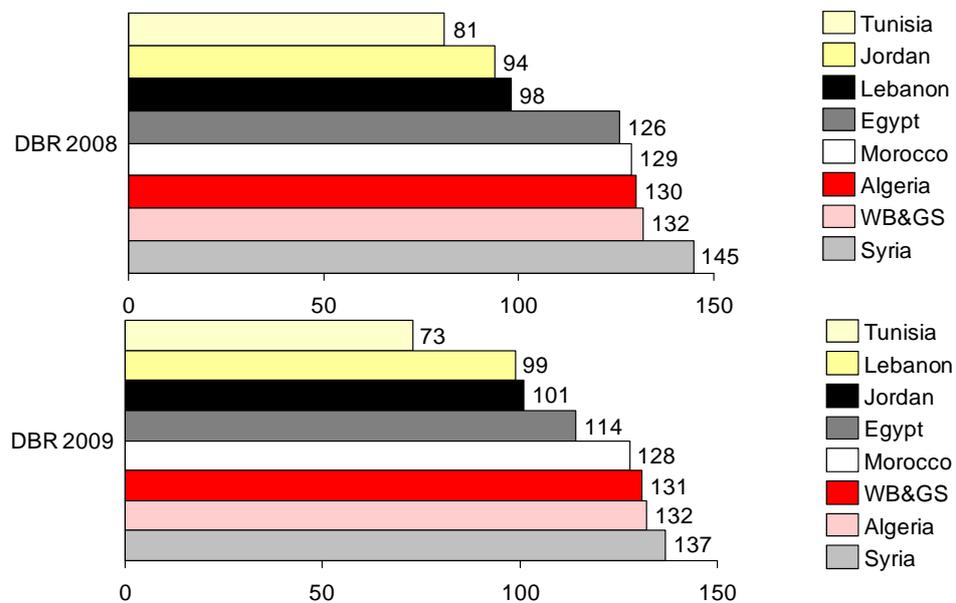
 Deterioration

 Improvement

Source : World Bank Doing Business 2008 (out of 178 countries) and 2009 (out of 181 countries)

In terms of overall ranking in ease of doing business among the 8 MPC, Egypt remains at the fourth place (as illustrated by the figure hereunder) in 2008 and 2009 (data is unavailable for previous years). Among the 178 (respectively 181) countries benchmarked by the WB in 2008 (respectively 2009), Egypt is in the fourth quintile.

Evolution of Ease of doing Business ranking among MPC (2008-2009)



TEP A

The final evaluation of TEP B points to a possible influence of the programme on the time for export and import as well as on the costs to export and import as part of the whole package of TEPs. However, the measurement of the impact is not possible as no quantified targets to be reached have been identified and no monitoring tools for such measurement were provided in the FA of TEP A & B. A quantitative performance appraisal in regards to the specific objectives is therefore impossible.

Source: FA, Final evaluations of TEP A and TEP B

TEVT

The FA has not identified any quantified business-related indicators. The intervention is unlikely contributing to the ease of doing business.

Source: FA

SAAP

The FA has not identified any quantified business-related indicators.

The intervention is likely to contribute to the ease of doing business. In particular, the following projects are of specific interest:

- the establishment of a modern postal management system for the Egyptian National Postal Authority
- the assistance to the Egyptian Ministry of transport for Reforming Railway Safety Regulations, procedures and practices
- the institutional strengthening of the general authority for investment and free zones (GAFI)
- building the capacity of the Egyptian accreditation council to deliver accreditation services

	<p>All projects are still ongoing and their impact on the ease of doing business is therefore not yet visible. Besides, the absence of quantitative indicators will prevent one from assessing their impact quantitatively. Moreover, the mid-term evaluation of the SAAP stressed that a number of projects ongoing under SAAP were experiencing problems during their implementation (quality of the experts, delays during the starting phase, etc.), which will probably limit their potential impact.</p> <p><i>Sources: FA, twinning project fiches, Mid-term evaluation of SAAP</i></p>						
<p>FISC-Rural</p>	<p>The OVIs did not set quantified targets. Indicators are as follows (situation as of Final evaluation):</p> <table border="1" data-bbox="395 663 1396 954"> <tr> <td data-bbox="395 663 550 734">OO, OVI1</td> <td data-bbox="550 663 863 734">“Number of new jobs created”.</td> <td data-bbox="863 663 1396 734">10, 674 (permanent direct and indirect)</td> </tr> <tr> <td data-bbox="395 734 550 954">PP, OVI1</td> <td data-bbox="550 734 863 954">“Number of incoming loan applications from PBs put to the Board”</td> <td data-bbox="863 734 1396 954"> <ul style="list-style-type: none"> - Number of loans forwarded to the Agent Bank: 232 - Number of loans approved by BoT: 204 - Number and amount of loans disbursed: LE 131 million </td> </tr> </table> <p>The disbursement achievements are considered as fully successful by the final evaluation.</p> <p>The intervention funded a credit line but did not target the ease of doing business as such, in particular in terms of access to credit. Credit lines financed by the Commission favoured access to credit for SMEs but SMEs still encounter problems in getting access to commercial bank credits.</p> <p><i>Source: Final evaluation, MN 101, MN 212</i></p>	OO, OVI1	“Number of new jobs created”.	10, 674 (permanent direct and indirect)	PP, OVI1	“Number of incoming loan applications from PBs put to the Board”	<ul style="list-style-type: none"> - Number of loans forwarded to the Agent Bank: 232 - Number of loans approved by BoT: 204 - Number and amount of loans disbursed: LE 131 million
OO, OVI1	“Number of new jobs created”.	10, 674 (permanent direct and indirect)					
PP, OVI1	“Number of incoming loan applications from PBs put to the Board”	<ul style="list-style-type: none"> - Number of loans forwarded to the Agent Bank: 232 - Number of loans approved by BoT: 204 - Number and amount of loans disbursed: LE 131 million 					
<p>FISC-Financial</p>	<p>The intervention targeted the ease of doing business as it directly supported the Egyptian financial sector reform programme. The OVIs did not set quantified targets. The indicators defined in the FA generally improved, but the improvements are not always accountable to the project as the GoE FSRP also impacted positively. Indicators evolved as follows (situation as of last MR):</p> <table border="1" data-bbox="395 1494 1396 2029"> <tr> <td data-bbox="395 1494 528 1854">OO, OVI1</td> <td data-bbox="528 1494 884 1854">“Establishment of structured, competitive markets for short, medium and long-term financial services to corporate and private customers”.</td> <td data-bbox="884 1494 1396 1854">The market situation improved but this can not be directly attributed to the outcome of the project at NBE (no real implementation yet), CMA (training just started). The implementation at Bank Misr is well in progress and contributed to the improvements observed. The 1st component may have contributed indirectly.</td> </tr> <tr> <td data-bbox="395 1854 528 2029">OO, OVI2</td> <td data-bbox="528 1854 884 2029">“Increase the number of private, larger SME’s benefiting from bank loans and financial services”</td> <td data-bbox="884 1854 1396 2029">The project has not implemented actions in this sector, except recently at Bank Misr.</td> </tr> </table>	OO, OVI1	“Establishment of structured, competitive markets for short, medium and long-term financial services to corporate and private customers”.	The market situation improved but this can not be directly attributed to the outcome of the project at NBE (no real implementation yet), CMA (training just started). The implementation at Bank Misr is well in progress and contributed to the improvements observed. The 1 st component may have contributed indirectly.	OO, OVI2	“Increase the number of private, larger SME’s benefiting from bank loans and financial services”	The project has not implemented actions in this sector, except recently at Bank Misr.
OO, OVI1	“Establishment of structured, competitive markets for short, medium and long-term financial services to corporate and private customers”.	The market situation improved but this can not be directly attributed to the outcome of the project at NBE (no real implementation yet), CMA (training just started). The implementation at Bank Misr is well in progress and contributed to the improvements observed. The 1 st component may have contributed indirectly.					
OO, OVI2	“Increase the number of private, larger SME’s benefiting from bank loans and financial services”	The project has not implemented actions in this sector, except recently at Bank Misr.					

	PP OVI1	“Improved performance and accountability of public sector banks. New business lines and improved loan portfolios”	Not achieved to date at NBE and started at Bank Misr.
	PP OVI2	“State divestures in the financial sector; consolidation amongst smaller banks”	Achievements made, but more related to the GoE FSRP rather than to this particular intervention.
	PP OVI3	“Bank regulation in line with international standards”	This is being achieved: CBE enacted various regulations on the basis of this project which put the Egyptians regulations more closely in line with international standards. More has to be done to comply with Basel II.
	PP OVI4	“Financial talent recruited to Egypt from abroad”	This has not been achieved. Finding staff was a major problem in NBE and Misr. Indeed, those banks have difficulties providing the financial and professional opportunities to attract Egyptian professionals working abroad.
	<i>Source: FA, Monitoring report n°3</i>		
I.4.2.2	Commission's interventions have reinforced financial markets and increased the capacity of local financial institutions to finance small and medium sized and micro enterprises		
TEVT, TEP A and SAAP	Interventions have not reinforced financial markets and didn't target SMEs and Micro financing. <i>Sources: FA</i>		
FISC-Rural	The final evaluation points out that at the end of 2008, the project has attained its objectives and purposes i.e to enlarge the credit capacity in the rural areas and to increase awareness in particular towards the poor target groups. However, its success in terms of broadening the client base is limited due to the banking financial regulation in risk management and collateralising credits. <i>Source: Final evaluation, MN 212, MN 94</i>		
FISC-Social	<p>The beneficiary of the intervention (SFD) is Egypt's leading social development institution playing a particular role in job creation through supporting the development of provision of financial and non financial services to MSEs.</p> <p>The intervention directly aims at (i) strengthening the capacities of SEDO and its partner institutions in provisioning FS and NFS to benefit SME and (ii) supporting the capacity building of the NGOs to increase the retailing capacity of the intermediaries.</p> <p>The intervention delivered outputs that increased the capacity of local financial institutions to finance SMEs and MSEs:</p>		

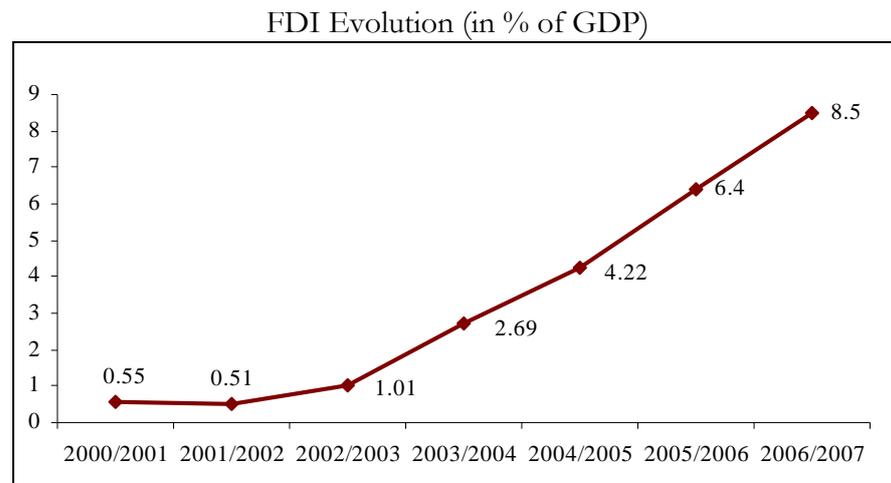
	<p>The following non financial services have been delivered by the programme:</p> <ul style="list-style-type: none"> ▪ Support to the capacity-building of SFD (trainings, study tour, micro finance best practice hand book, financial guide, etc.) ▪ Needs of the project MFS intermediaries assessed; ▪ Training delivered to the project nine NGOs by the TA team (finance, strategic planning, etc.) ▪ Workshops developed by the SEDO TA for banks senior management and SEDO senior staff <p>The TA component of the project also delivered the following outputs:</p> <ul style="list-style-type: none"> ▪ The ability of the intermediary bank in its operations with small enterprises was developed through a number of seminars and workshops; ▪ The capacity of SFD staff has been raised through trainings delivered to head office and regional offices through cooperation with an Egyptian business service provider; ▪ Courses in a number of technical fields have been delivered to NGOs all through Egypt by local providers with the support of the TA. <p><i>Sources: FA, Final evaluation, MN 212, MN 157</i></p>
FISC-Financial	<p>The intervention contributed to an improvement of the competitiveness of the markets for short, medium and long-term financial services to corporate and private customers (see also I.421, OO, OVI1). In particular, the CBE has acquired new skills and has had exposure to the latest supervisory techniques. Moreover, a noticeable within Bank Misr has occurred: the bank has acquired new skills, particularly in the area of risk management. A more efficient and profitable lending process will eventually lead to better asset quality and accordingly performance of bank Misr, thus contributing to the stabilisation of the Egyptian financial sector. At NBE, the restructuring process has encountered a very slow pace and it is not expected that the beneficiary will reach international standards and best practices. The project assisted in starting the modernisation process of the financial sector but has not achieved all the expected results assigned to it which were too optimistic. Moreover, the impact on the wider market will not be felt until it gathers momentum outside the confines of the CBE. Regulation of the financial environment can only benefit from a strong independent regulator but other comparable measures in other institutions have to be taken so as to complete the transition process.</p> <p><i>Source: Monitoring report n°3, Mid-term evaluation, MN 101, MN 68</i></p>
MED/2006 /018-254 (Pollution)	<p>The EPAP II has contributed to increase the commercial banks capacity to finance SMEs, firstly by providing access to relatively cheaper credit for these SMEs to invest in pollution abatement measures and secondly by showing these commercial banks that environmental lending can be a profitable and low risk business so that they feel less shy to lend for this type of investment projects even without the incentive of the EC subsidy. The project has also led commercial banks to develop their own environmental risk manual which helps them assessing environmental investments and facilitates the appreciation of environmental criteria of investment projects that are submitted to them.</p> <p><i>Source: MN 65, MN 128.</i></p>
I.4.2.3	<p>Indicators of dynamism of critical sectors have improved: number of firms active, number of jobs created, volume and value of production increased</p>

TEVT, TEP A and SAAP	None of the indicators of the interventions were aiming at private sector dynamics in a direct contribution.
FISC-Rural	<p>The intervention had an impact in terms of loans provided and jobs created:</p> <ul style="list-style-type: none"> ▪ 10,674 jobs created according to the estimation of the final evaluation ▪ 232 loans forwarded to the Agent Bank and 204 approved for a total of LE 131 million. <p>These data are the product of an estimation and have to be taken with care due to the fact that the estimates have been made just after the end of the project and the reported jobs created might not be sustained in the long-run.</p> <p><i>Source: Final evaluation, MN 212</i></p>
FISC-Social	<p>The intervention had an impact in terms of provision of loans and job creation:</p> <ul style="list-style-type: none"> ▪ Small enterprises: As of September 2008, SEDO had utilised the fund from FISC social agreement through NBE branches in the 26 governorates to provide 3,061 loans to end beneficiaries worth LE 86,844,288 millions which contributed to the creation of 14,262 jobs. The average loan size is LE 28,371. The loans mostly benefited to Upper Egypt (44%) and Lower Egypt (44%). They were mostly used in trade (46%) and in agro-business (30%). ▪ Micro-enterprises: As of October 2008, MSF had 9 active loan contracts with NGOs intermediaries from FISC Social agreement, with total contract amount of LE 22,500,000 already transferred to the NGOs (LE 20M remaining outstanding). The NGOs have on-lent 15,789 loans to the end beneficiaries worth LE 49M. This enabled the creation of 18,947 jobs. With an average loan size of LE 2,000, the project is well within the target of loans below LE 10,000. <p>These data are the product of an estimation and have to be taken with care due to the fact that the estimates have been made just after the end of the project and the reported jobs created might not be sustained in the long-run.</p> <p><i>Source: Final evaluation, MN 212</i></p>
I.4.2.4	The number of SMEs and micro-enterprises in the rural sector having access to commercial bank credit has increased
FISC-Rural	<p>The project enlarged the credit capacity in the rural areas: 232 loans forwarded to the Agent Bank and 204 approved for a total of LE 131 million. However, its success in terms of broadening the client base is limited due to the banking financial regulation in risk management and collateralising credits.</p> <p>Only 18% of the total FISC-Rural loans have been disbursed to the agricultural cooperatives while this category represents the crucial pillar of the whole credit system for the small beneficiaries and women.</p> <p>One should also keep in mind that the risk of erosion of the FISC credit capital is real because of the huge gap between the inflation rate (around 20%) and the FISC-R interest rate (7-9%). In that respect, the final evaluation mentions that the revolving fund will be depleted in 6-7 years.</p>

	<p>These data are the product of an estimation and have to be taken with care due to the fact that the estimates have been made just after the end of the project and the reported jobs created might not be sustained in the long-run.</p> <p><i>Source: Final evaluation, MN 212</i></p>
I.4.2.5	Rural production has been diversified, rural self-employment and rural employment in non agricultural productive activities have increased
FISC-Rural	<p>The project addressed the following issues and contributed to the diversification of rural production:</p> <ul style="list-style-type: none"> ▪ Improving irrigation problems and shortage of water accessibility ▪ Improving production yield through the availability of appropriate fertiliser ▪ Enhancing quality of produce through the availability of certified seeds and seedlings ▪ Increasing percentage of export quality produce ▪ Improving farming efficiency through mechanisation ▪ Improving market access ▪ Increasing income by expanding the opportunity to leverage better price than the farm-gate price ▪ Expanding production or business and creating new job opportunity <p><i>Source: Final evaluation</i></p>
I.4.2.6	Stakeholders views on evolution of administrative constraints
TEPs	<p>As part of the ongoing reform programme in Egypt supported by TEP B, the General Organisation for Export and Import Control (GOEIC) has centralised its inspection process. This has reduced time and cost for the trading community. However, the trading community is of the opinion that further improvements could be introduced to the system: in particular, the number of laboratories could be further increased to facilitate the process.</p> <p><i>Source: Final evaluation of TEP B</i></p>
J.4.3	<i>The Commission's interventions have contributed to improve the infrastructure essential to developing competitive production capacities</i>
Overall	<p>Commission's interventions in economic infrastructure concern two recently decided programmes (one BS on transport and one programme on transport, energy and environment sectors financed through the NIF) not yet implemented. The assessment of their results is therefore not possible.</p> <p>The Commission also financed several interventions through EIB Interest Rate Subsidies. The impact in terms of increased competitive production capacities is unknown for the project which details were analysed (EPAP II). The monitoring of the project implementation is not realised at the level of the production capacities of beneficiary enterprises but on the level of loans extended and the reduction of the pollution levels produced by beneficiary enterprises. Investing in pollution abatement provides environmental gains and productivity gains but only the former are monitored by the project.</p> <p>Finally, the Commission financed a water reform programme through its BS: all activities targeted by this SBS concerned reform measures to improve the cost-effectiveness of the sector and improve water quality. The reform in the sector has led to infrastructural improvements such as reduced water leakage but the</p>

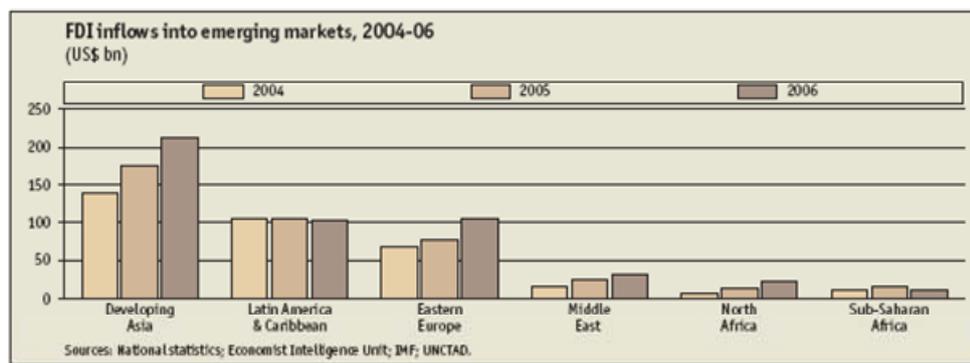
	extent to which these have contributed to improved water supply (reliability of water supply, quantity and quality of water supplied) to industrial clients has not been ascertained: the Water Holding Company reportedly monitors such aspects but the monitoring results have not been shared with the consultants.																																																		
I.4.3.1	Access to and availability of essential infrastructure has been eased: <ul style="list-style-type: none"> - number of power cuts diminished - waiting time for telephone line connection diminished - number of telecom operators increased - quality of roads improved - treatment time at ports diminished - number/area of services industrial sites increased 																																																		
SAAP	The projects ongoing under SAAP have not targeted these types of infrastructure. <i>Sources: FA and twinning project fiches</i>																																																		
I.4.3.2	Private sector investment (domestic and foreign) increased																																																		
Overall	As of 2004, private sector investment drastically increased and went above public investment (in absolute and relative terms) (see figure below). <p style="text-align: center;">Evolution of public and private investment</p> <table border="1"> <thead> <tr> <th>Year</th> <th>share of public investment (%)</th> <th>share of private investment (%)</th> <th>total public investment (EGP Billion)</th> <th>total private investment (EGP Billion)</th> </tr> </thead> <tbody> <tr> <td>1998/99</td> <td>10.9%</td> <td>9.9%</td> <td>34</td> <td>30</td> </tr> <tr> <td>1999/00</td> <td>9.9%</td> <td>9.1%</td> <td>34</td> <td>31</td> </tr> <tr> <td>2000/01</td> <td>8.7%</td> <td>9.0%</td> <td>31</td> <td>32</td> </tr> <tr> <td>2001/02</td> <td>9.4%</td> <td>8.4%</td> <td>36</td> <td>32</td> </tr> <tr> <td>2002/03</td> <td>8.5%</td> <td>7.9%</td> <td>35</td> <td>33</td> </tr> <tr> <td>2003/04</td> <td>8.7%</td> <td>7.6%</td> <td>42</td> <td>37</td> </tr> <tr> <td>2004/05</td> <td>8.8%</td> <td>9.1%</td> <td>47</td> <td>49</td> </tr> <tr> <td>2005/06</td> <td>7.3%</td> <td>11.4%</td> <td>45</td> <td>71</td> </tr> <tr> <td>2006/07</td> <td>8.3%</td> <td>13.7%</td> <td>61</td> <td>101</td> </tr> </tbody> </table>	Year	share of public investment (%)	share of private investment (%)	total public investment (EGP Billion)	total private investment (EGP Billion)	1998/99	10.9%	9.9%	34	30	1999/00	9.9%	9.1%	34	31	2000/01	8.7%	9.0%	31	32	2001/02	9.4%	8.4%	36	32	2002/03	8.5%	7.9%	35	33	2003/04	8.7%	7.6%	42	37	2004/05	8.8%	9.1%	47	49	2005/06	7.3%	11.4%	45	71	2006/07	8.3%	13.7%	61	101
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As of 2004, the share of FDI in GDP increased drastically (see below).



Source: Ministry of Investment, Presentation made to the EU-Egypt Economic Dialogue Brussels, Dec. 5th 2007

However, FDI inflows are significantly superior in other regions of the world (see figure below):



Source: Ministry of Investment, Presentation made to the EU-Egypt Economic Dialogue Brussels, Dec. 5th 2007

I.4.3.3	Stakeholders views on evolution of quality of economic infrastructure
ALL	Commission's interventions under review for this evaluation have not directly addressed economic infrastructure. As a result, no finding have been collected for this indicator.
J.4.4	Commission's interventions in the area of trade (trade policy, trade facilitation, capacity strengthening, ...) have contributed to improve Egypt's external trade environment
TEPs	TEP B focused on foreign trade facilitation and aimed at: <ul style="list-style-type: none"> - Reducing the deadlines and costs associated with customs import and export formalities; - Strengthening exports incentives; - Reducing deadlines and costs associated with checks and quality standards.

	<p>The 25 conditions of disbursements related to :</p> <ul style="list-style-type: none"> - Macro-budgetary framework (prudent macroeconomic policies, fiscal consolidation, progress in budget accounting) - Trade facilitation / Trade barriers removal (improvement of customs services, exemption of all imports earmarked for free zones from all inspection at ports, improvements of standards and control services, expansion of export promotion schemes) <p>The customs component is the most significant as it includes 15 conditionalities out of the 25.</p> <p>All conditionalities have been fulfilled, hereby pointing to a positive contribution of the programme to Egypt's external trade environment. However, the absence of a monitoring system enabling to ensure the follow up of the achievement of the expected results defined in the FA prevents one from assessing the impact of the intervention</p> <p><i>Source: Final evaluation of TEP B</i></p>
I.4.4.1	<p>Commission's interventions have strengthened public administration's capacity to harmonise legislation and regulations with international (and in particular EU) frameworks and to subsequently enforce them</p>
TEP A	<p>TEP A aimed at capacity building in Ministry of Trade and industry in five fields:</p> <ul style="list-style-type: none"> - Component 1: Commercial diplomacy: to promote the access of Egyptian products to foreign markets. - Component 2: Euro-Association Partnership : to enhance the capacity of the MTI to manage, implement, inform and advise on the trade provision of the EU-Egypt AA. - Component 3: WTO related issues : to achieve trade-related regulatory support structure compatible to WTO and to provide assistance in the process of negotiating agreements in the Doha round. - Component 4: Export promotion activities: to enable the MTI to better support Egyptian exporters - Component 5: Trade facilitation activities : to prepare a plan for achieving General Organisation for Export Import Control (GOEIC)'s ambition of EU accreditation for its conformity testing procedures. <p>Technical assistance aimed at assisting Egypt in the implementation of any trade related aspects of the AA, including through approximation of commercial laws.</p> <p>Component 1 mainly supported the development of the existing Egyptian Commercial services (ECS) which is the government trade promotion organisation that works within the framework of the MTI.</p> <p>Component 2: TA was provided at the level of the Trade Agreements Sector department where a unit is in charge of implementing and coordinating the implementation of the trade-related aspects of the EEAA. The Unit is now playing a major role in initiating and coordinating reforms in compliance with the EEAA as well as in preparing the negotiations under the EEAA. Internal and external information systems are in place and contribute in making the Agreement operational. Component 2 activities contributed to smooth increase of EU-Egypt trade. Moreover, laws have been prepared, passed and enacted,</p>

	<p>notably with regard to Competition and Consumer Protection.</p> <p>Component 3: Competence in economic analysis for trade policy formulation and in legal analysis and trade-related disputes have been developed. The capacity of the MTI to provide support and facilities to exporters has been increased and the understanding of government officials and business community representatives about global trade flows and market access conditions of Egyptian goods widened.</p> <p>Component 4: senior, middle and support staff of the Egyptian export promotion entities have been trained.</p> <p>Component 5: GOEIC internal auditors have been trained and some laboratories have been upgraded.</p> <p>TEP C, related to Ministry of Finance and more specifically to the Egyptian Customs Authority, focused on institutional capacity building, technical assistance and upgrading of Customs senior and middle management skills through training and mentoring.</p> <p><i>Source: FA, Final evaluation of TEP A and TEP B</i></p>
SAAP	<p>Project fact Sheet of SAAP mentions that the support of SAAP is targeting on improving and subsequent enforcement of legislative and regulatory framework.</p> <p><i>Sources: FA, Mid-term evaluation</i></p>
FISC-Financial	<p>Two components of the programme were aimed to build the capacity of public administrations to harmonise regulations with international frameworks and subsequently enforce them.</p> <p>Component 1 strengthened the capacity of the Central Bank of Egypt so that the CBE harmonises its regulations with international frameworks. The last MR pointed out an increased capacity, through new regulations as and services created at the CBE. However, more remains to be done.</p> <p>Component 3 foresaw increased capacity building of CMA to effectively supervise and monitor corporate governance implementation in Egypt. The last MR pointed out that this process is only starting.</p> <p><i>Sources: FA, MR n°3</i></p>
MED/2006 /018-254 (Pollution)	<p>Although the EC contribution was only the provision of interest rate subsidy, the larger EPAP was aimed to strengthen the EEAA's capacity in designing a new environmental strategy for cleaner production and amendments to the environmental executive regulations (EPAP I) and in enforcing the new regulations (EPAP II).</p>
I.4.4.2	<p>Indicators measuring the degree of protection of the economy have improved (tariff levels, number of non tariff barriers etc.)</p>
	<p>Tariff barriers have drastically decreased between 2000 and 2008 (by 57%), and Egypt's tariff barriers are quite lower than the ones of the Middle East and North African countries as well as Lower to Middle Income countries. Tariff and non-tariff barriers have also decreased (by 34%) during the same period and Egypt situates itself within the Middle east and North Africa average but its</p>

tariff and non-tariff barriers are far above the ones of Lower to Middle Income countries (see table hereunder).

Overall Trade Restrictiveness Index (all goods) in Egypt						
Country/Region	Tariffs + NTM (1)			Tariffs (2)		
	2000-04	2005/06	2006/2008	2000-04	2005/06	2006/2008
Egypt, Arab Rep.	38.9%	32.1%	25.6%	13.2%	7.8%	5.6%
Middle East and North Africa Average	34.3%	n.a	26.7%	17.0%	10.2%	12.1%
Lower-Middle Income Average	18.9%	n.a	15.4%	10.3%	8.0%	8.5%
High income OECDs Average	9.8%	8.8%	9.3%	5.2%	4.2%	3.9%

Source: World Bank, World Trade Indicators 2008

(1) This Index reflects the overall trade policy stance of a country. It is the uniform equivalent tariff that would maintain the country's aggregate import volume at its current level – the level associated with the present heterogeneous tariffs and non-tariff measures. NTMs include various price control, measures, variable charges, anti-dumping and countervailing, actions, quantitative restrictions, non-automatic licensing, or other prohibitions.

(2) This Index summarizes the tariff restrictiveness of a country. It is the uniform equivalent tariff that maintains the aggregate import volume of a country at its current level – the level associated with the present heterogeneous tariffs.

I.4.4.3

Increased number of trade agreements signed by Egypt with countries in the region

Overall

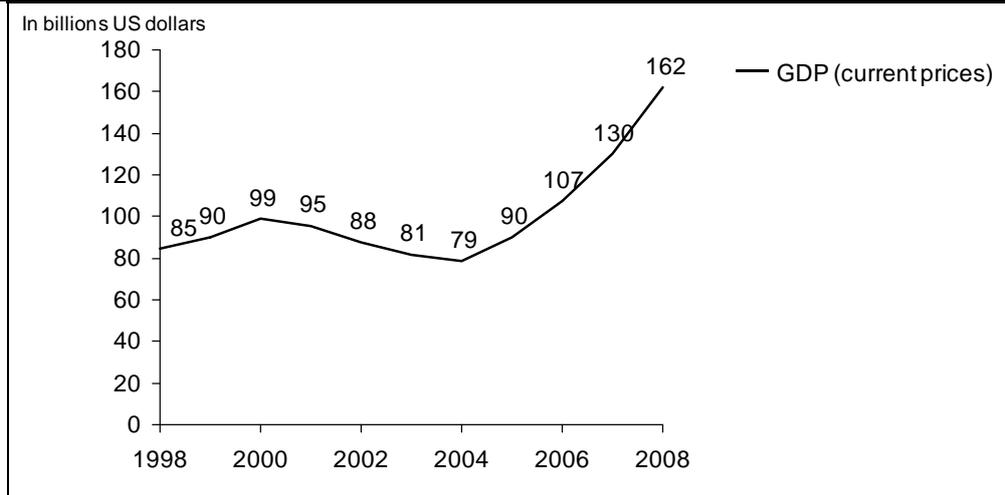
Throughout the past 10 years, Egypt's trade activity has witnessed a leap. Records from the Egyptian Ministry of Trade confirms that Egypt's trade agreements were limited to a preferential trade agreement with Syria (1991) and the WTO Agreement when Egypt joined as a member in 1995. All other trade agreements were eventually signed between the year 1999 and today. There are also a number of agreements under negotiations beyond today.

The table below highlights the number of trade agreements and their effective dates that Egypt has been engaged in throughout recent history.

Egypt's Trade Agreements			
Agreement	Entry into Force	Type of Agreement	
Bilateral			
Turkey	March 2007	Free Trade Agreement	
Libya	26.4.2007	Agreement on Trade & Customs.	
EFTA	August 2007	Free Trade Agreement	
Qualifying Industrial Zone with USA	14.1.2005	Protocol	
Egypt-EU Association Agreement	1-6-2004	Free Trade Agreement	
Iraq	8.7.2001	Free Trade Agreement	
Lebanon	15.3.1999	Action plan	
Tunisia	15.3.1999	Free Trade Agreement	
Morocco	28.4.1999	Free Trade Agreement	
Jordan	21.12.1999	Free Trade Agreement	
Syria	1.12.1991	Preferential Trade Agreement	
Regional			
COMESA	Egypt signed on 26.9.1998 but started to give concessions on	Started as a preferential trade agreement then continued as Free Trade Agreement (current status) aiming at	

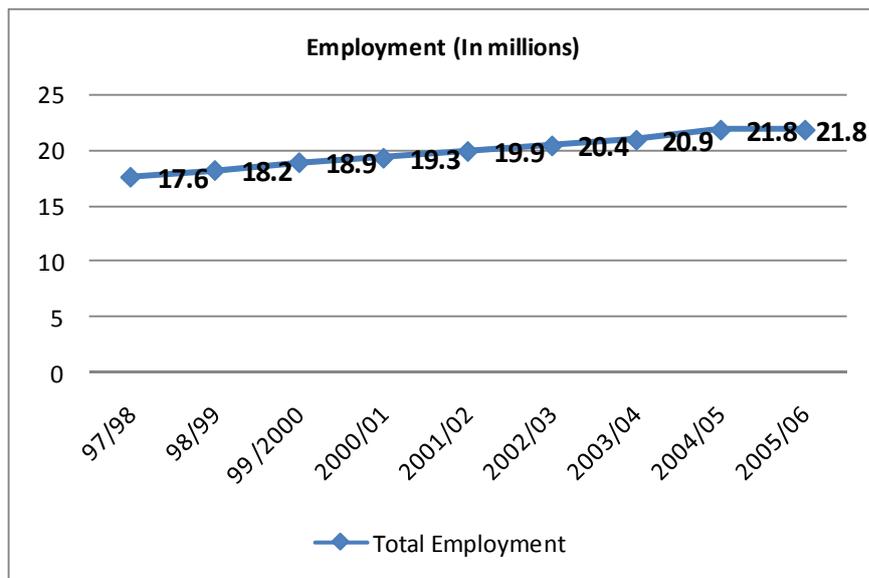
		17.2.1999	reaching a custom union then a common market
	GAFTA/PAFTA	January 1998	Free Trade Agreement
	Agadir	Signed in 2004 and entered into force in July 2007	Free Trade Agreement
	Multilateral		
	All WTO multilateral Trade agreements. However, Egypt is not a signatory to certain plurilateral agreements such as the Government Procurement Agreement(GPA)	Egypt became a member to the WTO in June 1995	
	<i>Source: Trade Agreement Sector, Ministry of Trade and Industry, May 2009</i>		
I.4.4.4	Indicators of participation in external trade improved: volume and value of exports increased, number of new export products launched, level of foreign exchange earnings of the sector increased		
Overall	See also I455		
TEP A	Project OVI's have not defined quantified improvement, rather improvement. Indicators as have been outlined in the Final evaluation report confirms the general improvement in participation of external trade:		
	OVI	Evidence from project evaluation	
	OO: export growth	Annual exports proceeds: 3% in 2002/2003, 5.1%in 2003/2004, 6.5% in 2004/2005 and 6.8% in 2005/2006	
	PP: Measurable sustained increase in export	Exports grew by 160% from USD 7 MM in 2001/2002 to USD 18.4 MM in 2005/2006,i.e. from 7.6% to 17.3% of the GDP	
	PP Measurable sustained increase in import	Total imports increased from USD 24/5 to 30 MM in 2005/6	
	FDI increased particularly in export manufacture sectors	FDI grew steadily from USD 0.3 MM in 2003/4 to USD 7 MM in 2006/7 out of which a significant part (unknown) is targeting exporting companies.	
	Trade liberalization and facilitation policies and regulations compatible with WTO and EU Association Agreement commitments	Customs report a dramatic decrease in interception of non-compliance borders falling from 46 in 2004 to 0 in 2007	
	It should be notified that FA and project documentation reveal the existence of a number of interventions undertaken by USAID and WorldBank at the same time. Moreover, the government has been taking serious steps towards trade reform, all of which would contribute to the improvement of trade and economic figures.		

	<i>Source: Final Evaluation</i>																								
I.4.4.5	Views of existing and new operators in the sectors on the depth, scope and outcome of reforms implemented																								
Overall	<p>Beneficiaries have an overall positive assessment of the impact of the Commission programmes on economic reforms. Commission's interventions indeed contributed to the implementation of Government-led reforms. In that respect, the signature and implementation of the EU-AA has created a momentum that pushed trade-related aspects. One should also keep in mind that USAID significantly supported Egypt in that area.</p> <p>For TEP A, beneficiaries expressed a high level of satisfaction over the results achieved, which were in line with the expectations. For instance, the feedback from the private sector on the services rendered by the WTO unit at Trade Agreement Sectors (TAS) was very satisfactory.</p> <p><i>Source: MN 285, Final evaluation of TEP A</i></p>																								
J.4.5	<i>Commission support has contributed to stimulate job creation, increase production and increase Egypt's exports</i>																								
I.4.5.1	GDP and employment growth trends have improved																								
Overall	<p>The Egyptian GDP (constant prices) grew at average annual rate of 5%, with a renewed growth since 2004 characterised by average annual growth rates of 7% for 2006, 2007 and 2008.</p> <div data-bbox="391 1093 1372 1608" data-label="Figure"> <table border="1"> <caption>Annual percent change GDP (constant prices)</caption> <thead> <tr> <th>Year</th> <th>Annual percent change GDP (constant prices)</th> </tr> </thead> <tbody> <tr><td>1998</td><td>8</td></tr> <tr><td>1999</td><td>6</td></tr> <tr><td>2000</td><td>5</td></tr> <tr><td>2001</td><td>4</td></tr> <tr><td>2002</td><td>3</td></tr> <tr><td>2003</td><td>3</td></tr> <tr><td>2004</td><td>4</td></tr> <tr><td>2005</td><td>4</td></tr> <tr><td>2006</td><td>7</td></tr> <tr><td>2007</td><td>7</td></tr> <tr><td>2008</td><td>7</td></tr> </tbody> </table> </div> <p>Source: IMF, World Economic Outlook Databases</p>	Year	Annual percent change GDP (constant prices)	1998	8	1999	6	2000	5	2001	4	2002	3	2003	3	2004	4	2005	4	2006	7	2007	7	2008	7
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Source: IMF, World Economic Outlook Databases

Employment is increasing in absolute terms over the evaluation period (see figure hereunder). However, the unemployment rate is increasing over the period, from an average of 8.5% between 1997-2000 to an average of 10.5% between 2001 and 2006 (see figure hereunder).

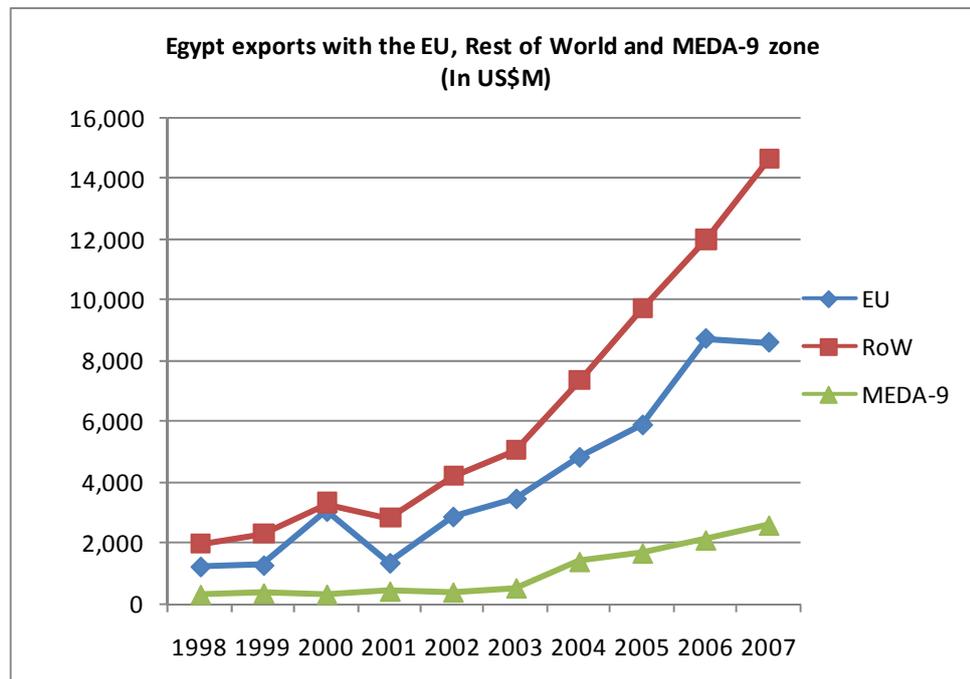


Source: Central Bank of Egypt

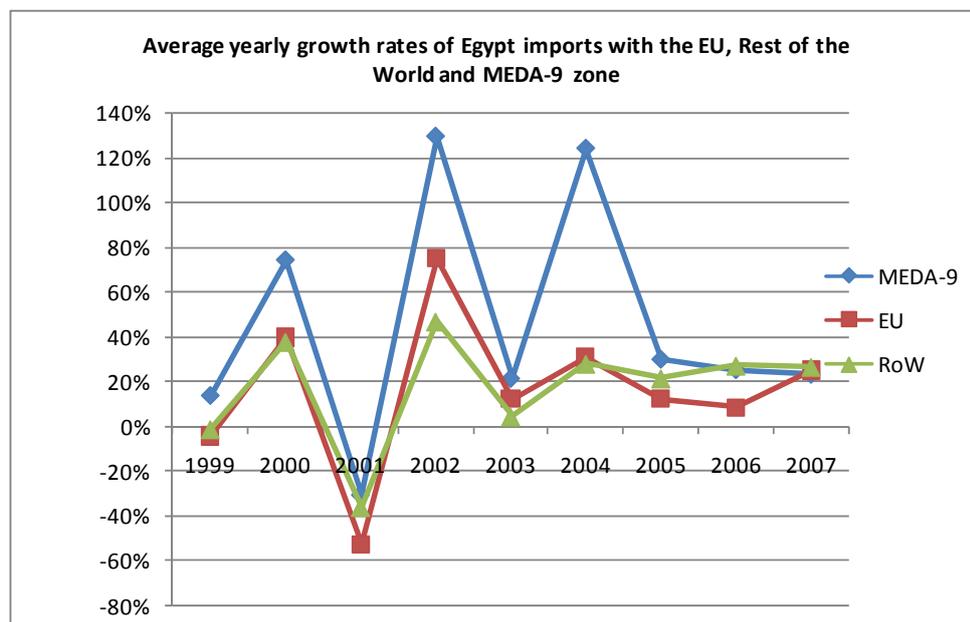
	<p style="text-align: center;">Unemployment Rate (In %)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Unemployment Rate (%)</th> </tr> </thead> <tbody> <tr><td>97/98</td><td>8.2</td></tr> <tr><td>98/99</td><td>8.1</td></tr> <tr><td>99/2000</td><td>9.0</td></tr> <tr><td>2000/01</td><td>9.2</td></tr> <tr><td>2001/02</td><td>10.2</td></tr> <tr><td>2002/03</td><td>11.0</td></tr> <tr><td>2003/04</td><td>10.3</td></tr> <tr><td>2004/05</td><td>11.2</td></tr> <tr><td>2005/06</td><td>10.0</td></tr> </tbody> </table> <p style="text-align: center;">—◆— Unemployment Rate</p> <p><i>Source: Central Bank of Egypt</i></p>	Year	Unemployment Rate (%)	97/98	8.2	98/99	8.1	99/2000	9.0	2000/01	9.2	2001/02	10.2	2002/03	11.0	2003/04	10.3	2004/05	11.2	2005/06	10.0
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TEP A	<p>Project OVIs have not defined quantified improvement, rather improvement. Indicators outlined in the Final evaluation report confirms that GDP has witnessed considerable improvement during the lifetime of the intervention</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Objectively verifiable indicators</th> <th style="text-align: center;">Evidence from TEP A evaluation</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Sustained real GDP growth</td> <td style="text-align: center;">Between 2003 and 2007 the GDP growth has been sustained 5-7% per year.</td> </tr> </tbody> </table> <p><i>Source: Final evaluation</i></p>	Objectively verifiable indicators	Evidence from TEP A evaluation	Sustained real GDP growth	Between 2003 and 2007 the GDP growth has been sustained 5-7% per year.																
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I.4.5.2	Number of export oriented enterprises increased																				
TEP A	<p>TEP A was expected to contribute to the growth of trading and export activities. No actual evidence from documentation confirms the increase in the exporting companies. OVIs of TEP A have considered that the project purpose is ultimately to increase the overall exporting capacities of Egyptian enterprises and boost export volume. The Final evaluation report confirms that the government has initiated export councils in different sectors to provide assistance and trouble shooting advise to exporting companies, which would be a demand of the increasing number of exporting companies or could be an attempt to increase exporting companies or both.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">OVI</th> <th style="text-align: center;">Evidence from project evaluation</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Increased number of SMEs who regularly export</td> <td style="text-align: center;">The creation of 14 export councils and their progressive enlargement to SMEs evidence that an increasing number of SME exporters are active although recent and difficult to quantify.</td> </tr> </tbody> </table>	OVI	Evidence from project evaluation	Increased number of SMEs who regularly export	The creation of 14 export councils and their progressive enlargement to SMEs evidence that an increasing number of SME exporters are active although recent and difficult to quantify.																
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I.4.5.3	Growth in volume and value of exports has accelerated																				
TEP A	<p>Rate of increase of exports has not been mentioned in any of the project documentation or the programming documents. Export growth and sustainable increase in growth have been explicitly expected as outcome of Trade enhancement initiatives as mentioned in the SFA. On another note, the final</p>																				

	<p>report has explicitly pointed out that export increase has been accelerating between the year 2003 and the year 2006.</p> <table border="1"> <tr> <td>OVI</td> <td>Evidence from project evaluation</td> </tr> <tr> <td>OO: export growth</td> <td>Annual exports proceeds: 3% in 2002/2003, 5.1% in 2003/2004, 6.5% in 2004/2005 and 6.8% in 2005/2006</td> </tr> </table>	OVI	Evidence from project evaluation	OO: export growth	Annual exports proceeds: 3% in 2002/2003, 5.1% in 2003/2004, 6.5% in 2004/2005 and 6.8% in 2005/2006																																								
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ALL	No data retrieved for this indicator.																																												
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	<p>Trade between Egypt and the EU in absolute value has increased over the evaluation period, in particular as of 2002 (see figures hereunder). Imports from the EU increased at an average pace of 18% over the period 2003-2007 while exports increased at an average pace of 26% over the same period (see figures hereunder).</p> <p>Trade between Egypt and the MPC also increased over the evaluation period, in particular as of 2002. Imports from MPC increased at an average pace of 45% over the period 2003-2007 while exports increased at an average pace of 58% over the same period (see figures hereunder).</p> <p>However, the shares of Egypt imports and exports are stronger with the Rest of the World than with the EU and negligible with the Mediterranean area (see figures hereunder):</p> <ul style="list-style-type: none"> - the share of Egypt imports originating from the EU equals 34% of total Egypt imports while the same share equals 61% for the Rest of the World, 3% for the MEDA-9 zone and 2% for Turkey. - the share of Egypt exports to the EU equals 35% of total Egypt imports while the same share equals 54% for the Rest of the World, 8% for the MEDA-9 zone and 2% for Turkey. 																																												
	<p style="text-align: center;">Egypt imports from the EU, rest of the World and MEDA-9 zone (In US\$M)</p> <table border="1"> <caption>Estimated data for Egypt imports (In US\$M)</caption> <thead> <tr> <th>Year</th> <th>MEDA-9</th> <th>EU</th> <th>RoW</th> </tr> </thead> <tbody> <tr><td>1998</td><td>1,000</td><td>6,000</td><td>10,000</td></tr> <tr><td>1999</td><td>1,000</td><td>6,000</td><td>10,000</td></tr> <tr><td>2000</td><td>1,000</td><td>8,000</td><td>13,000</td></tr> <tr><td>2001</td><td>1,000</td><td>4,000</td><td>8,000</td></tr> <tr><td>2002</td><td>1,000</td><td>7,000</td><td>12,000</td></tr> <tr><td>2003</td><td>1,000</td><td>8,000</td><td>13,000</td></tr> <tr><td>2004</td><td>1,500</td><td>10,000</td><td>17,000</td></tr> <tr><td>2005</td><td>1,500</td><td>11,000</td><td>20,000</td></tr> <tr><td>2006</td><td>2,000</td><td>12,000</td><td>25,000</td></tr> <tr><td>2007</td><td>2,500</td><td>15,000</td><td>32,000</td></tr> </tbody> </table>	Year	MEDA-9	EU	RoW	1998	1,000	6,000	10,000	1999	1,000	6,000	10,000	2000	1,000	8,000	13,000	2001	1,000	4,000	8,000	2002	1,000	7,000	12,000	2003	1,000	8,000	13,000	2004	1,500	10,000	17,000	2005	1,500	11,000	20,000	2006	2,000	12,000	25,000	2007	2,500	15,000	32,000
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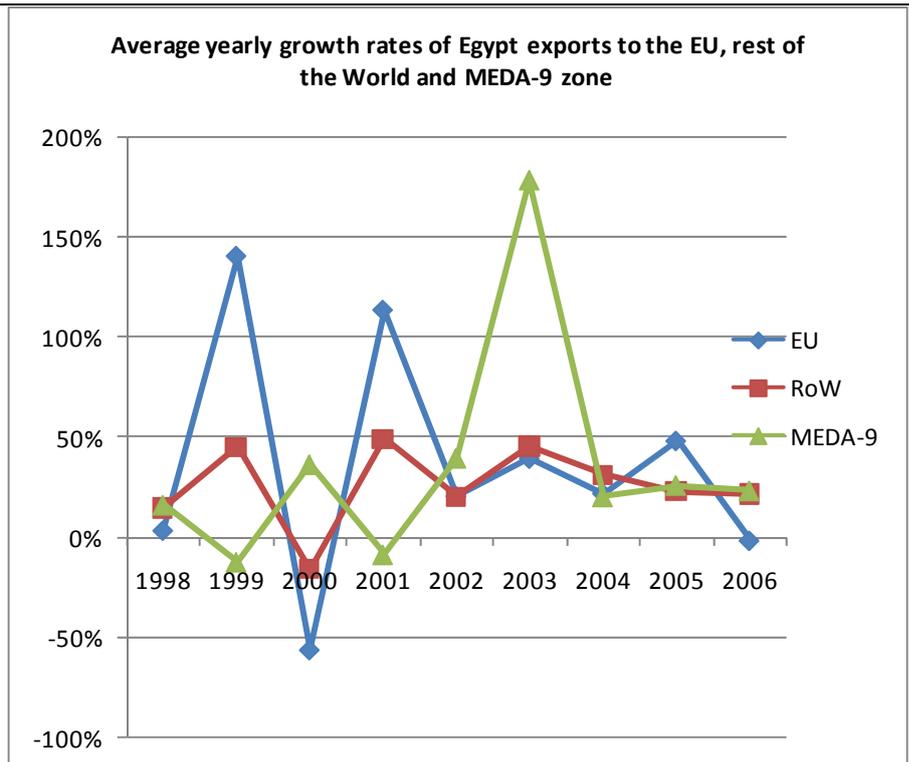
Source: IMF, Direction of Trade Statistics Database (DOT)



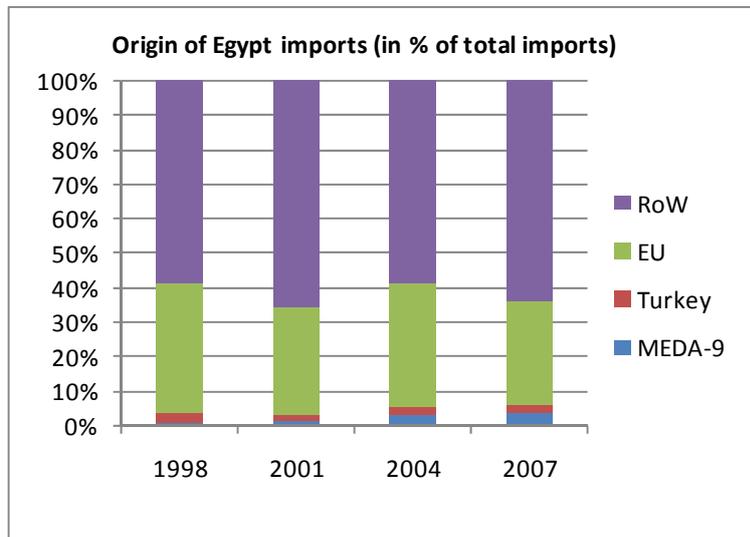
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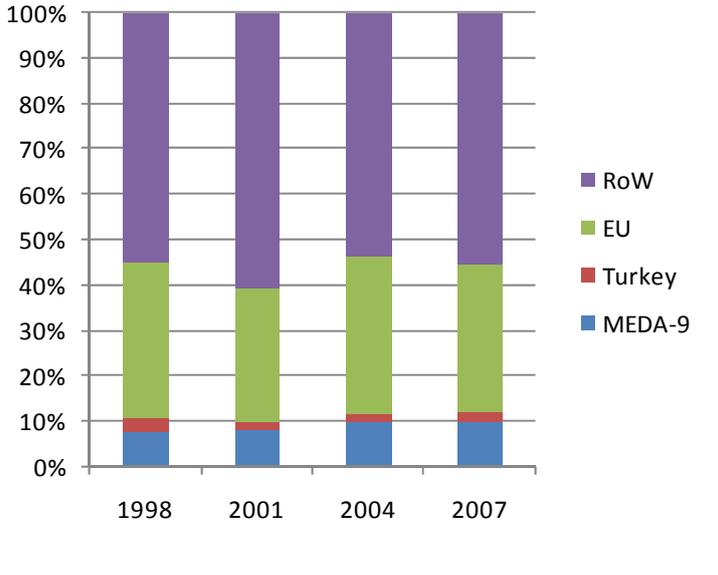
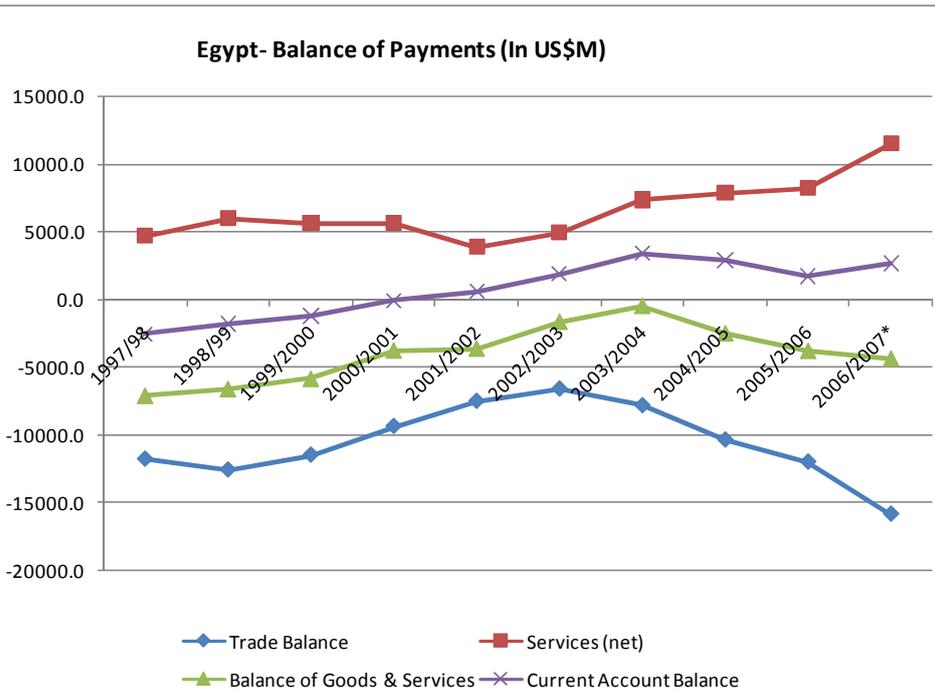
Source: IMF, Direction of Trade Statistics Database (DOT)



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Source: IMF, Direction of Trade Statistics Database (DOT)

	<p style="text-align: center;">Destination of Egypt exports (in % of total exports)</p>  <p style="text-align: center;"><i>Source: IMF, Direction of Trade Statistics Database (DOT)</i></p>
<p>I.4.5.6</p>	<p>Egypt's external trade situation has improved (trade and service balance, foreign direct investment, remittances, ...)</p>
<p>Overall</p>	<p>The balance of goods and services shows a deficit over the period 1997-2007, resulting from an important trade deficit not compensated by services. Indeed, while trade deficit is diminishing in between 1999 and 2002, it is widening as of 2003 with imports (respectively exports) increasing at an average pace of 26% (respectively 28%) over the years 2003-2007. The current account balance shows a surplus as of 2002 linked to the increase in transfers and to the decrease of the deficit of the balance of goods and services in 2003 and 2004.</p> 

	<i>Source: Central Bank of Egypt</i>
J.4.6	<i>Commission support in the area of trade added benefits to what would have resulted from EU MS alone</i>
I.4.6.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area
Overall	In the first CSP 2002-2006 and corresponding NIPs, there is no reference to a comparative advantage of the Commission in the area of trade. The second CSP 2007-2013 mentions the EU's comparative advantage as a trade and political partner within the framework of the ENP. <i>Source: CSP 2002-2006 and 2007-13 and corresponding NIPs</i>
TEP A	The programming documents do not refer to any comparative advantage of the commission in this area. The identification mission report could not be made available to the evaluation team. <i>Source: FA</i>
SAAP	The programming documents do not refer to any comparative advantage of the commission in this area. <i>Source: FA</i>
I.4.6.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention
Overall	The Commission has a long standing experience in the area of trade as it supports trade enhancement so as to promote the implementation of the AA since the first CSP. The Commission devoted 6% (0.95bn€) of its overall portfolio to the support of external trade over the evaluation period. It concerned in particular the support to the association agreement programmes (first and second CSP) and the three trade enhancement programmes (first CSP). However, this statement has to be counterbalanced by the fact that other donors such as USAID have a far longer experience in this field. Indeed, USAID has been involved in trade related issues since 1975 with a total support of \$14.8bn over the period 1975-2006. <i>Source: CSP 2002-2006 and 2007-13 and corresponding NIPs, Inventory of Interventions, http://egypt.usaid.gov/</i>
I.4.6.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them
TEP A	TEP A wasn't designed to tackle all issues that qualify it to be a typical trade-related assistance as described in the 2003 Commission's guidelines for Trade Related Assistance. It lacked looking into the development of appropriate trade policy environment and focused on trade development through short term TA interventions related to the departmental and divisional capacity building, rather than trade in the holistic approach. More importantly it lacked the comprehensive holistic view of looking into trade as an element of the overall development framework with its social and economic aspects while it was designed to push forward one of Egypt's most important trade agreements in recent history. TEP rather looked into trade as a stand alone element and its initiatives were mainly stand-alone interventions designed in a hit and go

	<p>manner.</p> <p>The identification mission report hasn't been obtained and it is therefore not possible to assume the basis of design and whether it was based on prioritized trade related capacity building list of action or not and if it has been based, synchronized with a National trade policy.</p> <p><i>Sources: FA of TEP-A, MN 285, European Commission, Guidelines for European Commission Trade related Assistance, May 2003</i></p>
I.4.6.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of trade
Overall	<p>Significant EU MS donors (France and Germany) have not been involved in the area of trade. The comparative advantage of the Commission in this area could therefore not be assessed.</p> <p><i>Sources: MN 134, 122, 109, 275</i></p>
I.4.6.5	Evidence that the Commission and EU MS have a common political agenda in the area of trade
Overall	<p>The Commission and EU MS have a common political agenda in the area of trade which is defined in the AA and ENP AP.</p> <p><i>Sources: AA and ENP-AP, CSPs, DG Trade web site: http://ec.europa.eu/trade/</i></p>
I.4.6.6	Evidence of a mandate given to the Commission by the MS in the area of trade
Overall	<p>The Commission has a mandate given by the EU MS in the area of trade since it has been in charge of negotiating the AA.</p> <p><i>Source: European Commission, DG Trade web site: http://ec.europa.eu/trade/</i></p>
I.4.6.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of trade
Overall	<p>Dialogue on trade issues is carried out at a high political level within the framework of the EEAA between the first assistant to the Minister of Trade and Industry and relevant Commission staff (trade section at the ECD, DG Trade and RELEX, EU MS).</p> <p>At intervention-specific level in the area of trade, beneficiaries have well appreciated the support received and acknowledged tangible results. However, it is felt that the support has been punctual and scattered and that the individual results need to be consolidated by a long-term commitment of the Commission so that they translate into systematic durable changes. In particular, support is still needed in terms of capacity building / institutional strengthening to maintain the ability of the Egyptian administrations and operators to keep up with EU and international trade requirements (issuance of new regulations and laws). Moreover, stakeholders pointed out the lack of sustainability of the Commission support as most of the staff of the MoT&I that has received training within the framework of Commission's interventions has left the Ministry.</p> <p><i>Source: MN 285</i></p>

EQ5	To what extent has the Commission supported employment, job creation and access to the labour market, including where relevant through supporting labour market reforms?
J.5.1	<i>Employment and labour market reform have been priorities for the Egyptian Government</i>
I.5.1.1	Evidence that labour market supply and needs have been diagnosed
MED/2002/004-955 (TVET)	<p>Ministry of Manpower and Immigration is the entity within the government that is assigned with labour and employment issues. Studies that have been development related to supply and demand of labour within the ministry have been in the context of cooperation with donor agencies or international organizations, of which USAID, World Bank and ILO.</p> <p>Some labour economics analyses exist but they are not comprehensive and not cross cutting across different sectors. Sector focused studies have analyzed the workforce dynamics in related sectors or subsectors. Also some geographical focused studies have taken the labour economics in consideration within certain geographical locations.</p> <p>It is worth highlighting that any studies that involve labour dynamics would not consider the informal sector. Even Ministry of Manpower and Immigration do not count the informal sector in their pool of concern. There is no official concrete evidence of the proportion of the informal sector, which could be any figure between 30% and more than 70%.</p> <p>Unemployment and employment published figures lack information on the basis upon which those figures were collected. According to Ministry of Manpower and Immigration as well as CAPMAS, employment is counted through the number of employees registered as socially insured employees in current jobs.</p> <p><i>Source: MN 267</i></p>
I.5.1.2	Evidence that GoE has developed an employment strategy and a labour market reform strategy
Overall	<p>Egypt's Fifth Five-Year Plan (2002-2006) proposes a multifaceted strategy with regards to employment/unemployment. To cope with an increasing work force, the GoE strategy for achieving high levels of employment is based on the following actions:</p> <ul style="list-style-type: none"> ▪ Promoting private investment, with special attention to small enterprises. ▪ Improving the labour quality to better fit labour market needs; this is to be achieved through upgrading human skills by modernizing training centers. ▪ Developing the educational system to produce skilled workers qualified to join the labor market. ▪ Controlling new entrants to the labour market by reducing school dropout rates and offering a modernized graduates' public service system, training programs and graduate rehabilitation services. ▪ Improving the functioning of the labor market through private and public employment offices the establishment of a database for recording surplus and deficits in job opportunities and training and retraining needs.

- Unemployment needs to be tackled through rapid economic growth (private sector investment and improved capacity utilisation), employment in the public sector, promotion of small enterprises etc.

The Sixth Five Year Plan (2007-2011) broadly covers the same priorities (encourage production, growth and employment and enhance human skills and bring them in line with labour market needs) whilst emphasizing the importance of small enterprises in creating new job opportunities for the youth. Neither the Fifth nor the Sixth Five Year Plans thus propose labour market reforms.

Such reforms have been mentioned in the CSP 2007-2013 as part of the strategic priority 3 of the ENP Action Plan: the CSP states: *‘Addressing the question of unemployment, under-employment and of a better match the workforce skills with the market needs are at the centre of the strategy to reduce poverty, promote economic growth and prevent radicalisation. The reform of the labour market will also be boosted by implementation of the new labour code and of the ILO conventions, effective trade unions and social dialogue and development of a labour market information system. The EU is willing to consider support in these fields.’*

The lack of labour reforms in Egypt is illustrated by the results of the ‘Ease of Doing business’ survey published yearly by the World Bank; the results for the **Employing workers in Egypt** show that all indices have stayed absolutely unchanged since 2004; the only change has been for the firing costs of labour (measured in weeks of wages) which has actually increased, thus showing less rather than more labour market flexibility (but more social protection).

Employing workers in Egypt

	2004	2006	2008
<i>Difficulty of hiring index</i>	0	0	0
<i>Rigidity of hours index</i>	20	20	20
<i>Difficulty of firing index</i>	60	60	60
<i>Rigidity of employment index</i>	27	27	27
<i>Nonwage labour costs (% of salary)</i>	..	25	25
<i>Firing costs (weeks of wages)</i>	123	132	132

Source: Ease of Doing Business, WB

Source: Fifth and Sixth Five Year Plan. CSP 2007-2013, WB Ease of doing business

**MED/2002
/004-955
(TVET)**

The ETF assessment that was conducted has highlighted a number of initiatives to enhance development within the labour market such as financial and economic reform with an aim of creation of employment opportunities, coordination between governmental bodies and donor programs within the TVET Reform to ensure complementarities. Also the establishment of the National Authority for Quality Assurance and Accreditation to unify and control the standards of training being delivered and accredit curricula and training centres. However, there is no evidence in the existence of a national reform within the regulatory environment of the labour market or controlled coordination between all stakeholders who have an active or dormant role for labour issues.

Interviews during field mission with Ministry of Manpower and Immigration

	<p>have confirmed that there is a national policy for employment, but there isn't a national strategy with tactical activity plan. No document has been provided that confirms if there is a national strategy for employment in the government.</p> <p>However, within national reform in different sectors such as the Industrial Reform Strategy and the Education Reform Strategy, there is a reference of employment development through skills enhancement.</p> <p><i>Source: ETF Assessment, MN 267</i></p>
I.5.1.3	Evidence that the GoE is undertaking an education sector reform that is targeted to labour market needs
ENPI/2007/019-248 (Education)	<p>The Government of Egypt is undertaking a pre-university education reform. The strategy has been developed through donor-supported interventions, mostly led by UNESCO, however done in the most participatory method through guided consultancy and facilitation with the Ministry of Education.</p> <p>The strategy is looking at the infrastructural element of education, which are:</p> <ol style="list-style-type: none"> 1- Quality of Education: looking into the school reform 2- System reform: looking into ICT programming, decentralization, M&E system as well as construction 3- Level based programs, which focus on the levels of schooling as well as girls education and students with special needs. <p>The link of the education reform with market needs, industrial reform, economic reform and similar sector reform programs is foremost made through the proposed curriculum reform and the integration of the different education strands (technical and general secondary).</p> <p><i>Source: National Education Strategy Paper</i></p>
I.5.1.4	Evidence that the GoE is undertaking reforms of tertiary and technical education and vocational training
MED/2002/004-955 (TVET)	<p>The lack of a systematic cohesive and demand driven TVET provision in Egypt resulted from a weak education system in general and out-dated supply driven, government led and provided vocational secondary education system has resulted in a gap between the demand of vocational training needed in the Egyptian labour market and the supply of TVET whether in school education or adult training. One of the main drawbacks of the TVET provision is the fragmented ownership of TVET supply among 22 different ministries and governmental institutions, in addition to the private sector and civil society initiatives; it constrains coordination, synchronization and accountability as well as ownership of the overall reform of the TVET system.</p> <p>Within a comprehensive Policy Statement on Employment and TVET Reform in Egypt, the Egyptian Government was committed to adopting complementary intervention and piloting reform initiatives, supported by donor funds. The supreme council for Human Resources Development was established to undertake on behalf of the Egyptian government the mandate of TVET reform in Egypt (2000). The problem within the TVET in Egypt is that there is a distinct division between Education and Training. Whereas Ministry of Education should be the owner and the initiator of vocational educational reform within the Education sector, and the ministry of Higher Education should own the higher vocational institutes, there are other 21 different</p>

ministries that are engaged in vocational training. The mandate of the Supreme council was to act as an umbrella institution for all TVET Reform. However since 2002, the Supreme Council has stopped functioning and it was the only body (according to labour law) where all stakeholders of TVET meet and are represented. No other entity was established to replace SCHR's role which was a blocking challenge in the way of Reform in Egypt. However lately the Minister of Manpower and Migration, in her position as the chairperson of the Committee is working on revitalizing the body and putting a new agenda for its functions.

On another note, since then, the ministry of industry and trade had undertaken its role as an owner of TVET improvement within the industrial sector and has adopted a number of initiatives to improve its delivery and overall administration. Accordingly it became the logical partner for TVET Reform initiatives from donors such as the World Bank's Skills Development Programme and the EC's TVET Reform Program among others.

According to the last assessment conducted by the ETF for the TVET progress in Egypt, dated march 2009, the overall integrated strategy for human resources development in the country in general and in the TVET in specific is still absent. However, at the education side, the Ministry of Education, with the support of a number of Donors, has drafted and adopted its "National Strategy Plan for Pre University Education Reform in Egypt (2007-2012)", and on the Industrial side, the Industrial Development Strategy stands as the engine of growth for the Egyptian economy over the next 20 year, all attempts for different sub-sector reforms, but in the absence of clear leadership for TVET, reform of the sector on a cross-cutting basis remains ownerless.

The CSP 2002-2006 has identified human resources development as its major concern and a cornerstone in the government policy agenda. The FA has identified a number of initiatives that the government is taking in order to push vocational education and training forward. The project documentation (ETF report for assessment of progress of the TVET Reform Program and Monitoring Reports) have identified more government initiatives to take ownership and sustain development initiatives.

- 1- Human Development Strategy developed within the mandate of the supreme council for human resources development that was established within Ministry of labour to undertake vocational training specially for skills development of currently employed labour. (FA)
- 2- The formation of the training councils at the 3 focused subsectors to coordinate TVET work within the specified sectors: Industrial Training Council for manufacturing, Tourism Training council for Tourism and Construction Training Council for Construction.
- 3- The government has initiated the National authority for Quality assurance and accreditation to tackle the challenges of lack of accreditation and certification of the currently existing TVET institutions
- 4- The adoption of an industrial development strategy of which TVET development and reform is a main component
- 5- And last but not least the adoption of the Education Reform Strategy of which Vocational Education is a main component

	<i>Source: CSP, NIP, FA</i>
TVET	Within the TVET programme, there is an intervention of piloting reform models in VET schools. Reform would include curriculum adjustment, teacher training as well as school governance reform. It is planned that such models would be integrated in the MoE strategy of VET reform as the TVET project crystallizes its reform model into a comprehensive strategy.
I.5.1.3	Evidence that the GoE undertakes specific interventions in the productive areas to create employment opportunities
Overall	<p>President's Mubarak electoral programme placed priority on a comprehensive package of programs titled "jobs for our youth" which seeks to create 4.5 million through securing jobs in the industrial, agricultural and tourism sectors for Egypt's youth and which will be implemented through:</p> <ul style="list-style-type: none"> ○ a micro lending system for small businesses (+100,000 jobs each year) ○ enhancing the labour market through bank financing of small scale projects (+90,000 jobs over 6 years) ○ construction of 1,000 factories (+1.5 million jobs) ○ desert reclamation together with the restructuring of the Bank for Development & Agricultural Credit, encouragement of single crop cultivation and establishment of agricultural cooperatives (+420,000 jobs in 400 new villages in the desert on one million acres over six years) ○ invigorate the tourism industry in Egypt to increase the flow of tourists to 14 million annually by 2011. <p>In the 2007/2008 budget, the GoE launched the idea that subsidies (which were budgeted for LE 55.7 billion) could be used to subsidize the production process rather than the consumption process so that 'this will lead to strengthening national economy's ability to generate employment opportunities which will in turn generate incomes for low income families'. The idea was to shift from subsidizing low-income people to subsidizing their ability to generate income through export subsidies, subsidies to industrial zones thus creating job opportunities and industrial training subsidies 'to meet the needs of the productive sector for skilled labor, and to strengthen the ability of local employment to rehabilitate and train to meet the new requirements of the national industry until developing basic and technical education system'. Subsidies to the production process were thus proposed to be increased to LE 3842 million budgeted in 2007/08 from LE 2042 in 2006/07 and only LE 35 million in 2001; in the event this increase (which still would have only represented 6.9% of total subsidies) was overshadowed by the sharp and unforeseen increases in consumption subsidies engendered by increased prices for foodstuffs and petrol (subsidies for supply commodities and petroleum products increased from a budgeted LE 46 billion to LE75.5 billion) The 2008/09 budget also included several programs (LE 4 billion) to 'subsidize the productive side and improving youths' skills and their ability to work in order to increase employment and create actual job opportunities for them either through enhancing firms' abilities to employ or through specialized training programs to upgrade youths' skills to suit the needs of labor market'.</p> <p><i>Source: President's Mubarak 2005 election programme, the budget statements of 2007/08 and 2008/09.</i></p>

J.5.2	<i>The Commission has supported the priorities identified by the GoE for employment and labour market reform</i>
I.5.2.1	Evidence that the Commission supported the education sector reform (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)
ENPI/2007 /019-248	<p>The Commission has just (late 2008) launched a large education support programme, the Education Sector Policy Support Programme (€120 million) which comes in support of the National Education Strategic Plan 2007-2013 just finalised. See I.6.1.1 for the details of the programme. All disbursement conditions are linked to specific reform measures included in the new strategy and the EC-MoE dialogue is mainly linked to these reform issues. In addition however it is important to note that the EC has made an active effort in trying to bring together the education and the TVET problematic: for the first time the two ministries in charge (MoE and MoIT) were scheduled to meet to discuss TVET in July 2009.</p> <p>This recent SBS followed from an earlier important EC support to the sector through the Education Enhancement Programme € 100 million (April 1998): the principal objective of this programme co-funded by the World Bank was to improve the basic education system by focusing on educationally less privileged geographical areas.</p> <p><i>Sources: FA, MN 86</i></p>
I.5.2.2	Evidence that the Commission supported the TVET reform (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)
TVET	<p>TVET Reform has been on the priority agenda of the government since early 2000s. Supported by the WB and the EC, sector analysis has identified two programs required for TVET Reform, one to work on the supply and other on the demand.</p> <p>European commission has launched the TVET Reform programme to model reform and draft a national strategy for TVET reform. The program is a six year initiative that tackles three main sectors, manufacturing, tourism and construction. The project is co-funded by the GoE with a contribution (50%) of 33 Million Euros.</p> <p>TVET is designed to provide technical assistance represented in 8 contracts to provide capacity building for local counterpart, provide training and training of trainers courses, facilitate twinning between local TVET institutions and European counterparts, manage visibility and public awareness. The output of the project should be a number of successful models of reform of TVET in the 12 subsectors chosen within the three industries. Successful models should yield a draft strategy paper for the reform of TVET in Egypt.</p> <p>The program is designed on a six year plan, with gradual subsectoral outreach during the first three years, to conclude the reform model in the subsequent three years, provided that those would be guided by sectoral studies and analysis to help formulate the strategy.</p> <p>The local partner for TVET Reform is one of the issues of debate in this initiative. Whereas the Reform is targeting three main industry, one of which is</p>

	<p>manufacturing, having the Ministry of Industry and Trade as the local beneficiary from the GoE side put a question mark on the capacity of the project to reach out properly to tourism and construction and the sense of ownership and responsibility that Ministry of Tourism and ministry of housing would get in a project that is not hosted in their arena.</p> <p>Realizing this shortcoming in the project, a six-ministerial committee has been formed reporting directly to the prime minister in order to produce the country national policy, and strategy for TVET Reform.</p> <p><i>Sources: FA, MN 63</i></p>
I.5.2.3	Evidence that the Commission supported interventions in the productive sectors that directly or indirectly aimed at creating employment opportunities (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)
Overall	<p>The EC has supported programmes which addressed several of the areas identified as important by the GoE for employment creation and unemployment reduction. During the period of review programmes of the Commission have in particular aimed:</p> <ul style="list-style-type: none"> ▪ to stimulate private sector growth, to restructure productive enterprises and to enhance external trade capacities thus all potentially contributing to production and employment (IMP, TEPs, Spinning and Weaving restructuring, SAAP and Support to Research and Innovation); ▪ to stimulate the creation of small enterprises (via the provision of funds for on-lending to small and micro-enterprises – Social Fund, FISC Rural and FISC Social) which were given a special role in the Sixth Five Year Plan in creating job opportunities for unemployed youth; ▪ to improve access to education and to reform the education system (Education Enhancement Programme, Education Sector Policy Support Programme, higher education Tempus); and ▪ to contribute to the improvement of the overall competitiveness of Egyptian enterprises through supporting them with highly qualified and skilled labour in different production and service sectors; this would entail developing human and institutional capacities for the formulation and implementation of a national TEVT reform policy (TEVT). <p>Amongst these different areas, the programme for technical and vocational training (TEVT) has been the closest to aiming for labour market reform.</p> <p><i>Source: CSPs, NIPs, CSE</i></p>
I.5.2.4	Views of stakeholders on the appropriateness of Commission support in these areas with regards to the employment objective
TVET	<p>Although in principle the TVET project addresses a high priority issue which is vocational training in Egypt, the way the commission designed its program is targeting industrial modernization for overall competitiveness, whereas in Egypt perspective the issue of skills development is an issue of labour market modernization and employment enhancement, topics that the commission hasn't tackled within its interventions or design considerations. Apart from the TVET there isn't any intervention that have been developed or adopted by the commission for employment or labour market issues.</p> <p>At the project side, interviews revealed that the design of the project hasn't</p>

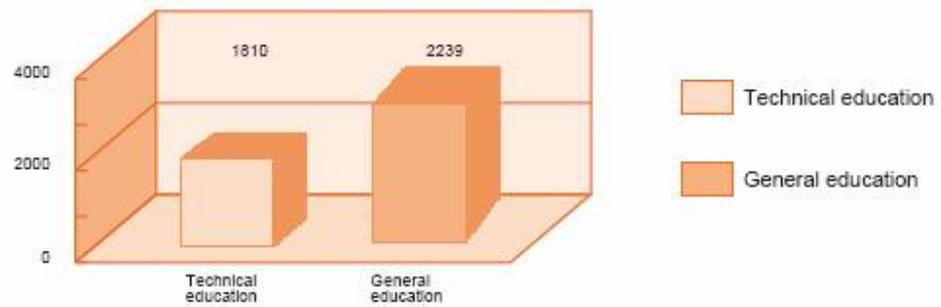
	<p>been targeting employment, rather competitiveness of the Egyptian industries, as most of the interventions of the Commission in the region aiming at industrial modernization and overall trade enhancement. This is confirming the FA that the objective of the project to support the SMEs and Egyptian industries rather than tackle employment issues.</p> <p>The main owner of employment issues in Egypt, according to the Egyptian law of employment, is the Ministry of Manpower and Immigration, which is not the main counterpart and not considered as a main partner to the commission.</p> <p>Beneficiaries criticised the lack of comprehensive planning at the Commission side, designing a Reform Programme to be kicked off and completed in a few years. Reform takes time and takes a successive number of initiatives with a number of iterations in order to reach real Reform. Adhoc initiatives without complementing / successive interventions lead to disappointment in lack of sustainability as well as real impact.</p> <p>Representation from the private sector view that labour market reform is a crucial necessity that is not tackled properly by the Commission or any other international donor. TVET can hardly achieve any employment targeted objective given that it is designed within a short frame of time that could hardly tackle social or behavioural issues.</p> <p>Last but not least, interviews with MoFA have highlighted that a holistic approach for human resources development, that is country-wide and sectorially cross cutting has been asked for by the Egyptian side, but the Commission selects its interventions in a vertical focus rather than cross cutting horizontal focus.</p> <p><i>Sources: MN 205, 221,267</i></p>
J.5.3	<i>The sustainability of systems put in place for technical and vocational training have been enhanced by reforms undertaken</i>
I.5.3.1	Beneficiary institutions have been leading or closely involved in the design of the interventions
MED/2002/004-955 (TVET)	<p>The challenges that have been identified in the FA that are facing the TVET system in Egypt are:</p> <ol style="list-style-type: none"> 1- Multi-faceted ownership within 22 different ministries providing public sector dominated education and training that is not appreciated by students or employers 2- Absence of private sector from the TVET system, whether as a provider of TVET or as an active user and contributor to its shape 3- Lack of standards and accreditation. <p>Those have directed the TVET design to constitute three components addressing the above three challenges:</p> <ol style="list-style-type: none"> 1-Development of decentralized and demand driven TVET ETPs that should link private sector needs and TVET providers supply. ETPs are meant to take ownership of TVET delivery in subsectors and coordinate with related governmental bodies on behalf of the entire sector. 2- Improvement of the quality of TVET delivery 3- development of national regulatory and support institutions for a

	<p>decentralized and demand-driven TVET system.</p> <p>The design has thus addressed directly the challenges that were highlighted from the sector study. The contribution of the beneficiary or the Government in the initial design is not clear from the documentation, but the cost-share (50%) of the budget that was highlighted in the FA can claim a serious ownership of the Government to the initiative and to its interest in sustainability.</p> <p>Subsequent reporting and progress assessment through the years of implementation of the initiatives have found that:</p> <ol style="list-style-type: none"> 1- Establishment of training councils to regulate TVET interventions at different fronts ensuring complementing actions between government, donors and private sector represented in business associations and sector focused chambers of industry. 2- Ensuring that all delivered curricula, modules and training actions are being approved and owned by the beneficiary for rolling out nation-wide 3- The involvement of related ministries such as the Ministry of Education to adopt and own the pilot models conducted at the schools levels. 4- Engagement of private sector represented in the boards of directors of ETPs and the TVET Reform Board of trustees <p>It could be thus confirmed that the beneficiary is leading the ownership of implementation and the interest in the sustainability of the project outcome.</p> <p><i>Source: FA</i></p>
<p>MED/2002 /004-955 (TVET)</p>	<p>Manufacturing side has been the directing arm of the project since its launch. Beneficiaries from other sectors have not seen that benefit. The design suited some parts of the project such as the Ready-made garments, food, wood and building materials and is not relevant to others such as hospitality and construction, given different industrial nature and different maturity in issues related to education and training, the “one-solution-fits-it-all” cannot apply. Design of the project is highly criticised at the Ministry of Tourism due to the absence of relevance to the service sector and to the training dynamics in the tourism and hospitality sectors. The establishment of parallel organizations with no specific roles to each is a point of confusion. It is not clear what the role of the training councils is against the ETPs or the TPs against the chambers of industries that are originally the parent institutions of the ETPs.</p> <p>Whereas reporting is applauding the design and its suitability to the context of Egypt, interviews are questioning the logic behind a complex design and the potential of its sustainability beyond the EU funding.</p> <p><i>Sources: MN 63, MN 221, MN 205, MN 267</i></p>
<p>I.5.3.2</p>	<p>Reforms have encompassed institutional and administrative improvements</p>
<p>MED/2002 /004-955 (TVET)</p>	<p>It could be confirmed that there are institutional and administrative improvements within the TVET system, although the Monitoring reports have clarified that the component related to policy reform is still lagging in its progress of the project. The reason for that is that in the very early stages of the project, the project management unit focused on “contributing to higher competitiveness of the Egyptian enterprises on domestic and international</p>

	<p>markets instead of supporting the development of human and institutional capacities for the formulation and implementation of a national TVET reform policy. However improvement can indeed be confirmed in the active participation of the private sector as a driver and user of the TVET service, the institutionalization of tourism TVET training through the Tourism Training council and related ETPs rather than individualized ad hoc initiatives conducted by donor money and the creation of one umbrella within the TVET Reform Programme of the Government that can lead dialogue related to TVET, instead of the spread ownership among 22 different ministries.</p> <p><i>Source: FA, MR</i></p>
Source	<p>Institutional and administrative improvements cannot be claimed. Although the National Accreditation and Education Quality Authority has been established, yet it is an embryo organization and its mandate against Ministry of Manpower and labour is not yet clear. Law of employment provided ministry of labour the authority to approve national skills, accredit training and certify training providers. Disregarding if the Ministry of Manpower is doing its job or not, the new body does not have constitutional power.</p> <p>Interviews revealed that neither training councils is activated apart from the Industrial Training council which has been created to coordinate efforts within the Ministry of Industry related to TVET. Replication of the experience was not evidently needed in other sectors, yet it was formally requested by the TVET project. “Training council is ink on paper” is one of the comments of the stakeholders.</p> <p><i>Sources: MN 221, MN 205</i></p>
I.5.3.3	Financial sustainability of service provision is ensured
MED/2002 /004-955 (TVET)	<p>Financial sustainability is a question raised in the documentation of the project, precisely in the Monitoring report. The initiative is still lagging in the policy reform component and the financial sustainability of the model beyond the Commission’s intervention. The finding was confirmed by beneficiary interviews.</p> <p><i>Source: MR, MN 221, MN 267</i></p>
I.5.3.4	Public expenditure trends in supporting TEVT demonstrates support and sustainability
MED/2002 /004-955 (TVET)	<p>No indicators or evidence have been provided related to TVET public expenditure beyond the Egyptian contribution to the cost share of the project. It is worth highlighting that the vocational education budget, if any, is embedded within the overall education budget of the government. On the training side, training budgets are also embedded within total subsectors budgets.</p> <p>At the education side, Egypt’s expenditure is less than 5% of the total government budget, with tertiary education constituting around 30% of the budget.</p> <p><i>Reference: Egypt Strategy plan for Education 2007</i></p>

J.5.4	<i>Reforms of the education systems supported by Commission interventions have led to improved adequacy of the labour force to market needs</i>																																																
I.5.4.1	Indicators of access to the different education levels/types: primary, secondary, tertiary, technical and vocational education services (geographical coverage of services, enrolment rates)																																																
MED/2002/004-955 (TVET)	<p>Access to vocational education is not hindered by lack of schools or geographical challenges. World Bank Report “Improving Quality, Equality, and Efficiency in the Education Sector” has highlighted that among a number of similar economies, Egypt is ranked high in terms of the number of vocational schools. In fact 60% of secondary students are enrolled in vocational schools rather than general secondary schools. However, it needs to be noted that due to the inadequacy of vocational education provision and the cultural barriers that consider vocational students second class citizens, there are always attempts of vocational students to seek opportunities to shift into general education.</p> <p>Number of schools: The growth of technical schools between 2001/02 and 2005/06 is shown in Table (1), along with figures on the growth in the number of classrooms and students, for each type of technical school: industrial, agricultural, and commercial. Table (1) shows a drop in the number of technical schools, from 1,940 in 2001/02 to 1,810 in 2005/06. This decline is due to the conversion of a number of commercial schools to general secondary schools. There are fewer agricultural schools (9.5 percent of the total of all technical schools) than industrial and commercial ones.</p> <p style="text-align: center;">Table (1): Number of Technical Secondary Schools in Egypt 2001/02 – 2005/06 (MOE-GAIC, 2006d)</p> <table border="1" data-bbox="405 1205 1362 1563"> <thead> <tr> <th rowspan="2">Schools</th> <th colspan="3">2001/2002</th> <th colspan="3">2005/2006</th> </tr> <tr> <th>Public</th> <th>Private</th> <th>Total</th> <th>Public</th> <th>Private</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>794</td> <td>11</td> <td>805</td> <td>863</td> <td>11</td> <td>874</td> </tr> <tr> <td>Agricultural</td> <td>168</td> <td>0</td> <td>168</td> <td>172</td> <td>0</td> <td>172</td> </tr> <tr> <td>Commercial</td> <td>722</td> <td>245</td> <td>967</td> <td>536</td> <td>228</td> <td>764</td> </tr> <tr> <td>Total</td> <td>1684</td> <td>256</td> <td>1940</td> <td>1571</td> <td>239</td> <td>1810</td> </tr> <tr> <td>General secondary</td> <td>1351</td> <td>432</td> <td>1783</td> <td>1641</td> <td>598</td> <td>2239</td> </tr> </tbody> </table> <p>Figure (1) shows that the number of technical schools was less than the number of general secondary schools in 2005/06. Despite this fact, technical schools students accounted for 61.28 percent of all students enrolled in secondary education.</p>	Schools	2001/2002			2005/2006			Public	Private	Total	Public	Private	Total	Industrial	794	11	805	863	11	874	Agricultural	168	0	168	172	0	172	Commercial	722	245	967	536	228	764	Total	1684	256	1940	1571	239	1810	General secondary	1351	432	1783	1641	598	2239
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Figure (1): Number of General and Technical Schools (2005/06)



To strike a balance between general and technical education and achieve the goal of 50 percent general secondary to 50 percent technical secondary schools, about 201 commercial schools were converted to general secondary schools. This has increased the number of general secondary schools by 25.57 percent. The conversion process was terminated in 2003/04 for political and social reasons. The following table illustrates the number of converted commercial secondary schools.

Table (2): Commercial Schools Converted to General Secondary Schools (1/7/2001-30/8/2003) (MOE-GAIC, 2006d)

Total number of three-year commercial Schools	Target for Schools conversions	Number of Schools actually converted			
		2001/02	2002/03	2003/04	Total
611	315	33	88	80	201

The Egyptian government has implemented a rigorous admission policy for technical secondary schools, which led to a growth in student enrolment. Table (3) shows that the number of technical secondary education students decreased between 2001/02 and 2005/06, from 2,149,408 to 1,961,162. In 2001/02, students enrolled in technical schools accounted for 64.68 percent of all secondary level students while they accounted for 61.28 percent in 2005/06. In the same year, students enrolled in general secondary education comprised 38.72 percent of all secondary level students.

Table (3): Increase in Technical School Students, by Division, Compared to Secondary General Students (2001/02 - 2005/06) (MOE - GAIC, 2006d)

Schools	2001/2002			2005/2006		
	Public	Private	Total	Public	Private	Total
Industrial	930,159	3716	933,875	988,729	3328	992,057
Agricultural	225,311	0	225,311	223,386	0	223,386
Commercial	873,220	117,002	990,222	620,144	125,575	745,719
Total Tech secondary	2,028,690	120,718	2,149,408	1,832,259	128,903	1,961,162
General secondary	1,057,934	104,945	1,162,879	1,145,174	94,015	1239189

	General Secondary	Private General Secondary	Technical Secondary	Al Azhar Secondary	Total
No. of Students	1,145,174	94,015	1,961,162	279,963	3,480,314
Percentage	32.9%	2.7%	56.4%	8%	100%

In terms of access, a large number of persons in the age group (14-16)(3) are out of secondary education, as enrolment in all types of secondary education is only 3,480,314 students, representing 78.4 percent of total age group(4). The current structure presents a duality of secondary education (general/technical), where the overall GER in the general secondary branch is 27.9 percent, while in technical education it is 44.2 percent.

Table (3): Distribution of Schools, Classes, and Students in Technical Secondary Education, by Locality, 2005/06

	Urban			Rural			Total		
	Schools	Classes	Students	Schools	Classes	Students	Schools	Classes	Students
2005/2006	1,338	40,819	1,536,643	472	10,768	424,519	1,810	51,587	1,961,162
Rate	73.9%	79.1%	78.4%	26.1%	20.9%	21.6%			

The very low number of schools in rural areas results in an inequitable geographic distribution of schools. Rural areas had only 33.8 percent of secondary schools in 2001/2002, whereas, these areas contain approximately 55 percent of Egypt's population.

Table (5): Distribution Discrepancy Among Governorates Regarding Technical Secondary Education Schools 2005/06

Governorate	Population in the age group (14-16)	No. of Schools	School's share from the targeted population
North Sinai	25217	23	1098.4
Aswan	70202	51	1376.5
Red Sea	15793	27	584.9
Marsa Matrouh	19336	14	1381.1
Luxor & Qena	210430	105	4129.5
Fayoum	162,117	37	4,381.5
Minia	243,900	47	5,199.4
South Sinai	4778	7	682.6

Reference: Egypt Education Strategy 2007

I.5.4.2

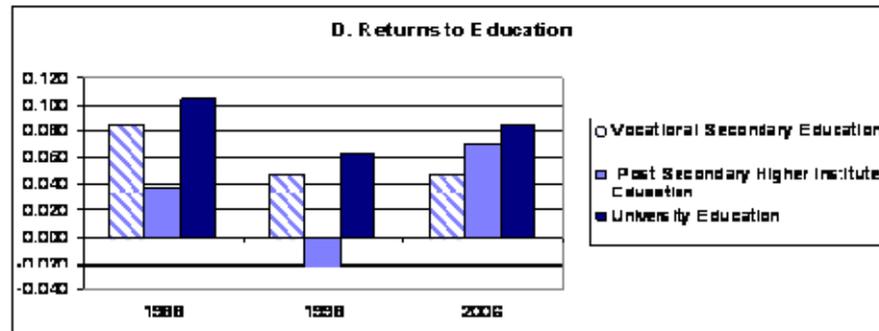
Indicators of outturn of primary, secondary, tertiary and technical education/vocational training

Overall

WB findings reflect some improvements in outcomes for vocational graduates in terms of employment rates and labor force participation, but the overall ratio of jobseekers with secondary education (the vast majority of who are vocational graduates) is high in Egypt compared to other MENA countries. (*While this is good news in terms of the trend, it is hardly an indication of a well functioning labor market and an education system that effectively supplies what employers want. That is to say, 3 years is a long time to wait for a first job, and 40% have not found employment even after 3 years.*). The labor market is the most important party likely to employ secondary level graduates. It expects that secondary students could meet its demands.

	<p>Statistical data show that of all unemployed people, 6.5 percent have less than secondary education while 28.3 percent have completed secondary education. This reveals the negative returns of secondary education as well as the unsuitability of general secondary schools output where one third of basic level graduates are enrolled (NCERD, 2005, 65). These findings indicate that general secondary schools produce the wrong kind of skills.</p> <p>Educational outcomes in Egypt are, on average, reasonable for Egypt's level of economic development, but less so given the high level of public and private investment, especially coupled with the relatively high level of enrolment rates and years of attainment. Outcomes are also highly unequal, a fact that clearly reflects differences in socio-economic status across students, but also likely inequality in the quality of schools.</p> <p>The EEP project which was led by the WB, has been the subject of an appraisal by the WB in 2008 which notes:</p> <p>The objectives of the two projects (includes also the Basic Education Improvement Project) were highly relevant to the needs of the country. The outcomes of both projects are rated moderately satisfactory in light of high relevance, modest efficiency and modest efficacy; despite the completion of many activities, learning outcomes did not improve significantly, and important institutional development policies were not implemented (in particular the EEP financed the MIS but this was mostly used by the PMU and not integrated in the ministry's management leaving the ministry's management and planning capacity unchanged). For both projects, risk to development outcome is rated moderate; the enrollment expansion has proved resilient over time, and quality-oriented inputs are likely to be sustained; but if teacher salaries remain low and policy changes are slow, services to the poor may be limited. In summary, 'For EEP, efficacy is rated modest. Learning outcomes were ambiguous, and the extent to which teachers were indeed trained in relevant material proved hard to establish. Furthermore, MOE did not manage the sector better as a result of the investment'.</p> <p><i>Source: NESP, WB 2007, WB 2008</i></p>
I.5.4.3	Employment rates if possible broken down by education level
MED/2002/004-955 (TVET)	<p>One of the outcomes of the technical and vocational education and training system in Egypt has been a mismatch between the skill set of TVET graduates and labor market needs, as well as the relatively high unemployment rate of TVET graduates. While much of the unemployment can be attributed to economic circumstances a major factor has been the TVET system itself. Technical education, in its current form, has been judged to be inadequate to meet the needs of the local economy, or external labor markets. The weakness of the system has resulted in a reduced confidence in, and appreciation of, technical education compared to general secondary education. The general public perception is that general secondary education is for the elite while technical education is for the poor. More importantly, research by the Population Council finds that rates of return to education in Egypt in general are low, and returns on vocational secondary education are not only low but falling. While employers find secondary school graduates of all kinds lacking in the skills they need resulting in low private returns to secondary schooling, yet rates of return for vocational graduates are lower still and declining.</p>

Returns to education are down for vocational secondary graduates, out up for university and post-secondary graduates



Source: *Improving Quality, Equality, and Efficiency in the Education Sector, World Bank 2007*

I.5.4.4

Views of employers on qualitative and quantitative availability of work force

Overall

Graduates of the education system are irrelevant to the market needs. Simple communication, management and language skills in addition to computer knowledge are required as basic employment requirements for white collar jobs, topics that are not tackled at all by neither pre university education nor by higher education. Employers on the other hand do not see this as their responsibility to continue the skills development needs of their employees, rather the government responsibility.

Egypt's problems are not the number of graduates, but the number who are relevant to the market needs. Employers get the outflow of an obsolete education system. Employers may invest in the development of their employees through courses of English or computer that are conducted in-company to compensate for lack of skills. Vacancies could stay unfulfilled for months before the right candidate appear, otherwise, employers compromise in the quality and compensate with internal training or development.

Vocational education is not more fortunate. Inflow of vocational schools are the second degree students that have finished general preparatory education with lesser grades than the requirements of the general secondary education. As a result, the less qualified students only go to vocational education, aiming at the hope that they would graduate with good grades to qualify them to university, 50% of which succeed. However, the lack of facilities, untrained teachers and obsolete curricula don't qualify even the best students to the requirements of immediate employment.

Tourism industry: From the quantity side, the industry is developing at a rate around 5000 rooms per year. Higher education and tertiary education don't provide the quantity that can fulfil this rate. Employers tend to hire other graduates to fulfil the internal immediate needs, which wouldn't be a problem had the appropriate training been existing. On the job training is the trend that employers use to fill their employment and training gaps.

Even employers who are fortunate to attract graduates of tourism education have to work on the practical side. Egyptian education is loaded with theories and philosophies and educators have never been practitioners themselves,

	<p>which result a gap even within those who are graduated from specialized education.</p> <p>Private education is becoming an investment attraction. In the past graduates of private education used to be recognized as the best candidates for employers. In the time being, this is not even guaranteed.</p> <p><i>Source: MN 205, MN 221</i></p>
I.5.4.5	Views of beneficiaries (firms and employees) on appropriateness and success of support
TVET	<p>Reform cannot happen in a couple of years. Beneficiaries regard the TVET intervention as an incomplete and non-comprehensive initiative, lacking sustainability, coordination among ministries and local authorities as well as lacking the intensity that would create the desired impact in such a small period of time.</p> <p>Project has created visibility and demand that it is not able to fulfil with the limited resources and slow outreach. Some firms heard of the project in the media or witnessed some events for visibility, but the fruits of the project haven't been seen yet</p> <p>One of the problems of this project is that it is a reform project not a training project. A lot of the disappointment of firms and private sector employers is due to their expectations that the project should work on the short term immediate needs whereas it is not designed to provide training.</p> <p><i>Source: MN 205, MN 221</i></p>
J.5.5	<i>Interventions supporting economic transition and the creation of small businesses have contributed to improve employment opportunities</i>
I.5.5.1	Existing industries supported by the Commission have been revitalised enabling full utilisation of their productive capacities and higher employment levels
Overall	None of the 12 interventions retained for analysis in the evaluation were addressed specifically to one existing industry. In the past several initiatives were supported by the EC, including most importantly the IMP (pre-1998) and in the last NIP the Spinning and Weaving project. No details were collected for these projects. Effects of the TVET project which addresses the manufacturing and construction sectors (as well as the service sector of tourism) have not yet been measured in terms of employment and use of productive capacities. It is likely that the project will have some impact. It is also likely that the EC's support to economic reforms has been important in providing an environment conducive to economic growth and thus employment.
I.5.5.2	Rural production has been diversified, rural self-employment and rural employment in non agricultural productive activities have increased
MED/2003 /005-716 (FISC Rural)	<p>The intervention had an impact in terms of loans provided and jobs created:</p> <ul style="list-style-type: none"> ▪ 10,674 jobs created according to the estimation of the final evaluation ▪ 232 loans forwarded to the Agent Bank and 204 approved for a total of LE 131 million. <p>These data are the product of an estimation and have to be taken with care due to the fact that the estimates have been made just after the end of the project and the reported jobs created might not be sustained in the long-run.</p>

	<i>Source: Final evaluation, MN 212</i>																																																		
MED/2003/005-719 (FISC Social)	<p>The intervention had an impact in terms of provision of loans and job creation:</p> <ul style="list-style-type: none"> Loans to small enterprises (3,061 loans to end beneficiaries worth LE 86 million) contributed to the creation of 14,262 jobs mostly in trade (46%) and in agro-business (30%). Micro-enterprises: 15,789 loans were on-lent by NGOs to the end beneficiaries for LE 49M. This enabled the creation of 18,947 jobs. <p>These data are the product of an estimation and have to be taken with care due to the fact that the estimates have been made just after the end of the project and the reported jobs created might not be sustained in the long-run.</p> <p><i>Source: Final evaluation, MN 212</i></p>																																																		
I.5.5.3	GDP and employment growth trends have improved																																																		
Overall	<p>Rates of unemployment rose until 2006 when they have started falling again as economic activity picked up as witnessed by sustained and relatively strong GDP growth since 2004 (see table and figure below).</p> <table border="1"> <thead> <tr> <th></th> <th>1999</th> <th>2000</th> <th>2001</th> <th>2002</th> <th>2003</th> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>Total unemployment rate</td> <td>8,1</td> <td>9</td> <td>9,2</td> <td>10,2</td> <td>11</td> <td>10,3</td> <td>11,2</td> <td>10,6</td> <td>8,9</td> </tr> <tr> <td>Men unemployment rate</td> <td>5,1</td> <td>5,1</td> <td>5,6</td> <td>6,3</td> <td>7,5</td> <td>5,9</td> <td>7,1</td> <td>6,8</td> <td>5,9</td> </tr> <tr> <td>Women unemployment rate</td> <td>19,4</td> <td>22,7</td> <td>22,6</td> <td>23,9</td> <td>23,3</td> <td>25,1</td> <td>24,3</td> <td>24</td> <td>18,6</td> </tr> <tr> <td>GDP Growth rate</td> <td>6,1</td> <td>5,4</td> <td>3,5</td> <td>3,2</td> <td>3,2</td> <td>4,1</td> <td>4,5</td> <td>6,8</td> <td>7,1</td> </tr> </tbody> </table> <p>Sources: ILO and IMF</p> <p><i>Sources: ILO and IMF data</i></p>		1999	2000	2001	2002	2003	2004	2005	2006	2007	Total unemployment rate	8,1	9	9,2	10,2	11	10,3	11,2	10,6	8,9	Men unemployment rate	5,1	5,1	5,6	6,3	7,5	5,9	7,1	6,8	5,9	Women unemployment rate	19,4	22,7	22,6	23,9	23,3	25,1	24,3	24	18,6	GDP Growth rate	6,1	5,4	3,5	3,2	3,2	4,1	4,5	6,8	7,1
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J.5.6	<i>Commission support to labour market reform added benefits to what would have resulted from EU MS alone</i>																																																		
I.5.6.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area																																																		
MED/2002/004-955 (TVET)	CSP and NIPs don't refer to comparative advantage of the Commission in the area of TVET. However there are references to the interventions by other donors in the CSP, precisely the World Bank's Skills Development Program and Higher Education reform program.																																																		

I.5.6.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention
MED/2002/004-955 (TVET)	The Commission has no history in Egypt within TVET system. However there has been cooperation within basic education “education enhancement programme” during MEDA 1.
I.5.6.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them
Overall	<p>The TVET programme was assessed and designed by the European Training Foundation, ETF in 2001, to be co-financed by the Egyptian Government and the EC, with equal contributions. At the same time, the World Bank was launching its initiative to support TVET Reform in the form of SMEs development through awareness and training. The ETF thus brought its expertise gained in other countries to the Egyptian problematic. It continues today to share its experience with stakeholders active in the sector (a presentation by ETF of its work was made to donors active in employment and to ministerial representatives recently in the DCE offices in Cairo).</p> <p><i>Source: FA, MN 86</i></p>
I.5.6.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of labour market reform
TVET	<p>Beneficiaries criticised the lack of comprehensive planning at the commission side, designing a Reform Programme to be kicked off and completed in a few years. Reform takes time and takes a successive number of initiatives with a number of iterations in order to reach real Reform. Adhoc initiatives without complementing / successive interventions lead to disappointment in lack of sustainability as well as real impact.</p> <p><i>Sources: MN 63, MN 221, MN 205, MN 267</i></p>
I.5.6.5	Evidence that the Commission and EU MS have a common political agenda in the area of labour market reform
Overall	<p>No evidence was found but in practice it was noted that the DCE is at pains to try and share its view of education generally (including TVET) and by extension its links with the employment issues with other stakeholders such as donors active in education and employment creation initiatives.</p> <p><i>Source: MN 86</i></p>
I.5.6.6	Evidence of a mandate given to the Commission by the MS in the area of labour market reform
Overall	<p>To the extent that the ETF has been created in 1994 with the mission to help transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy and that it is directed by a Board comprising one representative for each of the MS, the ETF has been given a mandate by the MS in this specific area.</p> <p><i>Sources: ETF information (www.etf.europa.eu)</i></p>
I.5.6.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of labour market reform
	Ministry of manpower and immigration is not in dialogue with the Commission.

EQ6	To what extent have Commission's interventions facilitated the implementation of social sector reforms in the areas of health and education?
J.6.1	<i>The Commission has supported reforms in basic social service delivery sectors</i>
Overall	<p>Although the Commission has long been involved in supporting changes in the social service delivery sectors, the support to health and education sector reforms was meant to start earnestly with MEDA 1 with two important programmes:</p> <ul style="list-style-type: none"> - The Education Enhancement Programme € 100 million (April 1998): the principal objective of this sector budget support was to improve the basic education system by focusing on educationally less privileged geographical areas. The programme was co-funded by the World Bank ; and, - The Health Sector Reform Programme (HSRP) € 110 million (December 1998) which main objective was to improve the health status of the Egyptian population by piloting health reform in at least three Governorates and strengthening MOHP. The programme was also co-funded by the World Bank. <p>In parallel, the Commission supported the multi-donor funded SFD which also targeted social areas. At the same time the Commission launched its first support to TVET (€ 60 m) which was extended under the 2002-2004 NIP (for another € 33 million). The Commission also supported higher education through the TEMPUS programme (€ 11 million under the 2002-2004 NIP and extended under the 2005-2006 NIP by € 12 million). Finally, the Commission launched a single tranche sector budget support in health in 2006 for an amount of € 86 m.</p> <p>The Commission has just (late 2008) launched its second large education support programme, the Education Sector Policy Support Programme (€120 million) which comes in support of the National Education Strategic Plan 2007-2013 just finalised. It is going to launch another health sector reform program (HSPSP II- Health Sector Policy Support Programme II, of € 110 million) which has also just been approved (ENPI/008/020-494, approved late 2008) to follow on from the single tranche support to the Health Sector Reform provided in 2006.</p>
I.6.1.1	Evidence that GoE is undertaking reforms in social sectors (health, education) that aim for more equitable service delivery
Overall	<p>The CSE notes that the education and health policies of the GoE did not take account of the equity and poverty dimension until the National Strategy for Development in 2000. The Fifth Five Year Plan (2002-2007) accordingly integrated the poverty dimension focus in its social sector objectives as follows:</p> <ul style="list-style-type: none"> ▪ Alleviation of poverty and attenuation of income disparities; ▪ Development of human capital and attainment of full employment; ▪ Steady reduction of current population growth rate, and ▪ Improvement of social service. <p>It was not, however, until the change of Government in 2004 that a clear reform minded agenda, including for health and education, emerged.</p>

ENPI/2007 019-248 (Education)	<p>The GoE has been active in addressing various issues in the education sector for the last twenty years. Education sector reforms have been undertaken in three major waves: during 1991-1996 the MoE aimed to increase access, from 1996 to 2000 its attention shifted to quality and equity issues and finally from 2000 to 2006 equity and quality were aimed for while tackling efficiency issues. However it was found that equity remained still a big issue (see I.1.1.2): although much progress has been made, in particular in school access and reducing gender disparities, inequality is still rife, whether between regions (in terms of access and education outcomes) or social classes. In particular the system still relies heavily on private tuition to complement poor quality teaching in classrooms thus disadvantaging the poor, TVET remains seen as a safety net for dropouts and poorer students, the education system is not geared towards the labour market thus representing a non cost effective investment for parents and GoE alike, etc.</p> <p>More recently, in 2006, a new strategy has been developed, the National Education Strategic Plan (NESP 2007-2012) which aims to tackle the various challenges of the sector, of which equity issues. The new Plan aims at ensuring: (i) high levels of quality education performance; (ii) efficient system of management, effective community participation and decentralization; and (iii) equal education access for all. It is based on 12 priority programs and is accompanied by an analysis and projection model (Egypt - ANPRO model) which provides a clear, sequenced, quantified and costed (both in financial and human resource terms) framework for planning and implementation.</p> <p>The SBS comes in support of the Plan's 12 programs which cover three areas:</p> <ul style="list-style-type: none"> - quality programs (including school-based reform program, curriculum reform and human resource development), - System Support and Management Programs (institutionalization of decentralization; ICT for management; monitoring and evaluation system reform; school construction) - Level-based programs, focused on the reform of the three levels of schooling (Early Childhood Education, Basic Education and Secondary Education) and two specific priority programs (Community-based education for Girls and Out-of-School Children; Education for Children with Special Needs). <p><i>Source: FA, WB PPAR, Unesco 2003, MoE NESP 2007.</i></p>
Health	<p>Likewise to education, health policies were not targeted to the needs of the poor until the mid 2000's. A study by the World Bank (WB) quoted by the 2004 CSE Evaluation showed that around 60% of health services provided to the poor was through private, NGO and faith affiliated clinics in the mid 1990's.</p> <p><i>Source: MWH-CSE Evaluation</i></p>
I.6.1.2	Evidence that Commission support stimulated these reforms (amount, type and focus of support, disbursement conditions, topics of dialogue with partner)
Overall	While the education and health sub-sectors received no funding at all under the Protocols 1 to 4 (covering EC funding to Egypt over the period 1976 to 1996), the following ten year period showed social sectors becoming a focal area for support for the EC. As shown in Table 1 below, social sectors received between 40% and 50% of the EC support since 1996 with support to health

and education featuring prominently: these sub-sectors were allocated respectively 14% (health) and 7% (education) of total NIP funding over the 10 years (16% and 12% respectively if extending the period to the most recent NIP covering 2007-2010). The large amounts involved represent still little in terms of GoE expenditure on health and education (according to the CSE less than 5%).

As analysed by the 2004 CSE Evaluation, the MEDA I interventions were characterised by very large projects which aimed at supporting ‘structural reform and liberalisation through integrated sector-wide programming’ although further than this the EC’s objectives in funding the social sector programmes remained unclear. The impact of these early projects in health (HSRP) and education (EEP) on the implementation of reform remained limited due mainly to the facts that the GoE itself was not reform-minded and the projects used large PMUs which constituted de facto parallel structures non integrated into the ministries with consequent problems of limited institutional and organisational changes, little ownership and questionable sustainability. Citing the 2004 CSE: *‘Thus the main outcome of the EC strategy to Egypt since 1996 has been to contribute to preserving stability in the economic, social and political sense.’*

Table 1: National Indicative Programmes, 1997 to 2010.

	Total programme in Euro millions	Social sector		Health		Education	
		in Euro millions	as % of total	in Euro millions	as % of total	in Euro millions	as % of total
NIP 1997-1999	755	365	48%	110	15%	100	13%
NIP 2002-2004	351	175	50%	-	-	-	-
NIP 2005-2006	243	100	41%	80	33%	-	-
NIP 2007-2010	558	240	43%	120	22%	120	22%
1997-2006	1349	640	47%	190	14%	100	7%
1997-2010	1907	880	46%	310	16%	220	12%

The lack of impact of these early programmes on directional and systemic changes in the health and education sectors is also confirmed by the end of project appraisal effectuated by the WB on the EEP and by the fact that the WB decided in 2004 to downsize the scope of the HSRP (from three to two governorates and abandoning the objective of universal coverage of health as there were delays in passing the universal health insurance law.)

Since then, major progress has been achieved in the education sector with the elaboration of a National Pre-University Education Strategic Plan (finalised in 2007); in health there has been no such breakthrough with still no exhaustive health strategy defined (different strands of health reform packages in different areas seem to co-exist in one document but without an overall strategy; apparently the production of an improved document showing a strategy for the whole sector is imminent but seems to have been so for some months).

Accordingly in education the EC’s policy dialogue has been based on the NESP with the ESPSP matrix figuring in great detail the different activities of the many reform areas included in the NESP which are retained as disbursement triggers of the SBS and which also provide the basis for the Government-Commission dialogue. In health, the currently implemented Support to Health

	<p>Sector Reform's main topic of dialogue seems still to be the health insurance issue which has not been resolved.</p> <p><i>Source: CSE, NIPs, CSPs, FAs</i></p>
I.6.1.3	Views of stakeholders on the appropriateness of Commission support to these reforms
ENPI/2007 019-248 (Education)	<p>'There is no problem' seems a good summary of the reaction to the SBS (which may be put against the 'very successful' that the EEP was described as).</p> <p><i>Source: MN 296</i></p>
Health	SBS is appreciated because it uses national procedures so it greatly facilitates tendering (no translations required)
J.6.2	<i>The sustainability of social services delivery systems has been enhanced by reforms undertaken</i>
I.6.2.1	Beneficiary institutions have been leading or closely involved in the design of the interventions
Overall	<p>In the earlier programmes institutional involvement in the design of Commission programmes seems to have been fairly limited. For the EEP, the EC co-financed a programme largely designed by the WB and the CSE concludes: 'The EEP has not so far facilitated the institutional and capacity building of the MOE. EEP has supported the development of a Programme Planning and Management Unit (PPMU), which has in effect become a parallel body to the MOE reporting directly to the Minister and has left the MOE departments marginalised, reducing ownership of the programme. This weakness is now being addressed with EC support being focused more directly on the MOE.' In effect thus, the early support to education was designed and implemented largely outside the beneficiary institution.</p> <p>In health the situation was similar with the design of the reform taking place after the Commission support had already been designed and started. Although the CSE notes that the new minister (appointed in 2002) created a Central Department for Technical Support and Projects managed by a full-time under-secretary to lead the reform process and donor co-ordination, it does not analyse how the EC project fitted within this framework.</p> <p><i>Source: CSE</i></p> <p>The situation has totally changed with the design of the ESPSP which is entirely based on the education sector strategy (NESP see above) and which should thus have total institutional and political backing. How far down the system this backing extends to will have to be verified during the field mission.</p> <p><i>Source: FA</i></p>
I.6.2.2	Reforms have encompassed institutional and administrative improvements
Overall	<p>The objective of the EC's support to health and education 'support structural reform and liberalisation through integrated sector-wide programming' seems not to have been entirely met with the early (MEDA I) programmes. The context at the time was not in favour of reform and, as noted in the CSE Evaluation of 2004, the result was a rather tentative support of ongoing activities without clearly stated objectives for the EC's support: <i>'In practice, the overall result of the EC's programme in the area of socio-economic balance has been to support</i></p>

	<p><i>existing programmes and preserve social short-term stability. Securing long-term stability requires supporting a process of institutional reform leading to sustainable outcomes that can be measured in terms of a permanent reduction in poverty. This may be starting to change as HSRP has become more proactive in its reform agenda in the last year. EEP is just beginning to re-orient the emphasis of the funding more directly towards institutional change within the MOE. This indicates a change in emphasis of EC strategy but also reflects GOE's greater willingness to address reform within education'.</i></p> <p>In fact project design can be considered to have thwarted institutional and administrative improvements in some cases such as in education since very large project management units manned by external (and expatriate) consultants had been set-up to implement and manage the projects: these units had not been integrated into the existing ministerial organisations but had, on the contrary, formed parallel structures with direct reporting line to the Minister (for EEP) without involvement and ownership from the national ministerial structures.</p> <p>The reforms in the education and health sectors have thus started incorporating the institutional and administrative dimensions of reform only recently. In the health sector the first signs that the HSRP started to become more proactive in its reform agenda have been noted by the CSP in 2004. This was also the time that EEP was beginning to re-orient the emphasis of the funding more directly towards institutional change within the MOE. Both developments in the approach to supporting the health and education sectors show that the Commission's strategy was able to adapt when GoE's was itself ready to address reform issues.</p> <p>In conclusion on the issue of sustainability the CSE notes that: '(...) While institutional sustainability can be enhanced by a move away from a 'project' approach to one of provision of support to a Government Ministry or established institution (SFD), this does not automatically follow. The design of the programme (EEP) and the extent to which the government is willing to reform (HSRP), combined with the EC's willingness to exercise leverage on that reform, will determine the success and sustainability of the outcomes'.</p> <p><i>Sources: MWH 2004, CSP</i></p>
I.6.2.3	Financial sustainability of service provision is ensured
Overall	<p>Education in Egypt is overwhelmingly provided by the public sector (in 2005/06, private education provided for only 7% of schools and pupils in primary, 4% of pupils in preparatory education and 2.7% of students in secondary education) and the financial sustainability of service provision in public sector depends on the GoE budget priorities (see I.6.2.4). In health, coverage for all and health insurance have been the most pressing and problematic issues for the last ten years. As is illustrated in Table 2, Egypt's health system's financing relies very heavily on private sector expenditure rather than on government expenditure and social security expenditure is very low, placing Egypt in a position just between low income and lower middle income countries in terms of the financing of its health system; in terms of out-of-pocket expenditure as share of private expenditure on health, Egypt is placed right at the bottom of the league illustrating the total absence in Egypt of private health insurance schemes.</p>

Table 2: Egypt financing of the health system

Measured in US\$								
	Total expenditure on health as % of Gross domestic product		General government expenditure on health as % of total expenditure on health		Private expenditure on health as % of total expenditure on health		General government expenditure on health as % of total government expenditure	
	2000	2006	2000	2006	2000	2006	2000	2006
Egypt	5,6	6,3	40,1	40,7	59,9	59,3	7,5	7,3
Low Income	4,2	4,3	34,2	36,8	65,8	63,2	5,6	5,9
Lower middle Income	4,5	4,5	40,2	43,9	59,8	56,1	8,3	8,4
Upper middle Income	6,4	6,3	51,3	54,7	48,7	45,3	9,3	9,7
High Income	10,1	11,2	60,0	61,6	40,0	38,4	16,3	17,2
GLOBAL	9,2	9,8	58,4	60,0	41,6	40,0	15,1	15,6
	External resources for health as % of total expenditure on health		Social security expenditure on health as % of general government expenditure on health		Out-of-Pocket expenditure as % of private expenditure on health			
	2000	2006	2000	2006	2000	2006		
Egypt	1,0	n/a	23,8	26,4	94,1	94,9		
Low Income	11,1	17,2	2,9	5,7	88,6	84,6		
Lower middle Income	1,1	0,9	40,3	41,2	91,1	84,9		
Upper middle Income	0,6	0,2	42,0	40,1	70,2	70,7		
High Income	0,0	0,0	47,9	42,2	39,2	36,9		
GLOBAL	0,2	0,2	47,2	41,9	45,1	43,8		

Source: World Health Organization – National Health Account Series, updated May 2008

I.6.2.4 Public expenditure trends in social sectors (primary health care, primary education) demonstrates support and sustainability

Education and health Overall social expenditure as a percentage of the total budget increased from 19% in 1994 to 40% in 2002 and has just shot over the 50% bar in the 2008/09 draft budget; this expenditure includes expenditure for health, education and most importantly social protection which harbours the consumer subsidies and has increased from 16% of the GoE's total expenditure in 2003/04 to 37% in 2008/09 draft budget. Against this, the rate of increase of expenditure on health and education, although strong, appears dwarfed: the proportion of Government spending on education doubled from 10% of the national budget in 1990/91 to 20% in 2002. Health expenditure increased by 7-8% in real terms per year from 1998 to 2002. As can be seen in Table 3, the increasing trend reversed slightly after 2002 as it would appear that expenditures on education and health increased less rapidly than the overall budget. The education share of the overall budget has decreased substantially from around 16% in 2003/04-2004/05 to only 10% in the current 2008/09 draft budget. According to

explanations given in the NESP, this is due to the coverage of expenditure: the overall 2005/06 budget has increased due to its inclusion of petroleum subsidies hitherto off-budget and expenditure for Al Ashar pre-university education has been shifted to a different ministry (youth, culture and religious affairs) thus effectively reducing expenditure of the MoE. The same argument of increased budgetary outlays (due to inclusion of subsidies) might explain the reduction of the share devoted to health expenditures (much more muted than that of education).

Table 3: Health and education public expenditure, 2003/04 to 2008/09 budgets

Summary of Education budget	Draft Budget 2008/09	Budget 2007/08	Actuals			
			2006/07	2005/06	2004/05	2003/04
Education Budget in LE millions	34 791	30 937	27 741	25 620	25 796	22 667
Health budget in LE millions	12 118	11 850	10 435	9 665	7 256	8 073
Education as a share of total budget	10%	13%	12%	12%	16%	16%
Health as a share of total budget	4%	5%	5%	5%	4%	6%

Source: Ministry of Finance website.

Unfortunately the budget data are not split between the levels of health care or education so that no data were obtained on primary health care and primary education budget allocations.

Overall, the budgetary data show negative trends of relative public financing (as share of the total budget) and the sustainability of public financing on these two items can thus not be ensured from the observations made after 2002; however, any appreciation is difficult if the scope of the budget changed over time. The Egyptian budget system being also far from exhaustive, it is probable that the current 4% for health and the 10% for education are actually overestimated making any international comparisons difficult.

Source: MWH CSE-Evaluation, Ministry of Finance, WB 2005

J.6.3 Social conditions measured in education and health have improved

I.6.3.1 Indicators of access to and use of basic social services (access to potable water and sanitation, primary health care centres, schooling, housing, vaccination rates, school enrolment rates, education achievement rates, etc.)

Overall The programmes that were selected for detailed study under the current evaluation are too recent to have been able, as yet, to contribute to any improvements in access to and use of basic social services. The Commission also did not monitor indicators of access to and use of basic social services as part of these recent SBS programmes and no data were thus found on these issues in the Commission's files. Since the EC has supported the education and health sectors since 1997, some results can be shown over this longer term period.

According to the CSE Evaluation of 2004, the EC support contributed to increase access to quality services for people. In particular, it was found that:

- *In the Governorates of Qena and Sohag, access to contraception increased significantly at least in part through support provided by PPUE;*
- *Access to education has improved in terms of a reduction in the gender gap,*

enrolment rates and a decrease of class density. However more is needed in terms of improving retention rates, improving the motivation of teachers and the provision of second chance education;

- *Support to SFD through the Public Works Programme appears to have contributed to the improvement of infrastructure (mainly roads, solid waste management and clean water) and there has been some poverty targeting introduced;*
- *In relation to health, although access to quality services has improved in reformed clinics the overall impact is low. (MWH page 34)*

In education, the Sixth Five-Year Plan announces the following achievements:

- Full absorption of pupils in the primary stage.
- Decreasing class density of the pre-university education from (41pupils/class) in base year to (39 pupils/class) in 2006/07, approaching the targeted rate by the end of the plan (36 pupils/class).
- Increasing the number of enrolled students in the educational stages by about 1.5 million students (from 16.2 to 17.7 million in 2006/07)
- Increasing female enrollment rate in pre-university education from 47.4% in 2001/02 to 48.5% in 2006/07.
- Providing computers for 800 schools, and applying computer science to 500 secondary schools.
- Increasing adult education from 55.6% to 71.4%.
- Decreasing illiteracy rate from 31% in 2001/02 to 29% by 2006/2007
- Training 25,000 teachers on teaching techniques and technology applications.
- Increasing the number of intermediate and above - intermediate education from 18.5% to 28.1%; university and above education from 5.7% to 9.6% .
- Increasing enrollment rate in university and high education from 22.9% to 26% by 2006/07
- Increasing the number of enrolled students in university education and high and intermediate institutions from 1.9 to 2.9 million students.
- Increasing rate of female enrollment in university education to 49%
- Establishing three open universities.
- Establishing 12 centers for performance and quality assurance.
- Establishing three private universities (French / German / British).
- Increasing the number of universities to 17 by transferring some branches to independent universities.

The Sixth Five-Year Plan announces the following achievements in health Services:

- Decreasing infant mortality rates from 22 to 17 per thousand infants.
- Extending life expectancy rate at birth from 60 to 67 years for males, and from 71.5 to 75 years for females, and increasing general rate to 70.2 years.
- Decreasing the number of population per physician from 455 to 443 individuals, and per hospital bed from 478 to 392 individuals.
- achievements in terms of number of hospitals, beds, physicians, medical units and health insurance services are also positive.

Against these positive developments, the education system still remains divided with the poor not getting a fair share of the benefits: the illiteracy rate among

	<p>adults (> 15 years) is around 25%: 98% of poor Egyptians living in a household headed by an illiterate woman are illiterate in rural areas, 96% in urban areas thus sustaining the same handicaps. Most workers in the informal sector, which represents more than 20% of the GDP, are illiterate or quasi illiterate.</p> <p><i>Source: CSE 2004, the Sixth Five Year Plan</i></p>
I.6.3.2	Indicators of quality of social services
Overall	<p>In education priorities firstly went to increase access (1991-1996), then to quality and equity issues (1996-2000) and then on efficiency issues (2000-2006).</p> <p>The lack of quality is evident in terms of learning contents, teaching methods, learning environment, teacher's motivation and behaviour, programs updating/relevance, teaching curricula, training supports and pedagogical skills of trainers.</p> <p>In health the system faces the burden of illnesses associated with poverty and lack of education, as well as emerging chronic and degenerative disorders linked to lifestyles and increase in life expectancy. Access is not a problem (physicians, clinics and hospitals abound and 95% of the population is within 5 km from a medical facility) but use is low: hospital occupancy rate is very low, ranging between 32% and 38.4% (2001) and hospitals supply clinical services that are largely inappropriate.</p> <p><i>Sources: FA</i></p>
I.6.3.3	Views of beneficiaries on changes experienced in basic social service delivery
Overall	<p>No final beneficiaries were met during the field phase. Data on social service delivery outcomes are reportedly collected by the ministries. These data were not shared with the evaluators. A demographic health survey is reportedly also carried out every three years.</p> <p><i>Sources: MN 274, MN 296 and comments to the third draft of the final evaluation report.</i></p>
J.6.4	<i>Commission support in the area of social services added benefits to what would have resulted from EU MS alone</i>
I.6.4.1	Programming documents (NIP) and FA/MoU refer to a comparative advantage of the Commission in this area
Overall	Nothing is referred to in the NIP and FA.
I.6.4.2	Evidence of a long standing proven positive experience of the Commission in the partner country and in the area/sector targeted by the intervention
Overall	<p>The EC has been involved in education and health since 1997 but this was its first involvement since at least 1976. The education project (EEP) was co-financing a WN project which has been evaluated in 2008 by the WB and shows negative rather than positive experience of the project. The project has had to be extended several times to fulfil its objectives and it is recognised that even then its performance and achievements were modest: the achievement of objective of the project in improving access was substantial but that of improving quality of education was modest and that of enhancing the institutional capacity was negligible. The project was not evaluated by the EC prior to the design of the current ESPSP.</p> <p>In the health sector the EC co-funded the WB project which also received co funding from USAID and the AfDB. This project has not yet been evaluated by the EC or the WB. The fact that the WB had to downscale the objectives of</p>

	<p>the project in 2004 (from three to two governorates and abandoning the objective of universal coverage of health as there were delays in passing the universal health insurance law) illustrates the difficulties that this project has had in meeting its initial objectives. As in the education sector, the EC's experience in health is thus likely no to have been positive but as the project was not retained for detailed analysis the ROMs were not consulted and no end of project evaluation report was found.</p> <p><i>Source: WB PAD and HSRP Proposed project restructuring and amendment of the credit agreement (04/06/2004).</i></p>
I.6.4.3	Evidence that the Commission builds on internal capitalisation processes (Commission's guidelines, communications, etc.) and applies them
Education	<p>No specific policy or guidelines were found for education interventions in ENPI countries. The EC's external education and training activities aim to</p> <ol style="list-style-type: none"> 1. Supporting partner countries outside the EU in modernisation efforts; 2. promoting common values and closer understanding between peoples and cultures; 3. Advancing the EU as a worldwide centre of excellence in education and training, which also contributes to Europe's prosperity and economic growth; 4. Improving the quality of services and human resources in the EU through mutual learning, comparison and exchange of good practice. <p>The international cooperation programmes implemented by the EC are exclusively geared towards higher education and in Egypt the only programme that is relevant is Tempus.</p>
Health	<p>No specific policy or guidelines were found for health interventions in ENPI countries. The EC's position on health development in ENPI countries is the promotion of actions in the field of public health in order to improve the general health status of the population and tackle specific issues such as communicable diseases.</p> <p>The ENP covers a very broad range of areas (democracy, human rights, social and economic issues, environment, energy, education etc). All ENP Action Plans refer to public health cooperation. Depending on an individual country's preferences, such cooperation is envisaged in particular fields such as:</p> <ul style="list-style-type: none"> • Health sector reform and health policy dialogue • Health information and knowledge • Exchange of information and know-how on health indicators and data collection • Participation as observer in the meetings of the Network of Competent Authorities • Communicable disease surveillance and health security • Participation in communicable disease networks and dedicated surveillance networks • Enhanced response to specific diseases, such as HIV/AIDS, STI and/or hepatitis • Participation in laboratory networks <p><i>Source: http://ec.europa.eu/health/ph_international/enp_en.htm</i></p>

I.6.4.4	Views of the beneficiaries on the comparative advantage of the Commission in the area of social services
Overall	<p>In education: approach is very similar to USAID. Mention that EC has enabled the MoE to go into areas where it had not been possible to go before (these areas are linked to the EEP such as lab technicians, social workers, HR for disabilities,...).</p> <p>In health: the SBS greatly facilitates implementation because of use of national procedures for tendering but getting tranche disbursement is extremely complex.</p> <p><i>Source: MN 296, MN 274, Meda II Evaluation.</i></p>
I.6.4.5	Evidence that the Commission and EU MS have a common political agenda in the area of social services
Overall	<p>No evidence was found of a common political agenda in these areas and on the contrary the few MS met rather seemed to indicate their reticence vis-à-vis the EC's interventions in the social sectors both in terms of the use of budget support in a situation where public finance management is non transparent and results are not discussed and in terms of the issues pushed by the EC which are not realistic. Scepticism with regards to the current approach of the EC in the education and even more so in the health sectors was strongly expressed: the effectiveness of SBS in pushing reforms in these sectors was questioned, the role of the EC in discussing health insurance was also criticised. These are sectors where donors have time and again tried to support reforms but where nothing ever changes and it might this be more effective to do small projects with actual measurable outcomes.</p> <p><i>Source: MN 122, MN 83</i></p>
I.6.4.6	Evidence of a mandate given to the Commission by the MS in the area of social services
Education	<p>To the extent that the ETF has been created in 1994 with the mission to help transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy and that it is directed by a Board comprising one representative for each of the MS, the ETF has been given a mandate by the MS in these areas.</p> <p><i>Sources: ETF information (www.etf.europa.eu)</i></p>
Health	Nothing was found.
I.6.4.7	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the area of social services
Overall	<p>The dialogue seems to be more difficult in health than in education. In both sectors it is based on the matrix of conditions but where in education the matrix is entirely based on the NESP, in health it seems to be only partly based on the plan (or if entirely based on the plan then not recognised as being adopted by MoH) and because much of it is PFM it requires inter-ministerial coordination and is out of the hands of MoH.</p> <p><i>Source: MN 274, MN 296</i></p>

EQ7	To what extent has the move towards the use of sector budget support in key areas/sectors facilitated the implementation of reforms and contributed to improved institutional and regulatory frameworks in - and to improved management and performance of - these areas/sectors ?																																																
J.7.1	<i>The designs of the Commission's sector budget support interventions were adapted to the specific sectors' contexts</i>																																																
Overall	<p>Over the period under study, almost 60% of the Commission's support to Egypt has taken the form of Sector Budget Support.</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">1998-2008</th> </tr> <tr> <th></th> <th>in Euros</th> <th>in %</th> </tr> </thead> <tbody> <tr> <td>Project financing</td> <td>351 146 117</td> <td>32%</td> </tr> <tr> <td>Sector Budget Support</td> <td>652 945 743</td> <td>59%</td> </tr> <tr> <td><i>Support to the Health Sector Reform Programme</i></td> <td><i>40 229 711</i></td> <td><i>4%</i></td> </tr> <tr> <td><i>Trade Enhancement Programme B</i></td> <td><i>39 685 790</i></td> <td><i>4%</i></td> </tr> <tr> <td><i>Spinning and Weaving Sector Support</i></td> <td><i>79 813 031</i></td> <td><i>7%</i></td> </tr> <tr> <td><i>EU Water Sector Reform Programme</i></td> <td><i>79 850 000</i></td> <td><i>7%</i></td> </tr> <tr> <td><i>Support to health sector reform</i></td> <td><i>85 700 000</i></td> <td><i>8%</i></td> </tr> <tr> <td><i>Education Sector Policy Support Programme (ESPSP)</i></td> <td><i>117 667 212</i></td> <td><i>11%</i></td> </tr> <tr> <td><i>Targeted support for sector reforms-Transport</i></td> <td><i>80 000 000</i></td> <td><i>7%</i></td> </tr> <tr> <td><i>ESPSP-Additional Commitment</i></td> <td><i>20 000 000</i></td> <td><i>2%</i></td> </tr> <tr> <td><i>Health Sector Policy Support Programme II</i></td> <td><i>110 000 000</i></td> <td><i>10%</i></td> </tr> <tr> <td>EIB Risk Capital</td> <td>24 554 138</td> <td>2%</td> </tr> <tr> <td>NIF Neighbourhood investment Facility</td> <td>29 000 000</td> <td>3%</td> </tr> <tr> <td>Grand Total</td> <td>1 110 889 401</td> <td>100%</td> </tr> </tbody> </table> <p><i>Source: CRIS database</i></p> <p>The sectors concerned by SBS are generally sectors in which the Commission was previously active with major projects:</p> <ul style="list-style-type: none"> ▪ The Sector support to the Spinning and Weaving Industry followed on from the Private Sector Development Programme (PERPP €45m) undertaken under Protocol 4 and would have been following the Industrial Modernisation Programme (IMP €250m, MEDA 1) if it had not been delayed by 2 years. ▪ The Trade Enhancement Programme B (TEP-B €40m) which focused on trade facilitation and specifically the improvement of customs came in complementarity to these private sector development/competitiveness/restructuring interventions to address the specific area of trade external trade. TEP-B cannot be dissociated from a larger package comprising two other programmes: TEP-A, a €20m TA to the Ministry of Trade and Industry, and TEP-C, a €6m TA to the Customs Reform Unit of the Ministry of Finance. ▪ The Education Sector Policy Support Programme (ESPSP) follows straight after the Education Enhancement Programme (€100m) which was co-financing a large project with the World Bank. 		1998-2008			in Euros	in %	Project financing	351 146 117	32%	Sector Budget Support	652 945 743	59%	<i>Support to the Health Sector Reform Programme</i>	<i>40 229 711</i>	<i>4%</i>	<i>Trade Enhancement Programme B</i>	<i>39 685 790</i>	<i>4%</i>	<i>Spinning and Weaving Sector Support</i>	<i>79 813 031</i>	<i>7%</i>	<i>EU Water Sector Reform Programme</i>	<i>79 850 000</i>	<i>7%</i>	<i>Support to health sector reform</i>	<i>85 700 000</i>	<i>8%</i>	<i>Education Sector Policy Support Programme (ESPSP)</i>	<i>117 667 212</i>	<i>11%</i>	<i>Targeted support for sector reforms-Transport</i>	<i>80 000 000</i>	<i>7%</i>	<i>ESPSP-Additional Commitment</i>	<i>20 000 000</i>	<i>2%</i>	<i>Health Sector Policy Support Programme II</i>	<i>110 000 000</i>	<i>10%</i>	EIB Risk Capital	24 554 138	2%	NIF Neighbourhood investment Facility	29 000 000	3%	Grand Total	1 110 889 401	100%
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	<ul style="list-style-type: none"> ▪ The Commission had some previous experience in supporting the Egyptian water sector with the Helwan Waste Water of which two phases were funded respectively under Protocol 1 (€31.5m) and 2 (€20.3m). ▪ Support to the Health Sector Programme followed an earlier sector budget support, the Health Sector Reform Programme (€110m under MEDA 1). ▪ Finally the only sector in which the Commission does not appear to have previous cooperation experience in Egypt is the transport sector for which it has just agreed to fund two SBS (one specifically for transport sector reform of €80m and one focusing on investment in transport, energy and environment of €29m). <p>According to the CSP 2007-2013 the choice of increased recourse to budget support seems to have stemmed mainly from the findings of the CSE:</p> <ul style="list-style-type: none"> (i) the difficulties in supporting policy changes through traditional projects of technical assistance which met up against absorption capacities of beneficiary institutions (the Banking reform and the PERPP are cited by the CSE as examples) and their lack of commitments due to their lack of involvement in the design stages and thus their insufficient ownership of the process, and (ii) a lack of engagement into dialogue in setting the objectives of the programmes and securing their local ownership before providing the instruments of implementation (examples cited by the CSE include the IMP and HRSP where according to the findings the conditions were not ready for reform but the Commission nevertheless went ahead with a policy reform charged agenda.
I.7.1.1	Evidence that the EC sector budget support responded to a need (demand from GoE, existing sector dialogue, joint donor initiative, harmonisation and alignment, ...)
Overall	<p>The demand from GoE for financial support exists, whether or not it was expressed by the sector itself or the MoIC; the form the support has taken (SBS) was an EC choice.</p> <p>In none of the sectors has the demand for support been based on the need to close an existing financing gap the more so that in none of the sectors where the EC has intervened with SBS there has been the possibility of identifying a financing gap. The EC SBS has come as an additional resource to the sectors, to undertake very specific reform-linked expenditure that might (water, trade?) or might not (education, health?) have been otherwise undertaken by GoE at some stage.</p> <p>The GoE's move towards liberalisation of the economy and policy reforms in important sectors such as water and education has facilitated the emergence of sector dialogues with donors. Sector dialogue remains still very patchy and shallow: there is no dialogue in health, it has very recently started in education and it has existed for a few years in water. The dialogue does not include joint GoE-donor sector reviews, even in sectors heavily supported by donor funds. Coordination mechanisms for donors are good in water, energy and transport and might lead to</p>

	<p>a more active dialogue and sector reviews. In education it is starting both as a result of the development of a national strategic plan and by the EC initiatives around SBS (discussions about reform measures, PETS and MTEF in particular).</p> <p>The SBS was certainly not driven by any joint donor initiative since the EC is the only donor providing budget support to Egypt¹. Although EC's general movement towards SBS is at least partially driven by the commitment for aid to be better aligned and harmonised with national procedures, this argument appears possibly less valid in Egypt where SBS has been introduced well before any serious heed was paid by the EC to the quality of the PFM structure, systems and situation and to PFM developments.</p>
<p>MED/2005 /017-543 (Water)</p>	<p>In the FA of the 'policy-based financial cooperation grant' to the water sector, there is no explicit indication that this SBS responded to a demand expressed by the GoE. The FA provides a clear description of the context of the sector (see also I 1.2.2): the importance of the Nile River as a sole water source for Egypt, the threat on water quantity and quality posed by the Nile's dilution capacity, the lack of prioritisation of public investments in water with subsequent waste of public resources both in investments and operations and maintenance costs of these investments and finally the weak and fragmented regulatory framework for water leading to low water use efficiency are the major factors that characterise the sector.</p> <p>The FA also implicitly provides the justification for its support to the sector and for the form of its support (SBS rather than project or programme) by underlining that it responds to two main identified constraints/needs:</p> <ul style="list-style-type: none"> - The GoE's huge public financing needs to which the water sector contributes by its huge weight in the budget (in FY 2003, 44.5% of all capital investments and 31.8% of all capital transfers). The water sector aggravates the tensions on public finance by the provision of water at less than full cost and by public resources being affected to non effective investments (with commensurate repercussions on maintenance and operational costs of these investments); and, - The very fragmented and weak approach to the water sector's management, with particular fragmentation in the policy, institutional, and regulatory/legal frameworks and the need for a more holistic approach. <p>Although again this is not explicitly stated, these two main factors seem to justify the choice of SBS as a means to both relieve pressure on public finance and to approach the water sector at a much higher level than would be possible through the traditional project approach (the SBS is addressed to three ministries, Ministry of Finance, Ministry of Irrigation and Water Resources and Ministry of Housing, Utilities and Urban Communities).</p> <p>In addition, the Commission's SBS is positioned in the FA as a major force for</p>

¹ USAID has in the past provided policy support which, as we understand it, has consisted of providing discrete funding for the implementation of discrete and stand alone policy activities (reform measures); the approach is different from the EC which offers support to the GoE's budget to facilitate the implementation of a sector strategy.

	<p>rallying all donors around a common objective of support to a holistic water sector reform. Indeed, although the FA gives a clear account of ‘which donor is supporting what’ in the sector (see also I 7.1.2, I 7.5.1 and I 9.2.2.) the lack of information on donor coordination in the sector gives the impression that there is little formal and structured coordination and that sector dialogue may be quite limited.</p> <p>The identified opportunity for the Commission’s intervention which, against the background of the EU’s Water Initiative (World Summit for Sustainable Water Development, Johannesburg 2003), triggered the inclusion of the water sector in the 2005-2006 NIP is the GoE’s progress in formulating, agreeing and implementing reforms in the sector, as shown by Presidential Decrees 135 and 136 of 2004. This, after a series of attempts to introduce a more holistic approach to the sector, seems to hold the promise of a comprehensive reform framework for the water sector at large (see also 7.2.1).</p> <p><i>Source: FAMED/2005/017-543</i></p>
<p>ENPI/2007 019-248 (Education)</p>	<p>The Education SBS follows on from the EC’s earlier involvement in the education sector with the Education Enhancement Programme (EEP) which was implemented over 8 years and co-financed by the WB. The EEP together with another WB project, the Basic Education Improvement Project (implemented over a 10 year period), aimed to improve access to basic education in underserved areas and for girls, improve quality and enhance the efficiency of the educational system. The Project Performance Assessment Report produced by the World Bank in June 2008 for these two projects summarises achievements as only moderately satisfactory in light of high relevance, modest efficiency and modest efficacy. Indeed, access was much improved with school construction, furniture supplies, management information systems and teacher training and gender gaps were reduced; but learning outcomes did not improve significantly, institutional development lagged behind and GoE did not implement expected policy changes that would decentralize the system and improve equity in learning outcomes.</p> <p>Some of the concerns expressed by this PPAR are less relevant in 2008/09 as the Ministry of Education has started taking corrective measures but more importantly has over two years (2005-2007) developed a National Strategic Plan 2007-2012 for the reform of pre-University education with a focus on equity and high quality education. The reform agenda has been largely inspired from the Public Expenditure Review undertaken in 2005 (led by the WB). The National Education Strategic Plan (NESP) for the period 2007 -2012 reflects the vision of the MOE of:</p> <ol style="list-style-type: none"> 1) providing high quality education for all, as a basic human right; 2) preparing all children and youth for healthy and enlightened citizenship in a knowledge-based society, under a new social contract based on democracy, freedom and social justice; and 3) adopting a decentralized educational system that enhances community participation, good governance and effective management at the school level as well as at all administrative levels (MoE, National Strategic Plan for

	<p style="text-align: center;">Pre-University Education Reform in Egypt 2007 -2012 – NESP in short).</p> <p>The ESPS’s FA notes that the Plan has been developed with the support of the main stakeholders and that it draws on the best practices of pilot programmes implemented by donors, UN agencies and CSOs in education over the past 10 years. The plan engages all stakeholders in a shared reform process and it forms the common platform for donor engagement (joint position of the DAG sub-group on education). A joint exercise has been undertaken by DAG members, including the EC, in order to assess their coverage and complementarities in supporting the NESP and enhance effectiveness and harmonization. Discussions are ongoing within the DAG sub-group on the development of a common matrix of performance indicators and joint monitoring reviews.</p> <p>Beyond this, the ESPS’ FA does not explicitly address the question of the GoE need for support in this area; the justification of the support is not argued but can be deduced (very indirectly) from the mention that the group of donors have discussed their combined ‘coverage’ in support of the NESP which would indicate that there is some need for external support to the its financing. Unfortunately no indications of costs are given in the NESP. It is furthermore interesting to note that the FA itself describes the problem of wastage and leakage of financial resources in the sector and notes that the WB identifies the lack of efficiency in the sector as a larger problem than the lack of resources. One may thus genuinely pose the question whether SBS is the most appropriate financing instrument to be used in this particular setting; in this respect it is also interesting to note that no explanations have been found for the choice of the amount of the support (€ 120 million which was supplemented by another € 20 million in 2008).</p> <p><i>Sources: FA, WB PPAR</i></p>
I.7.1.2	Evidence that the choice of disbursement triggers is based on a policy dialogue and a shared (EC/GoE) identification of constraints to be overcome and that they are owned (and thus understood) by the GoE and aligned with those of other donors
MED/2005 /017-543 (Water)	<p>The FA for the SBS identifies 60 triggers, 20 for each disbursement tranche. For some triggers there is mention that these were proposed and discussed by specific institutional players in the water sector (such as the NWRP office in the MWRI, the water quality unit in the MWRI, or MALR representatives) or that they were drawn from NWRP proposals; most triggers reportedly resulted from workshops organised with stakeholders and have been extensively discussed with other donors (in particular MS active in the sector). Monitoring reports state that the 60 conditions are aligned to the NWRP and that they are fully endorsed by GoE. The main stakeholders thus seem to have a high degree of ownership of the WSRP. Other donors do not use the reform measures as triggers for their disbursement.</p> <p><i>Source: FA MED/2005/017-543, Monitoring Reports 2007, 2008</i></p>
ENPI/2007 019-248 (Education)	The SBS to the education sector is to be disbursed in three tranches which disbursement is conditional upon 5 general conditions and upon a number of specific conditions. The five general conditions are related to the macro-economic framework, PFM, the supply of relevant sector information by GoE, the

	<p>elaboration of an annual sector action plan and the organisation of joint sector reviews. The specific tranche conditions are for the first tranche i) the signature of the Financing Agreement, ii) the establishment of an Inter-Ministerial Committee to supervise implementation and monitoring of the programme, and iii) the official adoption and launching by the GoE of the National Education Strategic Plan 2007 – 2012. For the second and third tranches the disbursement of the fixed component is linked to the submission by the GoE of the sector PETS and MTEF (updated for third tranche) and the variable component is linked to the results obtained for 18 indicators.</p> <p>The FA does not specifically state that the choice of disbursement triggers was based on a shared decision with the GoE but all but two of the 18 performance indicators are policy process indicators that refer back to specific activities foreseen in the National Education Strategic Plan. The latter was developed concurrently with the SBS and the SBS was continuously updated during formulation time to reflect changes in the NESP before its finalisation. The SBS conditions are thus fully owned by the GoE. The only two triggers that do not seem contained with the NESP are (i) the launching and completion of a PETS and the publication of its results in order to identify leakages by which public funds do not reach the classroom, and (ii) the launching of programme-based budgeting in 3 selected Governorates (Activity 11).</p> <p><i>Source: FA</i></p>
Other sectors (health, trade)	<p>In health no comprehensive sector strategy exists to date: several different aspects of the health sector are the subject of reform or strategy papers but there is no overall sector strategy to which the EC could hinge its support. Policy discussions seem thus to have been the main basis for determining the choice of disbursement triggers but many triggers are apparently not part of the health sector plan.</p> <p>In the trade sector, general directions of trade policy were dictated by Egypt's trade agreements and the support from the EC (of which the TEP B was offered in the form of SBS) was based on detailed policy dialogue which spanned four years before the SFA with its detailed matrix of conditions could be signed in 2003.</p> <p><i>Sources: MN 127, MN 227, MN 274, Final Evaluation TEP B (DFC, 2007).</i></p>
I.7.1.3	<p>Evidence that financing made available through SBS contributed to closing the gap of the sectors' medium term financing plan and contributed to cover the annual financing need of the sectors</p>
MED/2005 /017-543 (Water)	<p>There is no evidence in the NIP or the FA that the water sector budget support was intended to close a financing gap. However, the fiscal weight of the water sector on public finances is underlined in the FA and seen as one of the two main challenges to water sector management. Verification of the budget figures shows that the water subsidy allocated to the Water holding company in the 2008/2009 budget amounted to LE 750 million (roughly equivalent to € 98 million), up from LE 600 million (roughly equivalent to € 73.3 million) expected to have been transferred in FY 2007/2008 (against LE 410 million budgeted). This subsidy counts for 7.8% of total GoE subsidies in the FY 2008/2009 and is thus one of the smaller subsidies carried by the GoE. The subsidy is understood to be the</p>

	<p>Holding company's main financial resource: revenue collection through billing for water use represents only about LE 80 million (up from about 12 million in the past financial years) and the total budget of the holding company including its 23 subsidiary companies is in excess of LE 1 billion, hence the importance of the state subsidy. Many donors also heavily contribute to the revenues of the HC. The holding company is only one aspect of the financial weight of the water sector in public expenditure: public investments whether in the irrigation sub-sector (through the Ministry of Irrigation) or in the water supply and sanitation sub-sectors (under the Ministry of Housing) represented around LE 7 billion in 2003/2004 (LE 3 billion in irrigation and LE 4 billion in WSS) and the operation and maintenance, running costs of delivery etc. amounted to another LE 3 billion. In total, the water sector was thus estimated to absorb around LE 10 billion in 2003/2004 and the 15 years plan foresaw another the continuation of a similar pattern with around 2.7 billion/year on recurrent costs and LE9,6 billion/year on investments on average over the next 15 years.</p> <p>All in all if one takes the ballpark figure of around LE 10 billion per year the needs of the sector would be equivalent roughly to €1.3 billion a year: the SBS amounting to €80 million over three years can hardly be considered as having contributed to facilitate the financing of the sector: the SBS would represent about €26.6 million each year over three years against needs of €1.3 billion, i.e. no more than 2% a year. Against this background of important financial resource needs, the EC support is understood to have served a different purpose than that of closing the water sector's financing gap: its main purpose has been to facilitate reform implementation (see I.7.2.2). Reportedly the amount of the SBS (€80 million over 3 years) was roughly arrived at by estimating the cost of implementation of the reform measures contained in the matrix.</p> <p><i>Source: NIP, FA, WB 2005 (PER), MN 60, MN 59, MN 213, MN 218</i></p>
<p>ENPI/2007 019-248 (Education)</p>	<p>The MTEF (or other medium term financing plan for the education sector) was not available as a source document and the National Strategic Plan gives no indication of the cost of implementing the programme. The yearly budgetary allocations to the education sector in terms of ratio to GDP and in terms of relative share of the GoE's total budget are given in the NESP for 2002/03, 2005/06 and 2006/07 and variations between years are explained. Alternatively budgetary allocations to education can be easily checked on the MoF's website but no details are available there on the composition (and particularly the coverage) of these allocations. Neither of these information sources however suffice to appreciate whether the EC support contributed/will contribute to close the sector's financing gap as the actual financing needs remain unknown.</p> <p>In this respect and despite questioning the various Relex and Aidco officials, the justifications for the amounts of the ESPSP (€120 million originally plus € 20 million top-up decided in 2008) have not been found; since the FA notes that the efficiency of public expenditure is more an issue than the availability of resources it is believed that support is mainly a political and policy gesture to support reform in a socially important and forward looking sector. Education is indeed one of the</p>

	<p>priority sectors for the GoE (see EQ1) and the education SBS funds have been planned and used exclusively to facilitate the implementation of the reform measures agreed within the FA (the disbursement matrix). Interestingly (and contrary to the reported process in the water sector, see above), it is at the time of budget submission that the MoE has estimated the costs of the reform measures contained in the matrix so that the total amount of the 1st tranche SBS coincides exactly with the cost of the measures to be implemented for 2nd tranche SBS release thus at the same time justifying the use of the money to the MoEP and enabling the matrix 2nd tranche conditions to be satisfied.</p> <p>To give an idea about the relative size of the SBS tranches vis-à-vis the education sector budget: the GoE's allocation to education stood at LE 34.79 billion in 2008/09 (about 10% of the GoE's budget) and the EC's 1st tranche of € 50 million which was to be disbursed for the 2008/09 FY would have represented just over 1% of the MoE's budget; in the event, only LE 68 million of the 1st tranche did get disbursed to the MoE in the 2008/09 FY (equivalent to 0.2% of MoE's budget), the remainder (LE 281 million) will be made available by the MoF for the 2009/10 FY. The financial contribution of the EC to the financing of the sector is thus relatively insignificant and cannot be found to be instrumental in closing the financing gap (which is unknown).</p> <p><i>Source: FA, NESP, MN 76, MN 296, MoF website for budget data.</i></p>
I.7.1.4	Evidence that accompanying non financial support (institutional building provided as a component of the BS and/or under a separate project) addressed identified weaknesses and expressed needs
MED/2005 /017-543 (Water)	<p>Institutional capacity strengthening was included in the SBS as a separate envelope (€ 1.85 million) available upon demand. A large third of the envelope used to date has been used for institutional strengthening of the Holding Company and the remaining has been used for other services: 9 framework contracts were issued mainly for capacity building of staff and what remains will be added to the 3rd tranche disbursement (€18.3 m). Both monitoring reports are very positive about SBS's non financial components: <i>It is fair to say that the relatively low capacity and educational constraints at the decentralised level of the various water works and waste water facilities in the governorates, though still a threat to successful implementation of the overall water sector reform programme, has been acknowledged and aptly addressed by the Project. It is positively worth mentioning that Project training and intuition building has been quite successful, producing a new stock of well-trained water engineers. Another outcome was the strengthening of local engineering societies for water supply and waste water problems.</i> (MR 2008).</p> <p>It is also interesting to note that institutional strengthening of the water sector was also undertaken via a twinning arrangement under the SAA intervention.</p> <p><i>Sources: CRIS database/ADE inventory, Monitoring Reports</i></p>
ENPI/2007 019-248 (Education)	In its design the FA has set aside € 2 m for TA upon demand and as needs arise. It is recognised that the reform process is complex and will require implementation of measures and actions at many levels that need to be supported and monitored on a regular basis, in terms of inputs delivered, outputs achieved and impacts felt in all fields and directions concerned. The only TA which is pre-identified in the

	<p>FA is € 300.000 for support to the establishment of the PETS/MTEF for the sector which is currently underway.</p> <p><i>Source: FA</i></p>
Other sectors (health, trade)	<p>In health a €2 million envelope has been set aside for TA, studies etc. In trade, TEP B was one of three TEPs with TEP A focusing on institutional capacity building.</p> <p><i>Sources: FAs</i></p>
J.7.2	<i>The sector budget support interventions strengthened the sectors reform process and contributed to tangible improvements in the sectors' policy, strategic, organisational, managerial and/or regulatory frameworks</i>
I.7.2.1	Evidence that a sector reform programme was ongoing: existence of a sector policy, a sector strategy, a detailed costed and time bound action programme and a monitoring mechanism of its implementation
Overall	<p>The new Government reform agenda launched in July 2004 has enabled the Commission to engage in a dialogue with the authorities on several key reforms, such as in the financial, customs, trade enhancement, social, health, education or training sectors. This has led to a shift from large TA programmes to BS which according to the 2007-2013 CSP, has been facilitated by three main factors (i) the Government's willingness to undertake ambitious reforms and involve donors in the process (such as customs reforms, economic and sustainable water use, textile restructuring and vocational training), (ii) the high level of control exercised by the Ministry of Finance over public funds, and (iii) the Government's consideration for new reforms to improve public finance management and for moving toward higher fiscal discipline.</p> <p><i>Source: CSP 2007-2013</i></p>
MED/2005 /017-543 (Water)	<p>The water sector in Egypt was characterised, prior to 2005 when the EC decided to support the sector, by a series of attempts to launch an integrated water management approach with integrated institutional framework. However these attempts, according to the FA, remained isolated and piecemeal, fragmenting and weakening the approach to the sector at large. The various 'pieces' of policy reform include:</p> <ul style="list-style-type: none"> - 1980 National Water Plan - Water Policy Reform Programme (WPRP) initiated during Phase 3 (1996-1999) of the Agricultural Policy Reform Programme (APRP) funded by USAID. - 2003 paper on Inter-Ministerial Water Policy Integration. - National Water Resources Plan (NWRP) (with assistance from the Netherlands and building on past policies supported by UNDP and WB). - Integrated Water Resources Management (IWRM) Action Plan (supported by the WB) National Environment Action Plan (NEAP) 2002-2017 (supported by UNDP) - Governmental Environmental Action Plan (GEAP) (supported by the UK). <p>In addition, a number of initiatives have been led in different water management areas: Performance-Based Budgeting, Increased Accountability and Transparency,</p>

	<p>Public Data Dissemination, Decentralization and User Participation, and Private-Public Partnerships.</p> <p>The Commission’s programme came at a time of institutional breakthrough with the issuance of Presidential Decrees 135/2004 and 136/2004 in the area of water supply and sanitation. It provides for important institutional changes² (local utilities turned into commercial companies, establishment of a regulator) and is followed by the formulation of a Water Strategy for the period 2005-2017 which projects efficiency improvements in irrigation, increase in the re-use of drainage water and treated wastewater, changes in cropping patterns and highlights the need for user participation in cost sharing and water quality improvements.</p> <p>The SBS, through its matrix of conditions, tries to pull together different pieces of reform measures which belong to the various and fragmented sector initiatives listed above: as such there is thus no sector wide strategy and the Plan is rather a list of measures based on the 2005 ‘National Water Resources Plan 2017’ (NWRP). Coordination is ensured by a Supreme Water Council that oversees the implementation of the plan and oversees the sub-committees and determines the priorities. The SBS’s ambition was to <i>‘provide a comprehensive reform framework which binds together and ties internally a number of policy measures in a consistent manner’</i>.</p> <p>Performance indicators for monitoring progress in the water supply and sanitation sub-sectors have reportedly been developed but there is currently no monitoring mechanism in place for this (or at least if it is it is an entirely internal exercise, not made public and which does not involve donors).</p> <p><i>Source: FA MED/2005/017-543, Monitoring Report 2008, MN 218</i></p>
<p>ENPI/2007 019-248 (Education)</p>	<p>As seen in I 6.1.1., a comprehensive reform programme is ongoing in the education sector. This reform programme is embodied into a sector strategy (the National Strategic Plan for Pre-University Education Reform in Egypt 2007/08 – 2011/2012) and includes implementation plans for each of the 12 priority programmes (giving for each programme, objectives, targets, activities, an indication of the year in which the activities are to be performed and the responsible structures). The reform programme is reportedly accompanied by a medium term expenditure framework but its details are not contained in the National Plan and the National Plan gives not a single indication of the cost of implementing the programme (whether an overall cost or a cost by year). In fact there is no real MTEF process in Egypt and at best a medium term costing plan of the sector’s strategy could exist; this reportedly does exist and is based upon the results of the ANPRO model which again reportedly exist in a separate format not seen by the mission. The ANPRO-Model (UNESCO) is an analytical model which makes detailed projections of all essential quantitative components of the education sector, including the costs of implementing the plan and the financial resources required. For each of the 12 priority programmes of the plan, the model (a) sets targets to be reached during the plan period; (b) identifies the activities that will be carried out so that the targets will be attained; (c) assesses the human and</p>

² The FA doesn’t actually spell out what these decrees are about; this needs to be checked during the field phase.

	<p>financial resources required in order to implement the activities; (d) sets an implementation schedule for each activity. The model should thus also provide a useful tool for monitoring progress in the education sector. Unfortunately, as underlined above, the results of this model in terms of costing of the strategy are not publicly available and are never referred to in the NESP.</p> <p>The Plan has been developed with the support of the main stakeholders in education and has emerged from the results of different processes: a situation analysis on the performance of the education sector, a PER (undertaken in 2005 by the WB), the Egypt Human Development Report and other donor-funded analysis, the ANPRO model and best practices of pilot programmes implemented by donors, UN agencies and civil society organizations over the past ten years. There is currently no monitoring mechanism of programme results the modernisation of monitoring and evaluation systems is foreseen in the Plan where most of the relevant activities were clustered around the 2007/08 FY.</p> <p><i>Source: FA, National Strategic Plan for Pre-University Education Reform in Egypt 2007/08 – 2011/2012, Annual Action Programme 2008, MN 103, MN296, MN 86.</i></p>
I.7.2.2	Evidence that SBS funding allowed fiscal space for implementing the required reforms
MED/2005/017-543 (Water)	<p>As seen in I 7.1.3 above, the fiscal space given by the SBS (€ 80 million over three years) is not great compared to the resources swallowed up by the sector (€1.3 billion/year very rough estimate); unfortunately detailed budgetary data could not be found to calculate exactly the yearly contribution of SBS to the sector's financing (but based on the above rough estimate, SBS would represent no more than 2% of water sector funds in any given year). More importantly, the reform measures implemented by the GoE in this sector may have a much more significant impact upon the sector's finances both through higher revenue collection and better management where cost-effectiveness is put high on the agenda.</p> <p>As far as it is understood from the discussions held, the SBS resources have been divided between the Ministry of Housing (under which the Holding Company is lodged) and the Ministry of Irrigation in a 55%-45% split with the money for the Ministry of Housing being passed on to the Holding Company. With this financial contribution the HC has been able to undertake a number of investments which directly contribute to improve its performance and improve water quality. Investments have reportedly included items such as labs for quality control, the automation of systems and, most importantly within the long term vision supported by the EU, the elaboration of a Water Master Plan for the whole country.</p> <p>The monitoring report notes that the reform has enabled to increase revenues of the sector and that costs have been lowered so that better quality services could be provided in a wider area.</p> <p>However, one of the aspects of the reform which would have had the most impact on the funding of the sector and on creating greater fiscal space for the GoE and the sector has not yet been implemented: the tariff setting has been revised to reflect cost-effectiveness but has not yet received GoE approval for</p>

	<p>implementation. The GoE therefore continues to subsidise the sector, now basing its subsidies on the new calculations of tariffs which imply higher transfers than previous years (see I 7.1.3) and have thus effectively reduced the GoE's fiscal space.</p> <p>Field interviews showed that although the SBS greatly facilitated the implementation of the reforms, the sector reform would have been implemented anyway: the fiscal space that the SBS provided was thus possibly less important than the political backing it gave to the reform process.</p> <p><i>Source: Monitoring Report 2008, MN 60, MN 218, GoE/MoF budget data.</i></p>
ENPI/2007 019-248 (Education)	<p>As seen above, the NESP for education which sets out the education reform programme does not contain any details of the cost of implementing the programme (whether an overall cost, a cost by year or by activity). A costing plan over the medium term reportedly based upon the results of the ANPRO model again reportedly exists as a separate document to the NSP but was not seen by the mission. To the extent that there is neither a medium term cost plan of the strategy nor a sector MTEF (which is foreseen but not yet developed for the education sector), it is impossible to provide any judgement on the matter of fiscal space allowed by the SBS to implement the reforms since the cost of reforms remains unknown.</p> <p>From the field discussions it was unclear whether all, some or none of the activities referred to in the ESPSP matrix of conditions would have been implemented in the absence of the EC financial support. The implementation of the strategic plan is mainly donor funded whilst GoE funds the usual running of the education system which is seen as a quite separate issue from that of implementing change linked to the NSP. In the Egyptian context where the budgeting process is very compartmentalised (see also I.7.3.1 and J 7.4), the EC's SBS in education has thus given the MoE fiscal space to implement the reform measures.</p>
I.7.2.3	<p>Evidence that accompanying non financial support (institutional building provided as a component of the BS and/or under a separate project) contributed to relieve specific constraints, showed clear results and thus facilitated the implementation of the reform process</p>
MED/2005 /017-543 (Water)	<p>The BS has been accompanied by 9 short term ad hoc services contracts of which three concern capacity building of the Holding Company for Water and Wastewater (HCWW) for (i) the Hydraulic Automation Sustainability of the National Water Supply and Wastewater Systems of Egypt; (ii) the Management of the National Master Plan, and (iii) in the Rural Sanitation Sector.</p> <p>According to the monitoring report improved institutional capacity has been achieved through this provision of technical assistance. <i>'The capacity building/mentoring of young engineers is having immediate effects for the quality of the Master Plans and management of the company, which will undoubtedly positively influence service delivery in the foreseeable future.(...) Through capacity building, including on strengthened management and improved quality assurance of the Master Plans for each governorate, the target group of end users has been growing. E.g. the trainings on hydraulic analysis and pumping operations have</i></p>

	<p><i>reached out to a large number of engineers.(...) It is fair to say that the relatively low capacity and educational constraints at the decentralised level of the various water works and waste water facilities in the governorates, though still a threat to successful implementation of the overall water sector reform programme, <u>has been acknowledged and aptly addressed by the Project.</u> It is positively worth mentioning that Project training and intuition building has been quite successful, producing a new stock of well-trained water engineers. Another outcome was the strengthening of local engineering societies for water supply and waste water problems.'</i></p> <p>In addition, it is underlined in the MR that the quality of the human resources available to the intervention has been a major factor of its success as it has enabled efficient implementation and that the strengthening of inter-institutional structures achieved by the intervention has also benefited from strong contributions from GoE.</p> <p><i>Source: CRIS/ADE Inventory, Monitoring Reports 2007 and 2008.</i></p>
ENPI/2007 019-248 (Education)	<p>Out of the € 2 m set aside for TA in the ESPSP, it is understood that so far work on the PETS and MTEF has already started. The only observation here relates to the fact that the disbursement of the fixed component of the second tranche (to be disbursed in 2009/2010) is conditional upon the submission by GoE of both the PETS and MTEF. Linking SBS disbursement to conditions where the EC itself is instrumental in triggering progress is at best unfortunate, at worst perverse since the GoE may get punished for delays in fulfilling the conditions which may potentially be equally well attributable to the EC's lack of efficiency in providing the required TA or the inability of the TA to deliver the expected result on time.</p> <p><i>Source: analysis of FA's matrix of conditions</i></p>
I.7.2.4	Evidence that triggers retained for SBS disbursement were functional and have been respected
Overall	<p>Early SBS programmes have not always been successful on the choice of approach. In the education sector where support started in 1997 (and thus falls outside the scope of this evaluation), the 2004 evaluation noted that the EEP's disbursement conditions were vague and probably due to the de facto leadership of the EEP by the WB and the political context at the time which was not particularly reform-minded, the EC did not use its tranche release as a leverage for improving the quality or direction of support: disbursements were made despite the fact that results showed a lack of effectiveness of the programme (in 2001 see mid-term review of the EEP).</p> <p>Over the period of the current evaluation, 6 SBS programmes have been implemented as shown in the table below, and another 3 SBS programmes (in transport, energy and health) are currently in the pipeline. Out of the 6 implemented SBS programmes, details on disbursement conditions were found for 5; these show a few common features:</p> <ul style="list-style-type: none"> - all conditions of disbursement have for all programmes and for all tranches been linked to process indicators measuring progress towards the implementation of specific reform measures and ranging from the most simple steps/activities within a process (launch a study) to complex and demanding outputs of a reform process (issue a new law)

- none of the conditions refer to results that are OVI's except in the latest education sector support where some OVI's have been introduced although not yet defined – there is thus no monitoring process and system associated to the SBS programmes
- The indicators are numerous especially for TEP and the current ESPSP
- The conditions taken as a whole (for one tranche) are tough to meet: they reflect extremely ambitious reforms in a time horizon that seems rather unrealistic
- Many conditions require profound systemic, organisational, institutional or legislative changes which are not within the sole realm of the beneficiary ministry and which may therefore require more time (due to the need to build consensus amongst different stakeholders and ministries and the complexity of the measures required). This aspect is especially important in the Egyptian context where BS is currently treated as project support³ (and thus specifically linked to and managed by one clearly identified beneficiary or agency) and where it is felt that support for reforms is not necessarily unanimous.

Decision number	Title of Sector Budget Support Programme	Number of all	
		actions	indicators
MED/1998/004-295	EC support to the Health Sector Reform Programme		
MED/2003/004-150	Trade Enhancement Programme B, TEP-B	25	58
MED/2004//006-223	Spinning and Weaving Sector Support - Egypt	12	12
MED/2005/017-543	EU Water Sector Reform Programme - Egypt	20	20
MED/2006/018-249	Support to health sector reform	16	16
ENPI/2007/019-248 & ENPI/2008/020-261	Education Sector Policy Support Programme (ESPSP)	18	67

Source: FAs

The functionality of the retained triggers is not questioned except possibly for some 'statistics' to be used as triggers in the ESPSP and which are still to be defined: indeed most triggers are outputs which either exist or do not exist at the time of verification of tranche disbursement conditions and are thus easily measurable and verifiable. However, the respect of the triggers, especially in the more recent programmes, is much more open to question: the majority of triggers were very difficult to achieve within the given time frame and it is understood that realisation of this by the EC has led to a rather lenient interpretation of some of the conditions or the postponement of the condition to the next tranche (as happened for 2 water SBS conditions).

³ From available documentation it seems that TEP B, one of the first SBS programme of the EC in Egypt was not treated as a project but indeed as budget support: money was provided to the GoE's general budget and was not directed towards any of the specific agencies in charge of implementing the customs reform (which included directly and indirectly the Ministry of Finance, the Ministry of External Trade, the Head of Customs, the General Organisation for Import and Export Control (GOEIC) and the Egyptian Organization for Standardization and Quality Control).

Decision nb	Decision Title	Commitment	Paid	Balance
MED/1998 /004-295	EC Support to the Health Sector Reform Programme	40 229 711	40 229 711	0
MED/2003 /004-150	Trade Enhancement Programme B, TEP-B	39 685 790	39 685 790	0
MED/2004 /006-223	Spinning and Weaving Sector Support - Egypt	79 813 031	74 938 031	4 875 000
MED/2005 /017-543	EU Water Sector Reform Programme - Egypt	79 850 000	61 034 346	18 815 654
MED/2006 /018-249	Support to health sector reform	85 700 000	60 000 000	25 700 000
ENPI/2007 /019-248	Education Sector Policy Support Programme (ESPSP)	117 667 212	40 100 327	77 566 885
ENPI/2008 /020-261	Education Sector Policy Support Programme-Additional Commitment	20 000 000	0	
ENPI/2008 /019-608	Targeted support for sector reforms-Transport	80 000 000	0	
ENPI/2008 /019-609	Support for investment in transport, energy and environment sectors	29 000 000	0	
ENPI/2008 /020-494	HSPSP II-Health Sector Policy Support Programme II	0	0	
Total		571 945 743	315 988 205	126 957 539

For TEP B for example, the ex-post evaluation found that all conditions for disbursement of the programme had been either fully or partially satisfied at the time of disbursement and *'had in any case been fully satisfied by 2007 at the time of the evaluation'*: despite this TEP B was fully disbursed. It also noted that in some cases the activities (in the customs sector for example) required to fulfil the conditions had in fact already been undertaken or at least started by the time the TEP was launched; in some cases the SBS represents thus less of an incentive than initially thought.

Source: MWH 2004, FAs of relevant SBS programmes.

MED/2005 /017-543 (Water)

The triggers are based on key activities and reforms mentioned in the sector programme (MR 2007) as well as on PFM activities. Most of these have been undertaken as planned according to the tranche release assessments by the Delegation: all actions planned for the first year and 18 of the 20 actions for the second year were completed. The legislative and institutional framework was adapted; regulatory state power was strengthened; planning for service provisions was given the right tools and decentralization was deepened.

The second year 2 conditions that remained non fulfilled were waived till the following year to allow disbursement. At end 2008, these two plus one other condition remained still unfulfilled and the EC allowed extension of the implementation period by one year to allow the remaining €18 m Euro to be released.

Source: Monitoring Report 14/12/2007 and 29/11/2008

ENPI/2007 019-248 (Education)	<p>The matrix of disbursement conditions contains 12 objectives under four headings; for each year (2009 and 2010) and to each objective correspond a number of activities to be performed and a corresponding number of means of verification which represent in effect the disbursement indicators or conditions. For 2009, the number of conditions to be verified is 67; most of them are process indicators (requiring drafts of new structures, decrees to be issued, plans to be prepared and the like), some of them are input or output indicators (additional number of compliant schools, number of teachers trained, progress reports produced etc.) and a very few resemble outcome indicators (such as GER, ‘statistics on ...’ – not further defined) whilst none are impact indicators.</p> <p>Regardless of the observation that none of these indicators will actually enable the MoE or the EC to verify that progress towards the ultimate objective of the reform is being made (no measurement of education output and outcome whether qualitative or quantitative so that there is no possibility to check whether the assumptions made in deciding on the NESP were correct and that there is only limited possibility to identify the need for readjustments), some of the indicators retained appear overly ambitious in scope and all of them appear overly ambitious in terms of timing. The conditions requiring profound institutional and organisational changes will take time to prepare and then to implement and it seems overoptimistic and over ambitious to expect radical improvements in all the 18 areas within the time span of the ESPSP. In particular some of the conditions depend not only on the willingness, commitment and efforts of the MoE but of those of other institutions/levels of government: decentralisation measures may slip despite the MoE’s best efforts and the conditions on public finance management require leadership of the MoF; on the latter, it seems futile to require the introduction of PPB in three governorates and the elaboration of a sector MTEF if these are not (yet) part of a larger change in PFM led by the MoF: these approaches make no sense if conducted in isolation (and a MTEF at sector level cannot exist unless a sector expenditure ceiling generated by a macro-economic MT projection of revenues and expenditure is given to the sector; this does not exist in Egypt).</p> <p>Finally, as mentioned above (I 7.2.3) two important indicators for the fixed component of the second and third tranches (the PETS and MTEF submissions) are at least partially dependent upon the EC’s own performance in providing appropriate and timely TA to assist the GoE in conducting these activities: in assessing the respect of these two triggers for disbursement this should be taken into account.</p> <p>On the whole it appears that the triggers retained for ESPSP disbursement appear rather unrealistic: no assessment has yet been made of their fulfilment (second tranche disbursement conditions are expected to be appraised by the end of 2009). The over ambitiousness of the conditions may lead to a ‘soft’ appraisal as seems to have been the past approach to ensure disbursement despite the non fulfilment of actual SBS conditions. This would seriously undermine the credibility of the EC’s policy dialogue with the Egyptian government.</p>
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	<i>Source: FA analysis of matrix, NESP, MN59</i>
I.7.2.5	Evidence that budget support contributed to an improved sector framework (policy, strategy, managerial and institutional capacities and organisation, monitoring systems, regulations) which is better geared towards government strategic priorities and more apt to deliver the targeted results
MED/2005 /017-543 (Water)	<p>According to the Monitoring Report (2007) the water SBS has contributed greatly to an improved sector framework. The following areas of improvements are explicitly cited: the expenditure planning process, the monitoring and evaluation system, the donor and sector coordination mechanisms, the sector policy dialogue and fine-tuning of strategies. In this respect the MR also stresses the fact that the SBS has helped stakeholders to have a more homogeneous and exhaustive view of the sector's problems; this is in line with the intentions of the Johannesburg initiative of considering the water sector in an integrated manner. It furthermore underlines the role the EC matrix of disbursement triggers played in focalising the policy discussions on the progress achieved in these main areas of reform. The review and monitoring of the sector achievements has enabled stakeholders to identify problems and elaborate a comprehensive list of required improvements and recommendations.</p> <p>Of course, one of the main contributions of the SBS has been the institutional strengthening and the overhaul of the managerial organisation of the water sector including the strengthening of the financial, legal and institutional capacities; the support to the HCWW which enabled it to elaborate the National Master Plan for Water Supply and Sanitation and the Master Plans (MP) for five of the 26 governorates is another major achievement of the intervention.</p> <p>Overall it is thus clear that the EC's SBS has played an important role in the water sector reform implementation, that it has possibly sped the reform process up by using some of its steps as disbursement triggers and that it has contributed to the development and operationalisation of an improved sector framework.</p> <p>Although the extent to which this has led to improved results at beneficiary level (improved overall fiscal management of the sector and improved service delivery for the population) remains unchecked by the SBS operation itself since no result indicators have been retained for monitoring in these areas, the SBS has contributed to put into place the systems that would allow this: the reform process has led sector management to be more responsive to end-user needs by receiving and processing feedback from the customer base back into the project cycle. However, no information about the performance of the WHC or the outcomes at client level are publicly available.</p> <p><i>Source: Monitoring Reports 2007, 2008</i></p>
ENPI/2007 019-248 (Education)	The ESPSP is geared towards supporting the improvement of the sector framework. By linking its support to the education sector to the implementation of reform measures contained within the NESP and by doing this in the form of budget support whereby the MoE has a theoretical say over exactly how the SBS would be spent, the EC has shown its overall support to the MoE's policy and

	<p>strategy.</p> <p>In practice of course, the expenditure allocation of the SBS exactly espouses the funding of the activities required to fulfil the matrix's conditions and is therefore not particularly strengthening the MoE's own budgetary planning process of resource allocation in line with strategic priorities. As will be further seen in J.7.4, the supply of SBS funds (as opposed to project funds for example) does not strengthen the hold of the MoE over the budget allocation process within the education sector since in Egypt this process is totally compartmentalised by source of funds (GoE and each donor are separately considered) and by use of funds (recurrent/investment/subsidies); in addition SBS funds are seen/considered like project funds by the MoE which apportion their use exclusively to the measures required for satisfying the conditions of the matrix.</p> <p>Notwithstanding the very negligible effect that the ESPSP can potentially have on the budgetary process in the education sector, it is likely to have an important contribution in changing the organisation, managerial and regulatory frameworks of the education sector. Indeed, the SBS conditions for disbursement are mainly geared towards the implementation of institutional changes such as the decentralisation accompanied by school-based reform and other measures (including the implementation of tools for improved management such as management information systems, development of capacities in budgeting, planning and school improvement; the introduction of programme based budgeting in selected governorates, the promotion of PPP for school construction, etc.). Although it is as yet too early to see any improvements (second tranche evaluation is due at the end of 2009), it is likely that if the MoE has implemented the measures contained in the matrix then the sector will undergo some profound institutional changes which, if the NESP has made correct assumptions, will affect the sector's performance and eventually will affect the ability of the public (and private) sector institutions to deliver improved services to the public.</p> <p><i>Source: analysis based on the FA's matrix of specific conditions.</i></p>
J.7.3	<i>The EC sector budget support interventions contributed to improve the sectors' performance in service delivery</i>
I.7.3.1	Evidence of improved budgetary performance (funding mobilisation, budget allocations and budget execution)
Overall	<p>The few analyses that exist on Egypt's PFM show that information on budgetary performance is difficult to obtain as publicly available information is very general, non inclusive (off-budget expenditures are estimated at just below 10%) and not sufficiently detailed and informed to enable detailed analysis; transparency (although it has improved since public expenditure is no longer a 'state secret') and accountability of the Egyptian PFM system represent important weaknesses. The budgeting processes and institutional responsibilities are fragmented, the budgeting, accounting, and reporting systems are distinct for the recurrent and investment parts of the budget and the budgets are not linked to outcomes and results, thus forming a serious constraint to an overall and comprehensive analysis of budgetary performance. Although both the recurrent and investment parts of the budget are supposedly unified under the responsibility of the MoF since</p>

	<p>2005/06, it seems that in practice the investment part is still discussed with and approved by the MoED before forwarding to the MoF.</p> <p>In short, as the PEFA states; <i>‘Budgets still lack the programmatic structure necessary to explain and justify the rationale for public expenditure and the level of aggregation at which budget information is presented makes it difficult for the reader to conduct any meaningful analysis of budget proposals.’</i> Whether or not budgetary performance has improved is thus difficult to establish.</p> <p>It is noteworthy that none of the SBS programmes have integrated conditions on budgetary performance: early programmes ignored any PFM implications of their support and did not envisage any PFM issues in their conditions of disbursement. Current programmes all have some PFM conditions but none that directly reflect the issues of budget allocations and budget execution in the sector: these issues are less crucial in Egypt where SBS is almost non fungible since by being treated as a project it provides additional funding to the sector (even though in the medium to long term, and to the extent that the GoE was going to implement the measures now funded by SBS, SBS can be considered as having fungibility implications).</p> <p><i>Sources: WB 2005c, PEFA</i></p>
<p>MED/2005 /017-543 (Water)</p>	<p>Since the beginning of the 1980’s huge amounts of public investments have been allocated to the water sector to extend the water supply network and drainage facilities and rehabilitate irrigation infrastructure: according to the 2005 PER these investments peaked about LE 7 billion in FY 2003/2004 equivalent to 31% of GoE’s public investment budget (44.5% according to the SBS FA). Total expenditure on the water sector (both river basin and water supply and sanitation) represented about LE 10 billion of which less than a third was covering operating and maintenance costs. Financing was from the national budget and from donor support. The largest donor for a long time was USAID but other active donors include the NL, Germany, WB, UNDP, UK and Canada. Unfortunately the budgetary data readily publicly available (on internet) are not sufficiently detailed to enable isolation of the water sector expenditure which in GoE’s functional budget classification is partly captured under the ‘Economic Affairs’ code (concerning expenditure for the Ministry of Irrigation) and under ‘Housing and Community Amenities’ (which includes the Ministry of Housing which is responsible for water and sanitation and includes transfers and subsidies to the water companies). It has thus not been possible to identify trends of expenditure beyond the analysis undertaken by the PER in 2005 (WB/MoF).</p> <p><i>Sources: WB 2005, FA, GoE MoF website, MN218</i></p>
<p>ENPI/2007 019-248 (Education)</p>	<p>The budgetary performance of the education sector has to be seen in the light of changes made in the coverage of the budget as explained in the NESP: whereas the budget allocated to the education sector has continuously and steadily increased (as shown in the table below) in absolute terms, its share of the overall budget has decreased substantially from around 16% in 2003/04-2004/05 to only 10% in the current 2008/09 draft budget. According to explanations given in the NESP, this is due to the coverage of expenditure: the overall 2005/06 budget has</p>

increased due to its inclusion of petroleum subsidies hitherto off-budget and expenditure for Al Ashar pre-university education has been shifted to a different ministry (youth, culture and religious affairs) thus effectively reducing expenditure of the MoE.

Summary of Education budget	Draft Budget	Budget 2007/08	Actuals			
			2006/07	2005/06	2004/05	2003/04
Education Budget in LE millions	34 791	30 937	27 741	25 620	25 796	22 667
Education as a share of total budget	10%	13%	12%	12%	16%	16%

Source: Ministry of Finance website

Unfortunately the Egyptian budgeting system presents a very broad functional classification of expenditure (by very broad sector) coupled with a breakdown by type of expenditure (wages, other recurrent and capital) and by level of administration (central administration, local authorities and service authorities); this classification does not allow a finer analysis of expenditure by level or type of education or by expenditure targeted results. As a result it is very difficult to perform any detailed analysis of education sector expenditure. A PER was undertaken with WB assistance in 2005 (covering up to the 2002/03 FY for budget data and 2003/04 for education statistics) and the MoE's Policy and Strategic Planning Unit has initiated an analysis of the distribution of the 2004/2005 and 2005/06 budget estimates recurrent expenditures by level of education. They offer snapshots of the budgetary situation in Egypt's education sector but do not offer a vision over the progress over time of the different types of expenditure.

In addition to the obvious constraint of detailed budgetary data availability, analysing budgetary performance is also very difficult due to the fragmentation of institutional responsibilities regarding the budgetary processes and the fragmentation of the budget itself:

- within the education sector, responsibilities for budget programming and execution are split between the central ministry, the governorates and the service authorities (of which mainly the GAEB which is in charge of the investments) whom (according to the 2005 PER) function more or less autonomously and do not necessarily coordinate their programming;
- for all spending agencies, including those operating in the education sector, expenditure allocation decisions are extremely limited because responsibility for budget programming is split between institutions (MoF, MoED, spending agency) and budget chapters (wages – centrally decided by MoF; purchase of goods and services – mainly central ministry for education; other expenses (recurrent costs) - central ministry and governorates; and investment – MoED/MoE/GAEB for education).

In short, evidence of improved budgetary performance in the education sector would be extremely difficult to find on the strength of current observations. The existing analysis, now possibly quite old, is that of the PER which concluded inter alia:

	<ul style="list-style-type: none"> - <i>Budget processes are rigid, confusing, and not transparent, with excessive variability between the planned and actual budgets. They are also highly centralized, as is school governance. Neither governorates nor MoE officials at any level have sufficient impact on the ultimate budget allocations to chapters or significant flexibility for transferring resources between budget chapters.</i> - <i>Capital investment and recurrent (including maintenance) expenditures are not as well coordinated as they could be, due largely to the split authority between the MoF and MoED.</i> - <i>Large and persistent deviations in actual expenditures from budget allocations are inefficient and inhibit effective planning and administration.</i> - <i>Budget data cannot be analyzed at the level of the school, which is the unit of production of services.’ (PER, WB 2005)</i> <p>The weaknesses exposed through the 2005 PER and since then through the PEFA are at the basis of the ESPSP’s focus on the efficiency and effectiveness of public spending in education (Result C of the ESPSP); they are presented and commented upon under I.7.4.1.</p> <p><i>Sources: MoF website, NESP, WB 2005</i></p>
I.7.3.2	Evidence of improved performance of sector indicators: provision of public services (quantity and quality)
MED/2005 /017-543 (Water)	<p>For the past twenty years, the focus of GoE in the water sector has been to respond to an increasing demand for water by an increase in the supply of water: huge investments were made to extend the water supply network and drainage facilities and rehabilitate irrigation infrastructure. Financing was from the national budget and from donor support. These huge investments resulted in a sharp increase in water supply from 5.8 million m³ per day in 1982 to 18.2 million m³ per day in 2000 and a similar increase in water consumption from 130 litres of potable per day in 1981 to 275 litres per day in 2000. Similarly access to potable water increased to almost 100% in urban areas and 95% in rural areas and the sewerage and sanitation coverage also increased substantially, with wastewater collection increasing eightfold between 1982 and 2000.</p> <p>In terms of reaching MDGs Egypt is thus on target and the SBS has nothing further to contribute to these; instead the focus has shifted from quantity to quality and cost effectiveness (including operational performance and financing/funding mechanisms) and to the integration of regional and sectoral needs into the water problematic. Institutional reforms, incentive structures and technical innovations are the main channels through which this new focus can be attained. As a result and against this background where access is no longer the main issue, when looking at the performance of service delivery in the water sector it would be useful to monitor indicators of performance touching upon qualitative and managerial issues..</p> <p>For the water SBS not a single performance result indicator was retained for monitoring and as disbursement trigger: the ultimate beneficiaries were not the focus of this SBS. However according to the 2008 MR: <i>‘Measurement of Project effects</i></p>

	<p><i>has improved due to sector management being more responsive to end-user needs and receiving and processing feedback from its customerbase back into the Project cycle</i>’. Similarly the MR state that the improved performance on cost recovery has enabled better quality services in wider areas. Apparently a monitoring system for water quality and operational performance has been set up by the Holding Company but no data were made available to the team permitting to verify these statements (the Company’s internet site is not yet totally operational and it might thus be developed to hold some of these data in future).</p> <p>Sector monitoring with donors through the Sub-DAG group is done entirely on the basis of the EC matrix which contains exclusively process indicators. True joint annual reviews with performance reviews based on the progress of outcome indicators do not take place.</p> <p><i>Source: FA, Monitoring reports, MN 218, MN 213, MN 83.</i></p>
<p>ENPI/2007 019-248 (Education)</p>	<p>The formulation of the ESPSP is such that it is difficult to perceive exactly the extent to which the EC’s support is channelled on specific areas of the MoE’s reform or whether the support is targeted towards the implementation of the whole of the Education sector’s reform thus sharing in entirety its service delivery targets. Indeed, under its ‘expected results and main activities’ the ESPSP indicates four areas:</p> <ul style="list-style-type: none"> – Open and equitable access for all children; – Decentralization and school-based reform; – Quality of educational services and learning outcomes; – System efficiency and enhancement of public spending in education <p>which are expected to bring considerable improvements in learning outcomes, pedagogical and assessment methods, learning environment, community participation, curricula, unreached children intake ratios, teacher motivation, teaching/non-teaching staff ratios and system efficiency. However, when looking at monitoring arrangements it is clear that these are effectively limited to the areas which the MoE and EC will monitor for disbursement of the SBS, ie to the 18 categories of conditions/indicators within the matrix. The matrix is a complex set of objectives, activities (for year 1 and year 2) and means of verification listed under the four areas of result identified above. For each activity a number of means of verification (ranging from 2 to 6 per activity) are listed which together form the basis for a disbursement decision. Out of the many such conditions/indicators (67 for year one and a roughly equivalent number for year 2), there is a vast majority of process indicators and some input and output indicators; result indicators are rare and not yet defined (no targets, no baseline and loosely expressed as ‘statistics’) and no impact indicators are included; all indicators are subject to the defining of a scoring and weighting system during the first year of ESPSP implementation (<i>‘once an Education sector MTEF is developed’</i>) . With the current monitoring arrangements as foreseen in the FA, there is thus no provision made for monitoring of service delivery performance in the education sector. This reflects relatively well the monitoring arrangements within the sector where it is understood that no (formal or informal) sector performance reviews are organised by the MoE or the stakeholders and where donor reviews remain limited</p>

	to (mainly bilateral) reviews of particular projects. <i>Sources: FA, AAP 2008, NSP</i>
J.7.4	<i>The EC Sector Budget Support interventions have contributed to improving public financial management</i>
I.7.4.1	Evidence that SBS interventions specifically included public financial management issues as triggers for disbursement and as elements of the policy dialogue
Overall	<p>All SBS programmes since 1998 have included the same three general conditions (these are found in the TEP, spinning and weaving, health/2006, water and education SBS programmes), namely:</p> <ul style="list-style-type: none"> - the maintenance of a stable macro-economic framework, - timely availability of all the legal, financial and technical documentation concerning implementation of the programme, including information on financial circuits and flows used for the implementation of the programme - a condition on the implementation of macro-fiscal and structural reform policies in accordance with the objectives of: (i) maintaining the major internal and external balances; (ii) improved, sustained and fairly shared growth; and (iii) effective and harmonious transition to association and free trade with the European Union <p>The early programmes (TEP, Spinning and Weaving) did not include any PFM indicators/conditions; the health SBS (2006) included four specific global (non sector specific) PFM reform measures; the water SBS included 6 of which 4 global issues and 2 sector specific and the education SBS includes 6 sector specific PFM conditions. The global PFM issues taken as SBS conditions were already part of ongoing discussions between GoE and the BWI; as conditions that were already used by these in their programmes, they served more the purpose of reinforcing the importance of these issues than of creating an opportunity for the EC to join the dialogue on these issues. The sector specific PFM conditions may have served this purpose better: they have provided concrete issues to be discussed with the technical ministries and the MoF and have engendered the beginnings of a PFM dialogue that could eventually lead to a wider discussion of global PFM reform.</p>
MED/2005 /017-543 (Water)	<p>There are 6 specific conditions pertaining to PFM in each yearly tranche disbursement conditions related to: the elaboration of a medium term fiscal framework (year 2 only), the introduction of new budget classification, the establishment of a Single Treasury Account (STA), the computerisation of the budget law, the undertaking of a PER in the water sector and the introduction of performance/or programme based budgeting (not clearly identified) in the water sector. In addition there are a number of conditions pertaining to cost effectiveness within the water sector and to the subsidy system which will, if implemented, have important consequences upon the state of the public finances but not on the systems for PFM.</p> <p>It is not clear whether the inclusion of these conditions has triggered a dialogue on PFM issues:</p> <ul style="list-style-type: none"> - PFM conditions for first tranche release (December 2005) had already largely been satisfied even before the FA was signed (the required measures were already underway at the time of preparing the SBS); as such they did thus not provide any platform of discussion with the EC.

	<ul style="list-style-type: none"> - PFM conditions for 2nd tranche release were also satisfied; they included the production of a MT fiscal framework (produced by the IMF), the TSA (an IMF/WB condition) and two reports on launching PBB; it seems that these conditions were based upon existing IMF/WB conditions and as such again they might thus not have been particularly helpful in launching an EC/GoE dialogue on PFM, rather they may have reinforced these specific PFM issues in the general IMF/WB discussions with the GoE. <p><i>Source: FA, Compliance reports for 1st and 2nd tranche disbursement 12/2005 and 12/2006</i></p>
ENPI/2007 019-248 (Education)	<p>PFM figures at two levels in the education SBS: firstly one of the four general conditions of disbursement of the SBS includes <i>‘the submission of a report attesting to the correct application of accounting and budgetary norms and procedures. This report (or an accompanying report as necessary) will furthermore report on the measures taken by the Government during the preceding year to improve public financial management and budget planning, formulation and execution’</i>. This general condition was not included in other SBS FAs.</p> <p>In addition to its mention in the general conditions, PFM figures highly in the general and specific conditions for second and third tranches disbursement:</p> <ul style="list-style-type: none"> - the fixed component of the second tranche is linked to the submission of a (sector) PETS and (sector) MTEF and the one of the third tranche to the updating of the MTEF; - the variable components of the second and third tranches include conditions in the four result areas of the ESPSP, one of which is concerned with the enhancement of the efficiency and effectiveness of public spending in education. The matrix of disbursement conditions accordingly includes 4 related conditions: one on the issue of accountability and effectiveness of public spending in education (condition 10), one on the linking of performance measurement and programme budgeting (condition 11), one on private sector participation in the funding of the sector (condition 12) and one on the provision of text books in a more cost-effective manner (condition 13). <p>In particular, in terms of PFM issues condition 10 requires the undertaking of a PETS to identify leakages and condition 11 the launching on a pilot basis of Programme based budgeting. From a very superficial analysis of the state of play of PFM in Egypt (whether it be from the point of view of PFM systems, institutional organisation of budget processes or budget classification perspectives) the relevance of requiring PBB (and MTEF as a general condition for fixed component second tranche release) at this stage of the Egyptian PFM appears questionable: if the issues of effectiveness and efficiency of public spending are to be addressed the characteristics of budgeting in education exposed in I 7.3.1 clearly show that the problem is not one that can be solved within the education sector (by a PETS, a MTEF or PBB) in isolation of a general overhaul of the Egyptian PFM systems and organisation. It appears that the phase of preparation of the ESPSP did not pay sufficient heed to understanding the functioning of the budgetary processes in Egypt since the three measures proposed make little sense in the Egyptian PFM context. Although the choice of these PFM conditions can</p>

	<p>be found to be unrealistic, overambitious and ill-adapted to the Egyptian state of affairs in PFM, it has provided three concrete issues on which the EC has been able to start dialoguing with the MoE and the MoF; it is too early to tell whether this may eventually lead to progress of the Egyptian Government in elaborating, adopting and eventually implementing a PFM reform programme but it has not done much harm so far either, under the proviso that these conditions are reconsidered in terms of their impact upon the disbursement of the ESPSP tranches.</p> <p><i>Source: FA</i></p>
I.7.4.2	Existence of a public finance management dialogue, of a strategic reform process and action plan to improve public finance management
Overall	<p>Although dialogues between the GoE and the IMF, the World Bank and USAID have existed for some time, these seem to have been limited to very specific issues. It is only very recently that the donors, under leadership mainly if the EC it seems, have attempted to widen the scope of the PFM dialogue to embrace the PFM issues in a holistic manner. The PFM dialogue between the GoE and the EC is very recent (2007/08 and prompted probably by the extensive use of BS as financing instrument in the recent NIPs) and its first concrete result is evidenced by the undertaking of the PEFA in 2008/09. This is hoped to lead, eventually, to progress in elaborating a PFM reform programme which would address all PFM issues and thus depart from the hitherto piecemeal approach to PFM improvement that has been pursued by the main donors (USAID and WB as well as IMF offer TA in specific areas) and has addressed, inter alia, the following issues:</p> <ul style="list-style-type: none"> - budget classification (including showing of subsidies explicitly in the budget) - Treasury Single Account (TSA) although a multitude of individual bank accounts still exist for diverse purposes - single Tax Commissioner for the GST and Income Tax and introduction of VAT - Expansion of tax base and removal of tax exemptions. <p>Currently the PFM dialogue is only just commencing and hopes are high on the donors' side that it may lead, on the strength of discussions around the PEFA findings, of previous experience of support to PFM changes and of the current discussions around the decentralisation and its PFM impacts to a process of strategic reform in PFM and eventually to an action plan to improve overall PFM management.</p> <p>From discussions and readings on the Egyptian PFM it is clear however that the problematic is very complex, not only due to the fragmented budget processes and institutional responsibilities and to the weaknesses in the PFM systems themselves, but also because of the role and authority of the MoF which may well be insufficient to lead this very important exercise; although the PEFA indicates high commitment and enthusiasm at the highest levels of the MoF for reform, the degree to which the various directors within the MoF are ready to understand the need for change and offer a consensual attitude towards reform remains unclear.</p>

	<i>Sources: MN 58, MN 59, MN 147, MN 181, MN 58</i>
ENPI/2007 019-248 (Education)	The FA gives a short but up to date and relevant account of progress in PFM generally and stresses the need for continued dialogue in the section about conditions for disbursement.
I.7.4.3	Evidence that the shift to budget support has been accompanied by improved budgetary discussions between beneficiary sectors and the Ministry of Finance
Overall	<p>There is no evidence that BS has changed anything at all in the normal budgetary processes. This is explained by the fact that recent BS operations have been considered and treated like any other project money (as opposed to the earlier TEP B SBS which appears to have been akin to normal budgetary support). Once the tranche is released by the EC, the beneficiary ministry has to prepare a workplan for this money that it submits to the Ministry of Plan which approves it and passes it to the Ministry of Finance for releasing the transfer. The process is slightly different where the water sector is concerned since there the share of the SBS that is meant for the Water Holding Company (55% of the total SBS, the other 45% go the Ministry of Water and Irrigation) is released via the Ministry of Housing: the Water Holding Company must prepare a plan for the use of the SBS to be submitted for approval to its Board of Directors (on which sits the MoF) before the money can be released to it.</p> <p>In the Egyptian budgetary process budget discussions are actually very limited and technical ministries and agencies are not really in charge of budget arbitrage. The role of the MoF is to program the recurrent expenditure, where wages and other recurrent costs are projected more or less linearly (incremental budgeting). The investment budget falls under the responsibility of the Ministry of Planning: investment projects are part of the Five-Year Socioeconomic Development Plan (and its annual tranche) and investment proposals from individual agencies must thus fit within these established priorities. Discussions on the capital budget thus take place mainly between the MoED and the MoF (in terms of general budget volume) and between the MoED and the technical ministries/agencies for sector budgets.</p>
MED/2005 /017-543 (Water)	There is no such evidence: an internal arrangement (with or without EC acknowledgment/participation) has been made between the MoF, the MoH and the MoWI about the split of the SBS monies: 45% goes to MoWI and 55% to the MoH which in turn transfers the monies to the Water Holding Company. The former has to submit a workplan/budget for the use of the money to the MoED then to be approved by the MoF (the same process as for any other project) and the latter prepares a workplan/budget for approval by its board of directors on which the MoF sits. The MoF cannot directly transfer public funds to the WHC, hence the passing through the MoH. In practice, if there is any discussion at all about the use of the SBS funds it takes place between the recipient ministry and the MoED, not the MoF; the discussion is effectively limited to the verification of the use of funds which must correspond to what is required to satisfy the conditions set in the SBS matrix. For the WHC, there is no budgetary discussion with the MoED or MoF but a presentation to the Board of Directors which again has to show that expenditures proposed aim to satisfy the objectives of the SBS.

	<i>Sources: MN 60, MN 217, MN218</i>
ENPI/2007 019-248 (Education)	<p>There is no such evidence: the MoE prepares a workplan for the amount of the tranche released with activities that are foreseen in the matrix to satisfy the conditions for disbursement. The proposed workplan is submitted to MoED for approval, then to MoF for payment. There is no difference with the methods used for any other projects and no changes from before SBS.</p> <p><i>Sources: MN 59, MN 296.</i></p>
I.7.4.4	Evidence of improved coordination between the Ministry of Finance and the sector ministries in budget preparation, activity planning and budget implementation and monitoring
MED/2005 /017-543 (Water)	<p>There is no change: SBS is treated like a project in terms of budget preparation and approval. It is not actually clear whether the SBS monies are subjected to the same internal and external controls as government funds. In the case of the WHC it seems that its total budget is audited once a year, including SBS funds. For the MoWI this is not clear. For the WHC, the monitoring of the use of the budget is apparently done on the basis of a number of outcome indicators (quality performance indicators) but no evidence of this was shown to the team. The team asked to see the end-of-year accounts but again these were not available for consultation.</p> <p><i>Sources: MN 59, MN 60, MN217, MN 218, MN 213.</i></p>
ENPI/2007 019-248 (Education)	<p>There is no change: SBS is treated like a project in terms of budget preparation and approval. The activities are drawn up and then approved by MoED. There seems to be some special monitoring of these funds as the MoE is able to tell exactly what has been done with these funds: they are treated separately in execution and monitoring. It is not clear whether SBS funds are subject to normal budgetary controls (internal and external audit procedures).</p> <p><i>Source: MN 59, MN 296</i></p>
I.7.4.5	Evidence that disbursements of sector budget support were predictable, timely and coordinated with GoE and other donors.
Overall	<p>On predictability there have in general been no surprises as funds committed to SBS have almost always been disbursed in full. Even when not all conditions have been formally and fully satisfied, tranche disbursement has taken place (see also I.7.2.4). Currently only a small portion of the Spinning and Weaving SBS (€4.8 million or 6% of the total) and the third tranche of the Water SBS (€18.8 million which should have been disbursed in 2008/09 but has been delayed due to the condition pertaining to the new water law not having yet been passed) are still outstanding for disbursement.</p> <p>In terms of timeliness, the time horizon of the various reforms has been rather ambitious, leading to some delays in disbursement of tranches (eg Water SBS) or to a lenient appreciation of conditions (eg EEP). One of the particularities of SBS in Egypt is that it is considered as a project, a direct support to the beneficiary institution which totally circumvents any involvement of the MoF which is simply seen as a transit agent: when SBS money is not immediately received by the sector</p>

	<p>after disbursement by the EC, the relevant ministry will turn to the EC to ask what happened to the funds and not to its MoF.</p> <p>There is no particular coordination with GoE and other donors: the EC is the only donor providing SBS and as the funds are treated as project funds, they are not coordinated with the budgetary year: they are programmed only when the tranche disbursement has taken place not at the beginning of the budgetary year.</p>
MED/2005/017-543 (Water)	<p>Disbursements to the WHC are predictable and timely, presenting no problems. The question of coordination with GoE and other donors does not arise as funds from GoE and other donors follow different channels.</p> <p><i>Sources: MN 60</i></p>
ENPI/2007 019-248 (Education)	<p>Funding seems to be relatively predictable with a possible delay at the MoF: part of the first tranche received by the MoF in October 2008 was disbursed to the MoE at end June 2009, at the closure of 2008/09 FY, the rest of that tranche will be transferred in the 2009/10 FY: it is not entirely clear whether this delay was because the planning of activities dictated this timing or whether it was imposed by the MoF.</p> <p><i>Source: MN 296</i></p>
I.7.4.6	<p>Evidence that budget support contributed to greater harmonisation of donor interventions, alignment on Government priorities and Government budgetary procedures and reduced transaction costs</p>
MED/2005/017-543 (Water)	<p>The water sector has benefited from much donor support but although they have been increasingly coordinated, they have not specifically pursued synergies or complementarities and there was no overall sector plan to prioritise investments. The development of the water sector strategy was a crucial step forward and the next requirement for better alignment of donors was to have a common plan for prioritised investments in the sector. One of the SBS's achievements is to have strongly defended the need for a Master Plan and to have hinged its budget support on the elaboration of such a plan as a disbursement condition. This has now been done, thus providing the water sector with a masterplan to which all investments can be aligned thus making financial support and investment in the sector more effective. The Masterplan will also indirectly contribute to improved coordination amongst donors.</p> <p>Because the alignment on Government budgetary procedures is no different between projects and SBS, there has been no value added from SBS in this area.</p> <p>Finally it is questionable whether SBS has reduced transaction costs: since it was the first time that a SBS operation was launched in the water sector in Egypt, and considering the very complex nature of the conditions for disbursement in the matrix, the SBS has probably been more onerous in GoE's time and efforts than it would have been had the funds been disbursed through a traditional project (but the aims and potential outcomes of the operations are so different that they are not comparable).</p>

	<i>Source: MN 60, MN 82.</i>
ENPI/2007 019-248 (Education)	There is no such evidence yet although it seems that the EC, whether or not incited by its involvement in the sector through a SBS operation, is pushing for alignment of donors around the education sector strategy.
J.7.5	<i>The EC interventions have contributed to improve the policy preparation and implementation, including the use of the budget as a policy instrument</i>
Overall	<p>In both sectors where specific interventions have been reviewed, education and water, the EC's SBS came at an opportune time when sector strategies had just been finalised or were in the process of finalisation; in the water sector the EC continues to support efforts towards the consideration of a water wide strategy, including both the water from the point of view of the River Basin (and its agricultural and industrial uses) and from the point of view of water supply and sanitation. In both sectors, the SBS by widening the platform for discussions to the implementation of the sector strategy, seems to have had several positive effects: the SBS matrix has become a monitoring tool of strategy implementation to which donors are rallying (in the water sector) thus possibly leading to some form of future joint sector reviews; new issues have been introduced in the policy dialogue such as the water tariff question or the PETS and MTEF in education.</p> <p>However there is no evidence that the EC interventions through SBS contributed to improved policy preparation and implementation, including the use of the budget as a policy instrument. The budget because it allocates different levels of resources and thus of spending to different activities or programmes, is a translation, in revenue and expenditure terms, of the priorities of a government: it is a powerful tool to translate policy statements into reality. Hence, when the EC wishes to support the implementation of a Government's policies, it chooses budget support as its preferred modality. However the link between the budget and policy priorities in Egypt is not straightforward because of the compartmentalisation of the budgetary process.</p> <p>This issue has not been considered by the EC's SBS programmes which have focussed on some very specific (and quite sophisticated) PFM issues (MTEF, PPB, TSA) but have ignored the issue of compartmentalisation of the Egyptian budgetary processes which is essential to the use of the budget as a policy instrument: a unified budget process clearly does not exist in Egypt but the extent to which the different processes (see I.7.3.1) that have been identified in the short evaluation mission are effectively separate, non coordinated and non coherent processes has not been assessed. The consistency of the different strands of budgeted expenditure between them and their consistency with the overall sector policy objectives is of more importance than the institutional arrangements underpinning the processes; however, researching this aspect goes beyond the scope of the current assignment and has thus not been verified. The recently completed PEFA underlines some of the drawbacks of the lack of integration of the recurrent and investment parts of the budget ('such as coordination issues between the two central agencies for control and spending, as well as alignment problems between asset creation in the investment budget and long- and medium-term operating and maintenance costs of these investments', see PI-12 in PEFA 2009); the PEFA does not seem to have picked</p>

	<p>up on the fragmentation of the recurrent budget programming process as it is not an aspect under normal scrutiny of a PEFA. The PEFA does not provide a direct assessment on the question of the use of the budget as a policy instrument but it provides an interesting summary table on the links between the six dimensions of an open and organised PFM system and the three levels of budgetary outcomes where it clearly shows that in Egypt the strategic allocation of resources, and thus the use of the budget as a policy instrument and the operational efficiency of resource allocation, is hampered by (i) the lack of budget credibility, (ii) the lack of transparency and comprehensiveness of the budget, (iii) the absence of medium term perspective in programming and the absence of budgetary ceilings set for budget programming, (iv) the recourse to in-year budget re-allocations and the potential for unauthorised expenditure, (v) the lack of knowledge about programmes' costs and the use of resources, and (vi) insufficient public scrutiny of budget implementation vis-à-vis the stated policy.</p> <p>In such a context the provision of budget support is rather meaningless: it aligns to national procedures but these underpin budgetary processes that relegate the budget to the rank of accounting tool rather than using the budget as a policy instrument. In these circumstances, the main advantages of SBS can thus not be realised.</p>
I.7.5.1	Evidence of the quality of the sector policy dialogue: led by the Government of Egypt, conducive of sector strategy, coordinated with all donors
MED/2005/017-543 (Water)	<p>In the water sector there is a good sector policy dialogue which has been ongoing for a couple of decades but which has only recently led to the development of a sector strategy and to a concerted coordination of donors and a sector policy dialogue which favours coherent support from the different donors. Here the SBS has contributed to the policy dialogue by introducing discussion issues not hitherto touched upon:</p> <ul style="list-style-type: none"> • Water Sector Dialogue (OECD financed by EC); OECD study (financed by EC) on water affordability – issue of water tariffs • European Union Water Initiative (J'burg) led by Greece in the Mediterranean countries (but financed by EC). Policy dialogue has to be requested by government. • Study on health effects of too much chlorine in the water (kidney failure) <p>The SBS has also contributed by enlarging the platform of discussions in the sector to a policy/strategy level as the SBS matrix has provided a basis for discussions about the sector's reform strategy and measures. Donors seem to be very positive about the level and intensity of the policy and technical discussions within the water sector; at the level of the GoE increased complementarity of donor activities is desired; the joint EC-BEI-AFD-KfW project currently prepared will represent a step in the right direction.</p> <p><i>Source: MN60, MN 83, MN 213</i></p>
ENPI/2007	In the education sector the policy dialogue seems to be very fragmented:

019-248 (Education)	UNESCO seems to have been the main interlocutor for the formulation of the sector strategy whilst other donors have implemented, through projects, a number of pilot experiences over the last decade from which the MoE eventually choose the ones it found most successful for replication and thus integration into its new strategy. There is very little donor coordination although there seems to be a reasonable level of donor consultation. The EC is trying to push for better donor alignment on the new strategy. Source: MN 77, MN 86, MN 92, MN 103, MN 160.
I.7.5.2	Evidence of the Commission participating actively in the policy dialogue during preparation and implementation of the SBS programmes
MED/2005 /017-543 (Water)	The EC came at an opportune time when the strategy was already formulated. Its involvement in policy dialogue is thus only at SBS implementation stage.
ENPI/2007 019-248 (Education)	The EC seems to have been more a recipient of the results of the strategy preparation during the time of the SBS preparation. Indeed at this time the NESP was being formulated and finalised and the EC endeavoured to base its disbursement matrix on the various elements of the education strategy. In January 2007 the EC was doing its SBS identification whilst the MoE was doing its SWOT analysis and drafting the Plan. In May 2007 the EC finished the identification but the SBS matrix was revisited at the light of the now finalised Strategic Plan. The EC still actively discusses policy issues with the MoE in the context of the tranche conditions. <i>Source: MN 160.</i>
I.7.5.3	Evidence of clear policy priorities within the budget at general and sector level
Overall	There is no evidence to answer this indicator since the available budgets are not detailed beyond the sector and no cost plan was provided for the sectors reviewed.
I.7.5.4	Evidence of budget planning respected at execution level
Overall	It is impossible to find out since no data on planned versus executed budgets could be provided to the mission.
I.7.5.5	Evidence of sector budget support aligned to the medium term expenditure plan
Overall	No MTEF exists whether at macro-economic or sector level.
I.7.5.6	Evidence of improved budget management in the sector, in particular with regards to allocative efficiency (and in particular provisions for priority expenditure and for operation and maintenance costs of investments) and to budget controls (internal and external audit included)
Overall	Allocative efficiency is very doubtful in the Egyptian PFM because of the way the budgetary processes are fragmented between different institutions: not only are the recurrent and investment budget processes separate but also within the recurrent budget the programming of the salary/wage costs, the expenses for purchase of goods and services and the other operating expenses are effectively programmed separately, possibly by different agencies (some at central ministry level, some at governorate level). The extent to which all these processes are coordinated and result in a coherent set of expenditures that respond to sector priorities is difficult to appreciate but is potentially very slim considering the number of institutions involved in the different processes and the lack of overall directions provided by

	<p>the MoF and line ministries in terms of budget ceilings. <i>‘When coordination between two initially separate processes is close, systematic, and iteration effective, the two budgets end up consistent with each other and with government policies and ‘dual budgeting’ is no great problem’</i> (page 96, ADB, 1999). Dual budgeting normally refers to the splitting of the budgeting process between recurrent and investment costs: this exists in Egypt but its effects are at least slightly dampened by the fact that the first year operating costs of any new investments are normally to be included in the investment budgets. In Egypt it is the further complication over and above dual budgeting alone that is of concern since the fragmentation is between at least 4 different processes used for budget programming (possibly more if split between the central and decentralised levels). This lack of integration of the different processes may well be reflected in a lack of integration of the different expenditures that are supposed to contribute to the same policy objectives; this leaves potentially much room for inefficient allocation of resources.</p> <p><i>Sources: PEFA 2007, WB 2005c, MN 59. MN 296.</i></p>
J.7.6	<i>Commission support through the budget support modality added benefits to what would have resulted from EU MS alone</i>
I.7.6.1	Evidence of a comparative advantage of the Commission participation in the preparation and implementation of sector budget support interventions
Overall	No evidence was found.
I.7.6.2	Evidence of a mandate given to the Commission by the MS in the context of supporting sector reforms
Overall	No evidence was found.
I.7.6.3	Evidence that the Commission and EU MS have a common political agenda in the reforms supported through budget support interventions
Overall	No evidence was found.
I.7.6.4	Views of the beneficiaries on the scope and quality of the dialogue between the partner country and the Commission in the context of supporting sector reforms
MED/2005 /017-543 (Water)	The reactions of the interviewed beneficiaries were very positive with regards to the quality of the dialogue with the EC. The technical and the financial support were welcomed.
ENPI/2007 019-248 (Education)	The dialogue was experienced as very good, over the last few years it permitted the development of the national education strategy.

EQ8	To what extent were the financing modalities and implementation mechanisms adapted to the objectives of the interventions and to the (absorption/ implementation/ administrative) capacities of beneficiary institutions so as to enable timely and cost-effective implementation?
J.8.1	<i>The financing modalities and their mix have been chosen so as to allow the attainment of the objectives pursued</i>
Overall	<p>The CSP 2002-2006 follows after a first period of MEDA funding (started 1996) which was typically meant to be supporting policy-led programmes of structural reform and liberalisation through integrated sector-wide programming and with significantly increased funding compared to the earlier period in order to address the scale of the problems. The approach of concentrating donor funds in a few selected sectors in order to create leverage for ‘real change’ appeared essential to the Commission but was recognised to have failed to obtain any tangible results in the early wave of MEDA funding (reforms in education, health and IMP were very slow to come off the ground). Accordingly the Commission proposed in its CSP 2002-2006 to concentrate funding on actions that can be identified and committed quickly (TVET and TEP) and to keep individual project amounts to more modest levels that can be managed by the institutions involved (so as not to overtax absorptive capacities).</p> <p>The CSP 2002-2006 gives no indication on the mix of financing modalities that it believes to be appropriate for the programmes it is thinking of supporting even though it discusses some aspects of some of the financing modalities used in ongoing programmes:</p> <ul style="list-style-type: none"> ▪ reform oriented programmes such as in health and education have used a mix of traditional TA in support of management of the reform process and strengthening the ministries capacities to do this and of <i>‘funding tied to tranche release mechanisms based on reaching key project stages’</i>; ▪ participation in a multi-donor basket funding mechanism has been used for the Social Fund which was found to be a very effective and rapid disburser of donor funds due to the good management (delivery structure, commitment) and innovative mandate of the Fund). However there is no suggestion of replicating this approach in other sectors or areas. <p>In the NIP 2002-2004 no details are given either for the individual interventions about the financing modality to be used apart from:</p> <ul style="list-style-type: none"> - TEP where it is specified that € 20 m will be used for TA and € 40 m for Structural Adjustment funding - FISC will offer TA, policy support (without further indication as what is understood exactly under that term) and revolving credit lines. - the support to Spinning and Weaving will take the form of a sector facility funding but is no further explained. <p>The NIP does therefore not provide much evidence of the choice of financing instruments used, let alone that it justifies these choices. The next NIP (2005-</p>

	<p>2006) is much more explicit about the financing modalities: all proposed programmes but one indicate clearly the retained financing modality (the only exception is the support to the social sector (€ 15 m). Following from this, it is surprising that the 2007-2010 NIP is again rather silent about the financing modalities that it intends to use for its proposed operations: the only programme for which the financing modalities are specified is the SAPP (TA, sector reform support not further specified) and the infrastructure sector (through interest rate subsidies).</p> <p>One of the difficulties with the NIP 2005-2006 as well as with the NIP 2007-2010 is the fact that many references are made to sector facility funding, structural adjustment funding, policy support, sector reform facility or sector reform support but without actually specifying what is meant by these different terminologies. The only explicit reference to a sector budget support is made for the support to the water sector in the NIP 2005-2006.</p> <p><i>Source: CSPs, NIPs</i></p>
I.8.1.1	Evidence of justification in the programming documents (NIP and MoU/FA) of the choice of financing instrument
MED/2002/003-396 (TEP A)	<p>Programming documents have not justified the choice of a type of modality of TEP A. However, the SFA has identified ministry's need for development at operational levels (functions and divisions) related to the implementation of trade and trade related articles within the trade agreements. However, it was foreseen some reform taking place within the implementation of TEP A and was therefore complemented with TEP B a sector budget support going in parallel with TEP A.</p> <p><i>Source: CSPs, NIPs</i></p>
MED/2002/004-955 (TVET)	<p>CSP and FA have identified a dire need for a comprehensive reform. There is no indication of why technical assistance was selected over other modalities. However it could be deduced from the FA analysis to the system sophistication and challenges requested a technical intervention.</p> <p><i>Source: CSPs, NIPs, FA</i></p>
MED/2003/005-716 (FISC-Rural)	<p>There is no justification of the choice of the financing instrument neither in the NIP nor in the FA for this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD.</p> <p><i>Source: NIP 2002-2004, FA</i></p>
MED/2003/005-719 (FISC-Social)	<p>There is no justification of the choice of the financing instrument neither in the NIP nor in the FA for this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD.</p> <p><i>Source: NIP 2002-2004, FA</i></p>
MED/2004/006-224 (FISC-Financial)	<p>There is no justification of the choice of the financing instrument neither in the NIP nor in the FA for this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD.</p>

	<i>Source: NIP 2002-2004, FA</i>
DDH/2005 /017-240 (HR 2&3)	There is no justification of the choice of the financing instrument in the NIP 2002-2004. <i>Source: NIP 2002-2004</i>
MED/2005 /017-203 (HR)	There is no justification of the choice of the financing instrument in the NIP or in the FA for this intervention. <i>Source: NIP 2002-2004, FA</i>
MED/2005 /017-557 (SAAP)	No Evidence in the programming documents on the logic or justification behind choice of financial modality.
MED/2005 /017-543 (Water)	The FA provides the arguments for the choice of budget support instead of other forms of support (although this is not explicitly stated) by underlining that it responds to two main identified constraints/needs: <ul style="list-style-type: none"> - The GoE's huge public financing needs to which the water sector contributes by its huge weight in the budget (in FY 2003, 44.5% of all capital investments and 31.8% of all capital transfers). The water sector aggravates the tensions on public finance by the provision of water at less than full cost and by public resources being affected to non effective investments (with commensurate repercussions on maintenance and operational costs of these investments); and, - The very fragmented and weak approach to the water sector's management, with particular fragmentation in the policy, institutional, and regulatory/legal frameworks and the need for a more holistic approach. Neither of these two constraints could have been adequately addressed by another financing modality than budget support.
Education	The preparatory phase for project design is well documented and shows that there was no doubt about the fact that SBS was to be used for the support. It was not chosen but imposed right from the start of the project formulation phase.
MED/2006 / 018-254 (Pollution)	The allocation used for the IRS was normally foreseen to be used under Priority 1 (namely the Support to the preparation of the new neighbourhood policy / promoting the EU Egypt Association Agreement) in the form of a Sector Reform Facility (€ 15 m); however, GoE requested the allocation to be used for the second phase of EPAP as an interest rate subsidy to a € 40 million loan from the European Investment Bank (EIB). An IRS was also mentioned as a possible financing tool in the NIP to support EIB loans aiming for (i) the reduction of the negative impact of human activity on the environment, (ii) the alignment of environmental norms with international agreements and treaties (European directives, Kyoto, etc.) and (iii) the private sector development. However, no justification is given for the use of IRS as opposed to another financing mechanism or implementation mechanism. <i>Source: NIP 2005-2006, Project Fiche</i>
ENPI/2008 /019/607	There is no justification of the choice of the financing instrument in the formulation report.

(PPHR)	<i>Source: Transtec Formulation Report</i>																										
I.8.1.2	Evidence that interventions used appropriate financing modalities: - Project financing (in particular TA services) and twinning were used to build institutional and human resource capacities - SBS was used to support implementation of sector policies and reforms - EIDHR was used to support non-public initiatives																										
MED/2002 /003-396 (TEP A)	<p>The total commission contribution to the TEP A intervention was € 20 M and were disbursed as follows:</p> <table border="1" data-bbox="395 517 1121 779"> <thead> <tr> <th>Instrument</th> <th>EC Contribution in Euros</th> </tr> </thead> <tbody> <tr> <td>1- TA & Services</td> <td>18,025,000</td> </tr> <tr> <td>2- Materials and supplies</td> <td>995,000</td> </tr> <tr> <td>3- Functioning costs</td> <td>50,000</td> </tr> <tr> <td>4- Contingencies</td> <td>580,000</td> </tr> </tbody> </table> <p>Services included training and study tours, communication and evaluations/audits.</p>	Instrument	EC Contribution in Euros	1- TA & Services	18,025,000	2- Materials and supplies	995,000	3- Functioning costs	50,000	4- Contingencies	580,000																
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MED/2002 /004-955 (TVET)	<p>Total commission contribution is €33M and are divided as follows:</p> <table border="1" data-bbox="459 920 1321 1473"> <tbody> <tr> <td>1- Services</td> <td>15,106,500</td> </tr> <tr> <td> a. International TA</td> <td>6,580,000</td> </tr> <tr> <td> b. local TA</td> <td></td> </tr> <tr> <td>2- Local running costs for the ETPs</td> <td>540,000</td> </tr> <tr> <td>3- Studies</td> <td>800,000</td> </tr> <tr> <td>4- Training</td> <td>4,550,000</td> </tr> <tr> <td>5- Documentation</td> <td>590,000</td> </tr> <tr> <td>6- Promotion and Visibility</td> <td>30,000</td> </tr> <tr> <td>7- Travel (BOT, PMU and TAT)</td> <td>105,000</td> </tr> <tr> <td>8- Seminars and conferences</td> <td>2,107,000</td> </tr> <tr> <td>9- Equipment</td> <td>1,662,000</td> </tr> <tr> <td>10- Audits/Evaluations</td> <td>375,000</td> </tr> <tr> <td>11- Unforeseen</td> <td>554,000</td> </tr> </tbody> </table>	1- Services	15,106,500	a. International TA	6,580,000	b. local TA		2- Local running costs for the ETPs	540,000	3- Studies	800,000	4- Training	4,550,000	5- Documentation	590,000	6- Promotion and Visibility	30,000	7- Travel (BOT, PMU and TAT)	105,000	8- Seminars and conferences	2,107,000	9- Equipment	1,662,000	10- Audits/Evaluations	375,000	11- Unforeseen	554,000
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MED/2003 /005-716 (FISC-Rural)	<p>The total Commission contribution to the FISC-Rural intervention (€18M), of which the bulk consisted of a credit line, is as follows:</p> <table border="1" data-bbox="395 1585 1281 2024"> <thead> <tr> <th>Instrument</th> <th>Commission contribution (Euros)</th> </tr> </thead> <tbody> <tr> <td>Capacity building services: <ul style="list-style-type: none"> ▪ TA and Project Secretariat staff ▪ Training, institutional strengthening, awareness campaigns, focal points </td> <td>1,530,000: <ul style="list-style-type: none"> ▪ 1,200,000 ▪ 330,000 </td> </tr> <tr> <td>Audit/evaluation</td> <td>50,000</td> </tr> <tr> <td>Credit Line</td> <td>16,000,000</td> </tr> <tr> <td>Office equipment</td> <td>110,000</td> </tr> <tr> <td>Operating costs</td> <td>220,000</td> </tr> <tr> <td>Contingencies</td> <td>90,000</td> </tr> </tbody> </table>	Instrument	Commission contribution (Euros)	Capacity building services: <ul style="list-style-type: none"> ▪ TA and Project Secretariat staff ▪ Training, institutional strengthening, awareness campaigns, focal points 	1,530,000: <ul style="list-style-type: none"> ▪ 1,200,000 ▪ 330,000 	Audit/evaluation	50,000	Credit Line	16,000,000	Office equipment	110,000	Operating costs	220,000	Contingencies	90,000												
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	<p>A mix of different financing instruments has been used within this intervention to adapt to intended results:</p> <ul style="list-style-type: none"> ▪ a credit line managed by the MoALR that remains property of the latter and shall be used for the provision of credit to the target groups and as a revolving fund so as to provide credits to small and medium agro-entrepreneurs through commercial banks. ▪ A project secretariat able to contract services and/or inputs to strengthen the capacities of banks and intermediaries. <p><i>Source: FA</i></p>																				
<p>MED/2003/005-719 (FISC-Social)</p>	<p>The total Commission contribution to the FISC-Social intervention (€17M) of which the bulk consisted of two credit facilities is as follows:</p> <table border="1" data-bbox="395 748 1254 1196"> <thead> <tr> <th>Instrument</th> <th>Commission contribution (Euros)</th> </tr> </thead> <tbody> <tr> <td>Services:</td> <td></td> </tr> <tr> <td>▪ TA, capacity building and training</td> <td>1,150,000</td> </tr> <tr> <td>▪ Audit, evaluation</td> <td>100,000</td> </tr> <tr> <td>Credit facility</td> <td></td> </tr> <tr> <td>▪ SEDO</td> <td>11,000,000</td> </tr> <tr> <td>▪ MFU</td> <td>4,000,000</td> </tr> <tr> <td>Grant facility</td> <td>500,000</td> </tr> <tr> <td>Equipment</td> <td>50,000</td> </tr> <tr> <td>Contingencies</td> <td>200,000</td> </tr> </tbody> </table> <p>A mix of different financing instruments has been used within this intervention to adapt to intended results:</p> <ul style="list-style-type: none"> ▪ A financing of a Credit Facility Fund for provision of credit lines to banks to provide loans to small entrepreneurs for working/investment capital; ▪ A financing of a Credit Facility Fund for provision of a combined package of credit lines, grants and training to selected NGOs with a view to increasing their financial and non-financial services for micro-entrepreneurs; ▪ The project used TA services to build the institutional capacities of banks and intermediaries. Technical assistance and capacity building to SEDO, MFU and NGOs involved in the implementation of the project to improve skills of MSE and quality and efficiency of services offered to SMEs. <p><i>Source: FA</i></p>	Instrument	Commission contribution (Euros)	Services:		▪ TA, capacity building and training	1,150,000	▪ Audit, evaluation	100,000	Credit facility		▪ SEDO	11,000,000	▪ MFU	4,000,000	Grant facility	500,000	Equipment	50,000	Contingencies	200,000
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<p>MED/2004/006-224 (FISC-Financial)</p>	<p>The total Commission contribution to the FISC-Financial intervention (€15M) is as follows:</p> <table border="1" data-bbox="395 1944 1203 2022"> <thead> <tr> <th>Instrument</th> <th>Commission contribution</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Instrument	Commission contribution																		
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		(Euros)				
	TA	12,200,000				
	Equipment (RTGS system + related costs)	2,000,000				
	Study tours	300,000				
	Audit and Evaluation	200,000				
	Contingencies	200,000				
	<p>The bulk of the project consisted of TA services. The project indeed used TA services to build institutional capacity, in particular to:</p> <ul style="list-style-type: none"> ▪ Increase the capacity of the CBE to develop and implement models to manage risk under the planned Basel II capital adequacy regime; ▪ Further strengthening Egypt's institutional capacity in the fight against money laundering; ▪ Reinforce the institutional capacity of the Egyptian Capital Market Authority. <p><i>Source: FA</i></p>					
MED/2005/017-203 (HR)	<p>The budget by instrument is not very detailed. It is presented as follows:</p> <ul style="list-style-type: none"> - Services: Euro 550,000 <ul style="list-style-type: none"> TA (400,000) Evaluation, Audit (150,000) - Grants: 4,400,000 <ul style="list-style-type: none"> Moj – Moj UNDP (2,400,000) NCW (700,000) NCHR (900,000) Civil Society UNDP (400,000) <p>Contingencies</p> <p>Total: 5,000,000</p> <p><i>Source: FA</i></p>					
DDH/2005/017-240 (HR 2&3)	<p>The 2006 open call for proposal for EIDHR, micro-projects (campaign 2 and 3) is made in accordance to the global strategy to support CBOs. See I 8.2.1.</p> <p>Source: EIDHR Strategy Paper 2007-2013 Open Call for Proposal (budget line 19.04.03, ref. Europaïd/124962/L/ACT/EG</p>					
MED/2005/017-557 (SAAP)	<p>The total commission contribution to the SAAP is €25,M to cover the following</p> <table border="1"> <tbody> <tr> <td>Programme management fund</td> <td>1,500,000</td> </tr> <tr> <td>Operational Fund (Programme Accounts)</td> <td>22,700,000</td> </tr> </tbody> </table>		Programme management fund	1,500,000	Operational Fund (Programme Accounts)	22,700,000
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	Technical assistance included twinning and Framework contracts for technical assistance to prepare the twinning fiches.																															
MED/2005 /017-543 (Water)	<p>The EC's support to the water sector came at a time when major headway had just been made by the GoE in starting a reform process. The support, in the form of SBS, probably contributed to the implementation of this process by retaining important reform steps as disbursement triggers (and thus ensuring timeliness of the implementation), approach which could not have been taken using the traditional project financing.</p> <p>The SBS retained a traditional project approach for a small portion of its financial envelope in order to cater for ad hoc demands in institutional strengthening, studies, etc. These have reportedly been very successful.</p>																															
MED/2006 / 018-254 (Pollution)	The IRS for EIB loans for pollution abatement investments may not have been as effective an approach to the objective pursued as was initially thought: the uptake of subsidised loans has been very low and the reasons for this need further investigation during the field visit.																															
ENPI/2007 /019-248 (Education)	<p>The support is in the form of SBS (€117.5 million SBS plus € 2.5 million for TA, M&E, communication and visibility) which will be disbursed in three tranches as follows:</p> <ul style="list-style-type: none"> - First fixed tranche of € 40 m in 2008 - Second mixed tranche with € 10 m fixed and €30 m variable in 2009 - Third mixed tranche with € 5 m fixed and €32.5 m variable in 2010. <p>Each tranche has specific prior conditions and the mixed tranche amount depend upon the performance of a number of agreed policy process results.</p>																															
ENPI/2008 /019/607 (PPHR)	FA is not developed yet.																															
I.8.1.3	Evidence that the mix of financing instruments within the CSP/NIP was justified in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued and the time span covered																															
Overall	The following table provides an overview of the financing modalities used during the period 1998-2008 in Egypt:																															
	<table border="1"> <thead> <tr> <th>Financing modalities used</th> <th>Total amounts in Euros</th> <th>Share of total</th> </tr> </thead> <tbody> <tr> <td>Sector Budget Support</td> <td>583 389 889</td> <td>57%</td> </tr> <tr> <td>Project financing</td> <td></td> <td></td> </tr> <tr> <td>TA services</td> <td>209 616 080</td> <td>21%</td> </tr> <tr> <td>Supplies</td> <td>51 598 396</td> <td>5%</td> </tr> <tr> <td>Grant</td> <td>48 836 337</td> <td>5%</td> </tr> <tr> <td>Credit lines</td> <td>47 948 912</td> <td>5%</td> </tr> <tr> <td>Twinning</td> <td>2 645 216</td> <td>0%</td> </tr> <tr> <td>EIB Interest rate subsidy</td> <td>53 243 402</td> <td>5%</td> </tr> <tr> <td>EIB Risk Capital</td> <td>24 554 138</td> <td>2%</td> </tr> </tbody> </table>	Financing modalities used	Total amounts in Euros	Share of total	Sector Budget Support	583 389 889	57%	Project financing			TA services	209 616 080	21%	Supplies	51 598 396	5%	Grant	48 836 337	5%	Credit lines	47 948 912	5%	Twinning	2 645 216	0%	EIB Interest rate subsidy	53 243 402	5%	EIB Risk Capital	24 554 138	2%	
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	Grand Total	1 021 832 370	100%
	<p>Overall, the overwhelming share of SBS in overall financing seems to be in line with the Commission's objective of supporting sector policy reforms; the fact that the second largest share of financing is dedicated to the funding of TA is in line with the Commission's finding that institutional capacities are limited, especially considering the scale of reforms to be implemented, and that the interventions may generate high demands for technical assistance from institutions and private sector firms that want to adopt/adapt to the new standards and norms.</p> <p>However, the CSE also notes that the Commission has had a tendency (this applies to programmes decided before 2004) to put into place very large TA programmes to create a critical mass able to move a ministry forward into the required reform process: the lack of political backing and ownership of the process led to disappointment as programmes were slow to disburse and reforms did not materialise.</p> <p>The fact that the financing modalities of the Commission do not include direct investment financing and hardly any equipment financing may illustrate the fact that the cooperation with Egypt does not respond as much to a financing need (GoE's own resources satisfy requirements) as to the need for policy and technical advice and political backing in a process of reform.</p> <p><i>Sources: CSP, NIPs, FA/MoU, CSE</i></p>		
I.8.1.4	Views of the stakeholders on appropriateness of financing instruments with regards to the objectives pursued		
MED/2003 /005-719 (FISC-Social)	<p>Beneficiaries welcomed the fact that the project consisted of both capacity building of NGOs through TA and the provision of credit lines and grants to NGOs with a view to increasing their financial and non-financial services to MSEs. Indeed, this mix resulted from an identification of the constraints faced by NGOs in reaching capacities during the formulation phase.</p> <p><i>Source: MN 157</i></p>		
MED/2004 /006-224 (FISC-Financial)	<p>For component 1 of this intervention, the provision of high-qualified TA has been a defining feature of the project and the beneficiaries found that this was adapted to support the CBE in implementing its reforms. Indeed, experienced practicing professionals imparted up-to-date concepts and techniques.</p> <p><i>Source: Mid-term evaluation, MN 68</i></p>		
MED/2005 /017-557 (SAA)	<p>The beneficiaries of SAAP that were interviewed ascertained that they used twinning to obtain technical know-how and were using the assistance as technical assistance. On the use of TAIEEX, beneficiaries confirmed that the instrument was being made available since a short time and that the application procedures for the instrument were found to be cumbersome in view of the benefits provided.</p> <p><i>Source: MN 201</i></p>		
Health, Water, Education	<p>In the three sectors the beneficiaries seemed to regard SBS as very similar to project funds with the important difference that national procedures apply to tendering thus easing the burden on the administration (translation of</p>		

	documents, organisation of tendering according to EC procedures). <i>Source: MN 218, MN296, MN274.</i>
J.8.2	<i>The implementation mechanisms and their mix have been chosen so as to be adapted to the institutional context and to the objectives pursued</i>
Overall	<p>The CSP 2002-2006 very clearly justifies the choice of implementation mechanisms <u>for the ongoing programmes</u>. It highlights the fact that sector wide reforms cannot be implemented in a vacuum and require excellent coordination and management skills: as a result, the role of technical assistance and of programme management units is essential, especially in the first phases of these reforms. The CSP however utters two cautions to this statement: firstly ‘<i>it will be important to ensure that their competencies are internalised by the social ministries concerned</i>’ thus showing awareness of the sustainability of the chosen implementation mechanism; secondly, the CSP underlines that a combination of very high budgets and extensive TA is not necessarily a winning mix if there is resistance at the top echelons of the ministry against reforms (this was verified by the IMP programme which was not yet started at the time of 2002-2006 programming but suffered delays because of lack of political commitment to the programme).</p> <p>With regards to its proposed package of interventions, the CSP 2002-2006 gives no indication whatsoever on the mix of implementation modalities that it believes would be appropriate for the proposed programmes. In that respect the CSP 2007-2013 is slightly more explicit. In support of human rights, democracy, good governance and justice, it proposes a ‘package of measures such as capacity-building and development of human resources, technological capabilities and organisational capacity in the framework of a comprehensive approach aiming at promoting reforms’. Under the second and third strategic objectives (competitiveness and productivity of the Egyptian economy and sustainability of the development process) the CSP indicates what areas will be supported but not how this will be done (excepting the mention of exchanges and participation in research-related activities when discussing the support to reform of the labour market).</p> <p>The NIPs provide relatively better information on what the support will expect to do and achieve but again, details on what modalities will be used for the support are rather scant. In the NIP 2002-2004 there is only slightly more information about the manner in which the programmes will be implemented than in the corresponding CSP:</p> <ul style="list-style-type: none"> - For TVET the encouragement of public private partnerships is underlined but no other details are given on what implementation modalities will be used; - For the social development and civil society support, implementation modalities are indicated as a mix of: management and sectoral training (capacity building of Egyptian NGOs); a social development funding facility (for co-funding NGO and CSO projects; a structured social development policy dialogue between the state and NGO sectors; a programme component (which could include training programmes but is no further specified).

	<ul style="list-style-type: none"> - For the two programmes including a sector facility funding (FISC and Spinning and Weaving) the NIP specifies the type of conditions that will be attached to the programme. - Finally the TEMPUS programme modalities are not spelled out but they are programme specific. <p>For the other programmes, no indications are given on the chosen implementation modalities. This is much improved in the NIP for 2005-2006 which specifies for all proposed interventions but one the implementation modalities that will be used (the only exception is the social reform support of € 15 m which is left unspecified).</p> <p>In the NIP 2007-2013 there are hardly any indications at all on the implementation modalities apart from the extensive use of twinning anticipated for the SAPP and the channelling of support to the transport, energy and environment sectors through the EIB (thus relying principally on lending instruments and specific TA through the FEMIP programme).</p>
I.8.2.1	Evidence of justification in the programming documents (NIP and MoU/FA) of the choice of implementation mechanisms
MED/2002 /003-396 (TEP A)	There is no evidence to justify the implementation mechanism and the approach by which TEP A was structured in the NIP or the FA.
MED/2002 /004-955 (TVET)	<p>FA doesn't have evidence to justify the implementation mechanism chosen for the project. However the analysis of needs and challenges in the FA highlights the importance of engaging the private sector in the project planning and implementation. Partnership model was designed to facilitate the contribution and ownership of private sector to the reform of TVET and ensure a dialogue between supply and demand is maintained.</p> <p>It is worth noting that a parallel program has been taking place within the same umbrella of the TVET Reform initiative which is the skills development program (SDF) that is financed by the government of Egypt through a long term loan. It is interesting to note that SDP has also been operating with a very similar design of developing project intermediaries to facilitate dialogue between supply (TVET providers) and demand (private sector and industry players). It could be deduced that the implementation mechanism would have been introduced by the government's initiative to create public private partnerships in the service industry and promote dialogue between the two main players of the labour community.</p>
MED/2003 /005-716 (FISC-Rural)	<p>There is no explicit justification of the choice of the institutional structure for the implementation of the intervention in the FA. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. However, the beneficiary of this intervention, who is responsible for implementation, is the same as the one of the Commission funded Agricultural Sector Development Programme, which is the predecessor of the FISC-Rural.</p> <p>The FA foresees the following institutional structure for the implementation of</p>

	<p>the project:</p> <ul style="list-style-type: none"> ▪ The programme is implemented under the responsibility of the Ministry of Agriculture and Land Reclamation (MoALR). ▪ For the credit line component, a Board of Trustees composed of representatives of stakeholders (Government, end-beneficiaries, Banks, Private Sector and the Commission Delegation) will review implementation progress. The MoALR shall contract an Agent Bank (Egyptian financial institution) specialised in managing credit lines for the implementation of the credit line. The FISC-Rural credit line shall be administered separately by the agent bank, will remain property of the MoALR and will only be used for the provision of credit to the targeted groups. The MoALR shall continue the activities undertaken under the FISC-Rural credit line and maintain the credit line as a revolving fund. ▪ For the capacity-building component, the MoALR will set up a Project Secretariat. The Commission contribution covers the staff costs of the Project Secretariat. These funds cannot be used to finance new or existing positions within the MoALR but it has been agreed that a maximum of two staff members of the Project Secretariat may be seconded from the Ministry. <p>The implementation procedures are as follows:</p> <ul style="list-style-type: none"> ○ <u>Credit line component:</u> <p>The Commission contribution to the credit line is unique and released in 3 tranches:</p> <ul style="list-style-type: none"> ▪ First tranche (€0.6M) based on the condition that the beneficiary has defined and installed an effective and sustainable network through which the credit funds can be disbursed to the final beneficiaries. ▪ Second tranche (€5M) released after 50% of the 1st tranche has been disbursed to the target group ▪ Third tranche (€5M) released after the total of the first and second tranches has been disbursed to the beneficiaries. ○ <u>Capacity-building component:</u> ▪ After the signature of the FA, the MoALR requests from the Commission the transfer of an amount of €100,000. ▪ Further replenishments are done upon presentation of the six-monthly rolling Annual Work Plans. <p><i>Source: FA</i></p>
<p>MED/2003 /005-719 (FISC- Social)</p>	<p>There is no explicit justification of the choice of the institutional structure for the implementation of the intervention in the FA. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. However, the beneficiary of this intervention (SFD) is responsible</p>

	<p>for implementation, and has already benefited from past Commission support.</p> <p>The FA foresees the following institutional structure for the implementation of the project:</p> <p>Component 1 implemented by SEDO which will mainly act as the manager for the credit facility:</p> <ul style="list-style-type: none"> ▪ The FISC social credit facilities will remain property of the SFD ▪ SEDO will identify and select suitable banks specialised in the administration and operation of credit facilities to MSE. ▪ The interest rate that SEDO will charge to end-beneficiaries will be increasingly set in function of market rates <p>Component 2 will be implemented by MFU which will act as manager of the credit, training and grant facility</p> <ul style="list-style-type: none"> ▪ The FISC social credit facilities will remain property of the SFD ▪ The MFU will select suitable NGOs specialised in the administration and operation of credit facilities to MSE through a local call for proposal. The MFU will decide on the packages to be allocated to each of the selected NGOs ▪ The grants offered to the NGOs will be used to finance the upgrading of the capacities of the NGO to provide non financial services to the final beneficiaries and to deliver the non-financial services to the final beneficiaries. <p>The TA team will support the two fund managers SEDO and the MFU in fulfilling their responsibilities of management, coordination and monitoring the project activities.</p> <p><i>Source: FA</i></p>
<p>MED/2004 /006-224 (FISC- Financial)</p>	<p>There is no explicit justification of the choice of the institutional structure for the implementation of the intervention in the FA. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD.</p> <p>The institutional structure is described in the FA as follows:</p> <ul style="list-style-type: none"> ▪ Components 1 and 2 are supervised by a Joint Steering Committee including representatives from the CBE, the beneficiary public sector banks and with the Commission as an observer. The JSC oversees the activities of the components and gives strategic guidance. Moreover, a coordinator and a RTGS procurement officer are nominated internally by the CBE. ▪ Component 3 answers to a distinct Steering Committee. A coordinator is nominated internally by the CMA.

	<ul style="list-style-type: none"> ▪ Each component has a different TA team (long-term and short-term expertise). The TL have the following responsibilities: assist the beneficiaries in implementing their activities, make presentations to the steering committees, prepare ToRs for short-term expertise, etc. <p><i>Source: FA</i></p>
<p>MED/2005 /017-203 (HR)</p>	<p>There is no explicit justification of the choice of the institutional structure for the implementation of the intervention in the FA.</p> <p>The supervisory authorities of the programme are, for the beneficiary, the Egyptian Ministry of International Cooperation and for the European Community, the European Commission represented by the Delegation in Egypt.</p> <ul style="list-style-type: none"> - A Steering Committee was established. Membership includes all stakeholders, the Ministry of Foreign Affairs and the European Commission. <p>The mandate of the Steering Committee is specified. Decisions are to be taken by consensus and submitted for endorsement to the EC Delegation before any commitment is made. The committee meets at least once every six months at the request of the its members or the PMU</p> <p>Each member appoints internally a Coordinator responsible to follow up the programme implementation at operational level</p> <ul style="list-style-type: none"> - The beneficiary establishes a PMU (provides office space) within the Ministry of International Cooperation, whose role is to monitor the implementation in coordination with the Steering Committee. The PMU is assisted by a local expert selected through a tender procedure and funded through the Technical Assistance budget of the FA. <p>The management of the programme:</p> <ul style="list-style-type: none"> - For project 1 of component 1 (Support to the Ministry of Justice and to the Ministry of Interior in the field of human rights and democratisation, as well as for component 2 (Support to the General Federation of NGOs and Foundations), the EC has signed joint co-finance grant agreements with UNDP, the implementing agency. The EC used the standard contribution agreement that implements the Financial and Administrative Framework Agreement of 29 April 23, concluded between the Commission and the United Nations. - Direct grants were signed with the National Council of women and the National Council for Human Rights - All contracts financed under the Technical Assistance and Audit and Evaluation budget headings were contracted and paid directly by the Commission. Short term technical assistance may be requested according to specific needs. <p>Once the respective contracts have been signed, the contractors are allowed to request the payment of the advances in accordance with the relevant provisions</p>

	of the grant/contracts/contribution agreements. <i>Source: FA</i>
MED/2005 /017-557 (SAAP)	There is no evidence to justify the implementation mechanism and the approach by which TEP A was structured in the NIP or the FA.
DDH/2005 /017-240 (HR 2&3)	The EIDHR Strategy Paper 2007-2013 stated that the instrument has been designed in complementarity to geographical and thematic countries; it enjoys considerable independence of action, not requiring the consent of governments of respective countries for its funding activity and not being subject to the long-term programming approach of geographical programmes. This enables the EIDHR to focus on sensitive political issues and innovative approaches and to cooperate directly with local civil society organisations that need to preserve independence from public authorities. The 2006 open call for proposal for EIDHR, micro-projects (campaign 2 and 3) is made in accordance to the global strategy. <i>Source: EIDHR Strategy Paper 2007-2013</i> <i>Open Call for Proposal (budget line 19.04.03, ref. Europaid/124962/L/ACT/EG</i>
MED/2006 / 018-254 (Pollution)	No justification for the use of IRS is provided in the NIP or MoU/FA. As such it is not clear whether the cost of the loan is the largest stumbling block for enterprises not investing in pollution abatement measures or whether there may have been other causes (access to loans rather than their costs, capacity to set up a viable investment project, other investment priorities, etc.).
ENPI/2008 /019/607 (PPHR)	The formulation report envisages a similar institutional structure for the implementation of the intervention as the set up in place for MED/2005/17203, i.e. a Steering Committee, a PMU in eventually the Ministry International Cooperation, etc. However, there is no FA yet. <i>Source: Transtec formulation report</i>
I.8.2.2	Evidence that interventions used (a mix of) appropriate implementation mechanisms mainly: <ul style="list-style-type: none"> - TA services and twinning arrangements were used to build institutional and human resource capacities - Project administration (PAO, Government or TA) was adapted to available administrative capacity of implementing agencies and aimed for most effective and efficient project implementation - SBS (policy dialogue and disbursement triggers) and twinning arrangements were used to support implementation of sector policies and reforms - NGOs were used in areas touching upon human rights and democracy
MED/2002 /003-396 (TEP A)	TEP focused on technical assistance services to build organizational and human resources capacities. The final evaluation illustrated that the intervention achieved its development objectives at all fronts. The project design involved the existence of a project support unit which was rated highest in the final evaluation among the different component. The reason is that it was responsible for the buy-in of the beneficiary for all initiatives, especially when issues related to harmonization or adaptation of modernized approaches were in discussion.
MED/2002 /004-955	The project is a straight technical assistance that was designed to raise capacities within the system to create platform of reform and roll-on successful models

(TVET)	<p>for implementation, initiating a decentralized approach through the development of sector-focused partnership bodies. Their role is to facilitate dialogue between supply and demand of TVET and to promote reform tailored to specific subsectors.</p> <p>The initiation of sector-focused bodies established discussion within TVET players in all strategic sectors of the economy, a discussion that couldn't have taken place when TVET discussions were dominated with manufacturing-backgrounded bodies. The development of the sector focused intermediaries (ETPs) encouraged subsectors ownership to their relevant TVET initiatives.</p>
MED/2003 /005-719 (FISC-Social)	<p>The intervention foresaw TA services to build institutional and human resource capacities. The bulk of the intervention consisted of two credit facilities. The intervention has not been supervised by a project steering committee or subject to review by a beneficiaries committee. Its management followed SDF internal procedures.</p> <p><i>Source: FA, Final evaluation</i></p>
MED/2003 /005-716 (FISC-Rural)	<p>The project used TA services to build the institutional capacities of banks and intermediaries. The bulk of the intervention consisted of a credit facility.</p> <p><i>Source: FA</i></p>
MED/2004 /006-224 (FISC-Financial)	<p>The intervention foresaw TA services to build institutional and human resource capacities. The last MR stressed that the coordination, management and financing arrangements are clear and neutral both for institutional strengthening and ownership.</p> <p><i>Source: FA, Monitoring report n°3</i></p>
MED/2005 /017-203 (HR)	<p>See I 8.2.1.</p>
MED/2005 /017-557 (SAAP)	<p>The project used twinning as a technical assistance tool, with the involvement of TAIEX and SIGMA as short term technical assistance. Technical assistance was provided in the form of peer coaching and human resources development through civil servants from MS.</p> <p>The program is coordinated and managed by a Programme Administration Office (known as PAO) that is affiliated to the Minister of international cooperation but funded by the EU contribution. PAO is the linking joint between the commission and beneficiaries and it undertakes all administration, coordination and consultants management activities</p>
MED/2005 /017-543 (Water)	<p>The water sector support is interesting from the perspective of the use of a mix of different implementation modalities since it used at the same time SBS (with intense policy dialogue) and a more traditional 'project' component within the SBS envelope for on demand capacity strengthening. At the same time the sector programme benefitted from the twinning arrangements launched under the 'Support to the EU-Egypt AA Programme' (SAAP) which aims at institutional strengthening and reform and arranges twinning partnership programmes between Egyptian public administrations and EU Member States. These twinning arrangements are perceived as a very efficient and appropriate vehicle for achieving capacity building. The EU launched services procurement requests to contribute to the definition of twinning supports to (i) the HCWW and (ii) the Ministry of Water Resources and Irrigations' Central Water Quality Management Unit. The objective of (i) is to support HCWW's efforts in its</p>

	<p>mandated functions and to give policy and technical assistance in developing some key aspects of water management policy and operations. The objective of (ii) is to support the MWRI Water Quality Management Unit in effectively improving its management of water quality through strengthening the institutional, regulatory, human resources capacity. Three Components:</p> <ul style="list-style-type: none"> - Enforcement mechanisms and data utilisation for water quality management; - Improvement of Water Quality Management - Pollution control for the improvement of Water Quality <p>However, at the same time it is thought that these twinning arrangements could have been more effective if they had been allowed to take place with European private firms, which are handling almost all water and wastewater management in Europe (VEOLIA, SUEZ, VINCI,...). In Egypt the quality of the water is a real problem, and many young engineers leave the country to find better paid job in the Emirates or elsewhere. The decentralization process is difficult to implement and trained staff are scarce.</p> <p><i>Source: MEDA II</i></p>
DDH/2005 /017-240 (HR 2&3)	<p>In the EIDHR Open Call for Proposals, the guidelines do not propose use (a mix of) appropriate implementation mechanisms. It is a direct grant and no demand on implementation mechanisms is made.</p> <p><i>Source: EIDHR Open Call for Proposals 2006- Guidelines for grant applicants</i></p>
MED/2006 / 018-254 (Pollution)	<p>The mix of modalities and financing instruments of this project is very interesting; there are at the same time BEI soft loans also supported by EC IRS, TA funded by FEMIP, PMU (of which the funding is to be verified but might be Finish) and complementary activities under other programmes (such as SBS water). The intention was thus certainly to choose the right mix to better attain the objectives; whether or not this has been successful is actually questionable (the need for provision of soft loans might not after all have been that great).</p>
ENP 2008 /019/607	See I 8.2.1.
I.8.2.3	Evidence that the mixes of implementation mechanisms within the CSP/NIP and the FA/MoU were justified in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued, the time span covered and the institutional capacities of beneficiary implementing agencies
MED/2002 /003-396 (TEP A)	<p>The NIP and FA have designed the TEP A in five parallel components, in addition to the Project Support Unit. The five components targeted five different beneficiary organizations within the Beneficiary Ministry. Final Evaluation of the project confirms that the performance of all components have been satisfactory. The efficiency of all components were good except that of component 5 which suffered from delayed induced by the equipment procurement processes and the fact that the Long Term Expert was not established in the Beneficiary Premises.</p> <p>On the effectiveness issue, all ranked between average and very good except for the PSU that was highly rated by all stakeholders. The rest of the components effectiveness were perceived relative to the domestic market context.</p>
MED/2002 /004-955 (TVET)	<p>MR(June08) points out that the setup of the ETPs in a subsector focus format, relevant to the chamber of industry it serves has been the most appropriate choice of sector partners to ensure link with the enterprises relevant to the specific subsector. This guarantees the adequacy of the training packages and modules development to the specific subsector needs.</p>

	<p>The most recent MR (Dec 08) has confirmed that on the two components related to the ETPs establishment and improvement the delivery of TVET, the project is in synch with its original plan and as were expected. However on the policy level (component 3), results are not sufficient to be effective. The institutional platform for the discussion of TVET policy reform and not yet defined. The question of the most relevant state agency to inherit the project and roll it nationally is still hanging to the date of the last documented report (MR Dec 2008)</p>
<p>MED/2003 /005-716 (FISC- Rural)</p>	<p>The first MR points out that having a Project Secretariat instead of a PMU provided greater flexibility for overall management to the MoALR but resulted in the PS being emasculated to the extent that it has little or no control over the decision-making process. This led to accumulated delays and a reduced impact on the delivery of services at the beginning of the project.</p> <p>Moreover, the first MR mentions that the ownership of the project and sustainable institutional strengthening are ensured in the banking sector (Agent Bank) but less so in the public sector.</p> <p>These points are not mentioned in successive MR.</p> <p>The final evaluation points out that the different instruments at the disposal of the project (agribusiness credit line and Capacity building and awareness) provided an opportunity to respond appropriately to the needs. It also mentions that</p> <ul style="list-style-type: none"> - Project implementation has been conducted on a decentralised basis which conferred greater ownership at local level. - the project is demand-led i.e responds to beneficiary needs for assistance. - the Participating Banks absorptive capacities to learn, change and adopt cash flow soundness is not questionable. <p><i>Source: Monitoring reports, Final evaluation</i></p>
<p>MED/2003 /005-719 (FISC- Social)</p>	<p>Although beneficiaries appear sustainable because they have ample government policy and legal support and currently receive adequate financial and TA support (third MR), SFD, which does not have capital of its own and to which GoE funding is insufficient, is dependant from donor finances (particularly grants and TA) in order to fund its capacity building, organisational development and internal administration (fourth MR).</p> <p>The TA component, although very much appreciated by the beneficiaries, was planned for too short a duration to effectively address the ambitious results and needs for organisational change within SFD.</p> <p><i>Source: Monitoring reports</i></p>
<p>MED/2004 /006-224 (FISC- Financial)</p>	<p>The intervention mostly used TA services. The monitoring reports stressed that the 3 components of the project are located within strong institutions which can find internally or recruit the staff necessary to continue the actions advised and introduced by the project. However, the third MR mentions that the project made too optimistic assumptions for some beneficiaries:</p>

	<ul style="list-style-type: none"> ▪ a readiness of the beneficiaries to change their methods; ▪ a fairly high absorption capacity by the beneficiaries; <p>As an illustration, the second MR points out that in one of the modules (NBE), the ownership of the project by the beneficiary was not present at the beginning of the project : NBE financed from its own funds a Mc Kinsey study, the objectives of which overlap some of the activities of the project. The mid-term evaluation stresses that the level of the risks in terms of absorption capacity and beneficiary’s implementation pace should have been factor in the project design. In particular, mitigating measures should have been considered as an integral phase of the project.</p> <p>Moreover, the last MR points out that the project planned insufficient resources to take care of the provisions for non performing loans and overstaffing (component 2) and change in IT systems (component 1). Finally, it mentions that the design of the project was too narrow by providing only two years of TA.</p> <p><i>Sources: FA, Monitoring reports, Mid-term evaluation</i></p>
MED/2005 /017-203 (HR)	<p>There is no direct justification given in documents about the mix of implementation mechanisms in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued, the time span covered and the institutional capacities of beneficiary implementing agencies</p> <p><i>Source: CSP/NIP 2002-2004, FA</i></p>
MED/2005 /017-557 (SAAP)	<p>Mid Term Evaluation that was conducted August 2008 has expressed challenges to the efficiency of the project, but considered that understandable due to the exposure of the Egyptian Community to a new mechanism which is Twinning.</p> <p>The following MR has emphasized that the implementation timeline is lagging behind schedule. It also pointed out a remark related to the specific expectations out of the individual twinning interventions to be quite exaggerated and could lead to disappointment.</p> <p>It is worth mentioning that the MR of the previous year (May 2007) has noted that the program purpose “to upgrade the overall institutional capacity of the Egyptian administration to deal with all aspects of the AA” is too broad and ambitious. It also noted that the third result” facilitating the adaptation of companies to legal framework of the future free trade area” should be reformulated or removed because the program is not addressing companies directly.</p>
ENPI/2008 /019/607 (PPHR)	<p>There is no direct justification given in documents about the mix of implementation mechanisms in terms of effectiveness and efficiency with regards to the intermediate and global objectives pursued, the time span covered and the institutional capacities of beneficiary implementing agencies</p> <p><i>Source: CSP 2007-2013; Transtec formulation report</i></p>

I.8.2.4	Views of the stakeholders on appropriateness of implementation mechanisms with regards to the management of the project implementation, the organisational and managerial strength of the beneficiary agency and the objectives pursued
	<p>It is noted that there seems to have been some improvement in the ownership of implementation mechanisms over the past ten years. Indeed the CSE Evaluation of 2004 noted that Delegation staff felt very little ownership to the CSPs and NIPs due to their very limited role in the design process; this led in particular to an <i>‘organisational culture that has left the staff experts lacking visibility and ‘presence’ in their sector and insufficiently empowered to make a difference to programmes’</i> and as a result Delegation staff had very few contacts within the institutions benefiting from EC support. This seems to have changed over recent years as it was reported that the financing modality, although theoretically chosen by the Delegation, is largely pre-determined by the EC HQ in Brussels but the actual implementation modalities are determined locally in consultation with the GoE and beneficiary institutions.</p> <p>Sources: MWH 2004 and MN</p>
MED/2004/006-224 (FISC-Financial)	<p>The appropriateness of implementation mechanisms varies between the 3 components of this intervention:</p> <p>For component 1 (CBE), the quality of the project management was excellent and one of the key success factors of the project. For example, in the early stages of the project, the project managers rectified the perceived deficiencies of the level of the beneficiary’s absorption capacities and hereby ensured an increase of the latter during project cycle. Regular progress reports were filed on time and Steering Committee Meetings were held in accordance with planned activity.</p> <p>For component 2a (Bank Mistr), project management has been stable and the beneficiary gained access to the extensive know-how of ABN-AMRO.</p> <p>For component 2b (NBE), the project has not allocated adequate time and resources for it to accurately define the preparation phase and adequate allocation of resources. Outputs, deliverables, milestones, roles and responsibilities should have been more precise within time lines. Both ING and NBE project management were not adequate and caused significant delays in project implementation.</p> <p>For component 3 (CMA), the beneficiary has been highly dissatisfied with the quality of the project management, the performance of the contractor and the quality of the experts proposed. These factors led to important delays.</p> <p><i>Source: Mid-term evaluation, MN 101, MN 68</i></p>
J.8.3	<i>Financing modalities and implementation mechanisms took account of beneficiary institution's capacities</i>
I.8.3.1	Programming documents (MoU/FA) refer to analysis of beneficiary capacities and justify their choice of financing modality and implementation mechanism accordingly
MED/2002/003-396	No reference in the programming document on the beneficiary capacities or the reason behind choosing technical assistance.

(TEP A)	
MED/2005/017-557 (SAAP)	No reference in the programming documents on the beneficiary capacities or the reason behind choice of twinning as an instrument for technical assistance. However as the project is designed to support the promotion and implementation of the association agreement and support harmonization of administration and legislation framework, the support of a MS public body to transfer knowledge and support harmonization confirms the logic behind the choice.
MED/2002/004-955 (TVET)	FA has thoroughly analyzed the TVET system capacity with its complexities and inefficiencies. It also highlighted the lack of ownership of TVET, as a system that is divided among 22 different ministries and there was no stand alone entity capable of inheriting the obsolete system and reforming it and taking it forward to the modern industrial community. It was deemed necessary that a reform strategy come into place first and establishing ownership within related stakeholders before introducing other modalities that could require more readiness.
MED/2003/005-716 (FISC-Rural)	There is no explicit reference in the FA to the capacities of the beneficiary. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. However, the beneficiary of this intervention, who is responsible for implementation, is the same than the one of the Commission funding Agricultural Sector Development Programme, which is the predecessor of the FISC-Rural. The capacities of the beneficiary should therefore be well-known. <i>Source: FA</i>
MED/2003/005-719 (FISC-Social)	There is no explicit analysis of the SFD capacity in the FA. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. However, the Commission supported SFD since its establishment and SFD is Egypt's leading social development in terms of job creation through support to the provision of FS and FNS to MSEs. <i>Source: FA</i>
MED/2004/006-224 (FISC-Financial)	There is no explicit analysis of the beneficiary capacities (CBE, CMA) in the FA. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. For component 2b (NBE), the absorption capacity seems to have been overestimated by the project. The issues of manpower and operations level were not adequately addressed at the beginning of the project. <i>Source: FA</i>
MED/2005/017-203 (HR)	There is not explicit reference in the FA to the capabilities of the beneficiary. <i>Sources: FA, Mid-term evaluation</i>
ENPI/2008/019/607 (PPHR)	There is not explicit reference in the FA to the capabilities of the beneficiary. However, the beneficiary is the same as the MED/2005/17203, and most stakeholders are the same as well. The capabilities of the beneficiary and the stakeholders as implementers are strengthen now with the institutional capacity building that took previously took place.

	<i>Source: Transtec Formulation report, January 2008.</i>
DDH/2005 /017-240 (HR 2&3)	The open call for proposals takes a-priory into account the capabilities of the beneficiary, such as eligibility criteria for applicants, maximum amounts of euro for proposals. The selection criteria are intended to “help evaluation of the applicants’ financial and operation capacity, to ensure that their stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding, have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant” <i>Source: Open Call for Proposal (budget line 19.04.03, ref. Europaid/124962/L/ACT/EG</i>
MED/2005 /017-543 (Water)	The structure and organisation chapter of the NIP (IV) defines the structure, organisation and implementation of the programme. The real involvement of the various institutions and their expected results does not appear clearly although the matrix of disbursement triggers in the annex (and in particular the confirmation modalities) gives some more information about this.
MED/2006 / 018-254 (Pollution)	The interest rate subsidy project fiche does not give any details about the beneficiary’s capacities but the FEPIM funded TA programme which supports the same project seems to have been designed with the beneficiary’s capacity in mind.
I.8.3.2	Timeliness of implementation and cost-effectiveness of interventions are explicitly referred to in programming documents to justify the choice of financing modality and implementation mechanism
MED/2002 /003-396 (TEP A)	Logic behind choice of the financing modality and implementation mechanism are not referred to in the FA
MED/2002 /004-955 (TVET)	Logic behind choice of the financing modality is not explicitly mentioned in the FA. However the sector analysis and description justifies the use of technical assistance with its different mechanisms of implementation for TVET.
MED/2003 /005-716 (FISC- Rural)	The choice of financing modality and implementation mechanisms is not justified in the FA of this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. <i>Source: FA</i>
MED/2003 /005-719 (FISC- Social)	The choice of financing modality and implementation mechanisms is not justified in the FA of this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. <i>Source: FA</i>
MED/2004 /006-224 (FISC- Financial)	The choice of financing modality and implementation mechanisms is not justified in the FA of this intervention. Identification/formulation reports could not be made available to the evaluation team either in Brussels or in the ECD. <i>Source: FA</i>
MED/2005 /017-203 (HR)	The choice of financing modality and implementation mechanisms is not justified in the FA of this intervention <i>Source: FA</i>

MED/2005 /017-557 (SAAP)	Logic behind choice of the financing modality and implementation mechanisms are not referred to in the FA.
DDH/2005 /017-240 (HR 2&3)	See I 831
ENPI/2008 /019/607 (PPHR)	The choice of financing modality and implementation mechanisms is not justified in the FA of this intervention <i>Source :Transtec formulation report</i>
J.8.4	<i>A mix of financing modalities and implementation mechanisms was used in the same sector to maximise adaptability to absorption capacities and timely implementation</i>
I.8.4.1	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities and ensure the timeliness of implementation
MED/2002 /003-396 (TEP A)	SFA specifically mentions the existence of a parallel intervention in the form of sector budget support to complement the TEP A intervention. However, when TEP A was splitted into TEP A for ministry of Trade and TEP C for ministry of Finance (following a change in cabinet at that time), the Budget support for the sector was transferred to Ministry of Finance. There is no evidence in the TEP A documents that it could utilize any portions of the budget support defined for reform within trade areas.
MED/2005 /017-557 (SAAP)	FA hasn't specified sectors of operation and was depending on the work planning to reveal priorities of intervention. Evidence for use of mix of modalities in specific sectors is not documented in the intervention documentation. However, it was mentioned in the mid-term evaluation that some of the sectors would have benefited from some technical assistance prior to the twinning arrangements to prepare the beneficiary counterpart for the expected interventions.
MED/2005 /017-203 (HR)	A mix of different financing modalities has been used within this intervention (co-financing grants, direct grants and TA services). It is however not explicit that this mix has been used so as to adapt to needs and absorption capacities and ensure timeliness of implementation. <i>Source: FA</i>
DDH/2005 /017-240 (HR 2&3)	The three contracts are direct grants only. <i>Source: Open Call for Proposal (budget line 19.04.03, ref. Europaid/124962/L/ACT/EG</i>
MED/2005 /017-543 (Water)	The issue of the mix of modalities being chosen to ensure timeliness of implementation is an issue noted in the water sector SBS FA but noted with the opposite intention: the SBS foresees the use of TA but specifically excludes any TA that would serve to satisfy one of the disbursement criteria thus assisting timely disbursement of SBS funds. This is presumably to ensure GoE commitment to and ownership of its own reform programme. <i>Source: FA</i>
MED/2006 / 018-254	Use of IRS, FEMIP, TA project funding (as part of SBS) and SBS in the wider environmental sector.

(Pollution)	
ENPI/2008 /019/607 (PPHR)	<p>A mix of different financing modalities has been used within this intervention (direct grants and TA services). It is however not explicit that this mix has been used so as to adapt to needs and absorption capacities and ensure timeliness of implementation</p> <p><i>Source: Transtec Formulation Report</i></p>
I.8.4.2	Evidence of mix of different implementation mechanisms used within a sector and within programmes (MoU/FA) to adapt to intended results, objectives and implementation capacities
MED/2005 /17203	<p>A mix of different implementation mechanisms has been used within this intervention to adapt to intended results:</p> <ul style="list-style-type: none"> - Joint co-finance grant with UNDP, building on its past experience in the area. - Direct grant contracts to NCW and the NCHR - Technical Assistance contracted directly by the Commission - A steering Committee - A PMU within the Ministry of International Cooperation - A programme coordinator - A local long term expert and short term experts <p><i>Source: FA</i></p>
DDH/2005 /017-240	<p>The three contracts are direct grants only.</p> <p><i>Source: Open Call for Proposal (budget line 19.04.03, ref. Europaid/124962/L/ACT/EG</i></p>
MED/2006 / 018-254 Pollution	<p>The EC contributed an amount of € 10 m as interest rate subsidy for a €45 m credit line of a BEI managed loan. The larger project (co-funded by the BEI, the WB, the JBIC, AFD and others) provided at the same time (i) funds for the credit line to SME, (ii) TA for (a) capacity building and (b) PMU and (iii) carbon financed activity. From the organisational chart it looks like the PMU also provided advisory capacities with a technical support team both in Cairo and Alexandria undertaking a technical function (including safeguards) and procurement and a financial support team based in Cairo charged with a fiduciary function. The PMU's technical and financial teams advise both the participating commercial banks and the beneficiary companies (transmissions of project related information such as feasibility studies, bidding documents, environmental assessment reports or audits). The organisational structure of the project looks quite complex, the participating commercial banks working under the control of the NBE as apex bank (in charge of the donor's financial contributions) and on the GoE side an organisation mainly under the EEAA advised by a SPAP Committee (chaired by the EEAA CEO) with the PMU reporting to the EEAA CEO and coordinating with the Environmental Protection Fund (EPF) and the other EEAA departments.</p>

ENPI/2008 /019/607 (PPHR)	No FA yet has been signed.
MED/2005 /017-543 (Water)	<p>The TA in the water SBS is clearly earmarked to fulfil exactly this function of adapting to intended results, objectives and implementation capacities: <i>‘The programme encompasses measures and actions which need to be undertaken at a great variety of levels and of physical places. It therefore needs to be supported and monitored on a regular basis, in terms of inputs delivered, outputs achieved and impacts felt in all fields and directions concerned. (...) Technical assistance will have as a primary objective to support the Government in key areas that are important to accompany the implementation of the programme’.</i></p> <p><i>Source: FA</i></p>
I.8.4.3	Views of beneficiaries on appropriateness of financing mix and implementation mechanisms used
	From EQ 1 Discussions at field level have also revealed that although EC interventions have increasingly been selected with the GoE’s priorities in mind, the appropriateness of the interventions with regards to priorities has suffered from the length of the programming, identification and preparation phases: by the time a project or programme becomes effective, the priority might have changed substantially or have already been addressed by GoE or another donor. This is particularly the case in areas and sectors where timeliness is important or when dealing with dynamic ministries or agencies (such as TEP A or SAA). The choice of type of intervention, the modalities retained for implementation may also negatively influence on the response to GoE priorities (see further EQ8).
J.8.5	<i>Interventions are carried out within their allocated budget and planned schedule</i>
I.8.5.1	Disbursement rates of Commission support by year relative to programmed disbursement
	Insufficient information was collected to be able to analyse the disbursement rate.
I.8.5.2	Nature of delays affecting disbursement and implementation
MED/2003 /005-716 (FISC- Rural)	<p>The programme encountered delays in its starting phase. Indeed, the FA has been signed on 30 May 2005 but the project started in February 2005 with the arrival of the TA team, leaving within the D+3 rule half of the available time to contract all services and purchase all project inputs. Moreover, a 10-month delay took place in appointing the agent bank due to slow approval and signature of project expenditure by the accounting officer of the MoALR (first draft contract with the agent bank submitted on 2 October 2005, and after amendments final approval received from the ECD on 25 July 2006).</p> <p>The Commission suspended the payment of the second tranche during more than 2 months because the Board of Trustees approved several loans (up to 90% of the first tranche) to large food processing companies (cf. the programme has been designed to support SMEs). The Commission clarified the criteria defining small and medium agro-businesses in a MoU that came into force in August 2007. The tender of the activities related to Component II failed with no sufficient time to re-launch before the D+3 deadline. The ECD proposed to earmark €150,000 from the global allocation budget line for Egypt</p>

	<p>to finance this action and the activities started during the first quarter of 2007.</p> <p>The ECD credited the last tranche of €5M to the FISC-Rural credit line. The national expertise could not be mobilised by the Project Secretariat due to the fact that the financial conditions were not interesting enough and most of national experts quickly resigned. In total, 303 out of 1127 days were utilised.</p> <p><i>Source: Monitoring reports, Final evaluation</i></p>
<p>MED/2003 /005-719 (FISC- Social)</p>	<p>According to the second MR (22/11/2006), The project encountered a series of delays in its starting phase:</p> <ul style="list-style-type: none"> - The tenders for the TA were unsuccessful and an interim TA had to be contracted in order for the project to be launched - The SFD could not present on time (D+3 rule) a procurement proposal in accordance with the EU selected NGOs and the procurement component (€50,000) had to be cancelled - Out of the 11 selected NGOs, 2 declined at the last moment. The €4M component for NGOs had to be reduced to €3.3M - The Egyptian Saudi Finance bank, 1 of the 2 banks selected to share the €11M loan opted out at the last moment. The full amount could be transferred to the other bank, the National bank of Egypt but this diminished the interbank-competition elements of the lending - The first disbursement by the EU to SFD has been delayed as some preconditions were not fulfilled (opening of a special bank account) and it is only more than 2 years after the signature of the FA that the funds could be made available. <p>According to the third MR (12/11/2007), inputs and resources were available on time and at planned costs and were regularly monitored by the SFD, the Cooperative Insurance Fund (CIF), the NGOs and the banks. The progress reports have OVI's generally achieved as planned.</p> <p>The fourth MR (19/06/2008) underlines that the two credit lines are progressing according to plan while the disbursement of the grant facility to NGOs was slightly delayed due to inflexible grant contract regulations. Most NGOs have already moved beyond the first revolving cycle and onlent more than they received.</p> <p>In short, the project did not face much delay in its implementation except for the time necessary to secure the Egyptian administrative authorisations to sign the FA within the D+3 limit. Once approved, it took six months to select the financial intermediaries and sign the contract by end of 2006. The full amount available for small entrepreneurs was entrusted to the NBE following the drop out by the other selected bank. NFS were delivered nationwide. The disbursement of the grants was administratively cumbersome.</p>

	<i>Source: Monitoring reports, Final Evaluation</i>
MED/2004 /006-224 (FISC- Financial)	<p>For component 1, resources have been deployed as planned and no major delays are reported. Components 2 (Bank Misr and NBE) and 3 encountered significant delays. For Component 2b (NBE), the ownership of the project by the board was not present. Moreover, a lack of trust between the management and the original team leader compounded implementation problems. Delays can be attributed to the non-existence of appropriate counterparts in Bank Misr (Component 2a). In component 3, internal problems encountered within the CMA delayed decisions on the activities and the choice of the experts. The ECD removed two TL and redefined the activities to suit the actual absorption capacity of the beneficiaries and the remaining time frame. This component will not be completed within the assigned time. The low absorption capacity has thrown the project completely off its timeline.</p>
	<i>Source: Monitoring reports, Mid-term evaluation</i>
MED/2005 /017-557 (SAAP)	<p>Delays in the SAAP project overall have been attributed to the understaffing of the PAO office for half of the duration of the project. With the lack of support, the capacity of PAO could not handle the pace of the proposed plans and expected efficiencies.</p> <p>The rate of absorption within local partner counterparts also provided an obstacle to the speed of the project and the delivery of timely output. Time plans of the project have been extended beyond the project duration to accommodate delays caused at both ends, the PAO and the Beneficiaries.</p>
MED/2005 /017-203 (HR)	<p>There have not been considerable delays reported in the implementation of the project. According to the MR report, for the first component of the project, the 31-month duration of the project is sufficient to produce the outputs and implement the PP. Total financial resources of the project (€3.944.935, of which €2.400.000 are EC contribution) are considered sufficient and accurately calculated. The first tranche (€ 665.516) was disbursed in September 2007, remained in a UNDP loop and only reached the project in February 2008. However, the pooling of the resources provided by the other donors permitted the project to implement the activities with no delay.</p>
DDH/2005 /017-240 (HR 2&3)	<p>The contract 123808 implemented by the Egyptian Centre for Women's rights, has had a 14 months delay. As explained in the explanatory note accompanying an addendum to extend the duration of the project, it is due to the delay by the Ministry of Social Solidarity in Giza to get authorisation to start the project, it took 14 months and a meeting with the Ministry to get the permission document.</p> <p>The note underlines that the problem occurs with more and more NGOs financed under the thematic budget lines.</p>
	<i>Source: Explanatory note (A6) in contract Addendum for the contract 123808: fighting Violence, Cultivating Democratic Culture.</i>
MED/2005 /017-543 (Water)	<p>The programme has been implemented as planned with disbursements taking place as planned. Only the third tranche of the SBS has been delayed because three of the 20 conditions for tranche disbursement had not been satisfied; the ECD granted the programme a one-year extension in October 2008. According to the latest ROM report 'The delay was anticipated and could not be avoided without sacrificing efficiency of implementation.'</p>

	<i>Source: ROM 2007 and 2008</i>
MED/2006 / 018-254 (Pollution)	Not sure there was a schedule of disbursement: <i>'The payment of € 10,000,000 will follow the standard practices for Euro-Med subsidies to EIB environmental loans as such amount will be associated with the EIB loan of € 40,000,000 as an interest rate subsidy.'</i> (Project Fiche, Budget and calendar). The uptake of loans is very low but the reason for this is not yet clear (issue for field visit) <i>Sources: Project fiche, TA report, WB A-M</i>
ENPI/2008 /019/607 (PPHR)	The project is still in negotiation. It is not known at this moment why the negotiations take so much time but it is know that the subject of human rights and civil society is sensitive and demands policy dialogue.
J.8.6	<i>Intervention implementation takes account of monitoring and evaluation results</i>
I.8.6.1	Evidence of monitoring reports available on regular basis
MED/2002 /003-396 (TEP A)	Only Final Evaluation is available.
MED/2002 /004-955 (TVET)	Available reports are only for the year 2008. 29.11.2008 19.06.2008 It is not clear if those were the only monitoring missions conducted.
MED/2003 /005-716 (FISC-Rural)	The programme has been monitored regularly: once per year since its beginning on 01/02/2005: <ul style="list-style-type: none"> ▪ MR 1 on 22/11/2006 ▪ MR 2 on 12/11/2007 ▪ MR 3 on 29/11/2008 <i>Source: Monitoring reports</i>
MED/2003 /005-719 (FISC-Social)	The programme has been monitored regularly: once per year since its beginning on 19/08/2005: <ul style="list-style-type: none"> ▪ MR 1 on 01/12/2005 ▪ MR 2 on 22/11/2006 ▪ MR 3 on 12/11/2007 ▪ MR 4 on 19/06/2008 <i>Source: Monitoring reports</i>
MED/2004 /006-224 (FISC-Financial)	The programme has been monitored regularly since its beginning on 01/01/2005: <ul style="list-style-type: none"> ▪ MR 1 on 22/11/2006 ▪ MR 2 on 12/11/2007 ▪ MR 3 on 19/06/2008 <i>Source: Monitoring reports</i>

MED/2005 /017-203 (HR)	Only one monitoring report available: MR-102311.01(19/06/2008)
MED/2005 /017-557 (SAAP)	Available Reports reveal a 18 months gap between the two reports. MR 20.05.2007 MR 29.11.2008
DDH/2005 /017-240 (HR 2&3)	A sample of reports were provided by the Delegation. The Interim narrative reports and final reports available for the three selected contracts are: Ref. 123808 Interim narrative report, 2006 Ref. 123-021 Final report December 23 2006 – December 2008 Ref. 123785 <i>Source: interim narrative reports and final report</i>
MED/2005 /017-543 (Water)	There are two monitoring reports available, 2007 and 2008
MED/2006 /018-254 (Pollution)	No monitoring reports available but one TA report and one WB supervision mission Aide-Mémoire available for the whole project (not just the interest rate subsidy).
ENPI/2007 /019-248 (Education)	Nothing yet
ENPI/2008 /019/607 (PPHR)	The FA has not been signed yet
I.8.6.2	Availability of Mid-Term and final evaluation reports
MED/2002 /003-396 (TEP A)	Mid Term and final evaluations have been carried out. Final evaluation was conducted in January 2008.
MED/2002 /004-955 (TVET)	A progress assessment was conducted by ETF in June 2008. Another progress assessment was conducted in February 2009.
MED/2003 /005-716 (FISC-Rural)	A mid-term evaluation has not been carried out. A final evaluation has been carried out and released in January 2009. <i>Source: Final evaluation</i>
MED/2003 /005-719 (FISC-Social)	A mid-term evaluation was not organised. A final evaluation has been conducted and the report has been released in December 2008. <i>Source: Final evaluation</i>
MED/2004 /006-224 (FISC-Financial)	A mid-term evaluation has been carried out almost at the end of the project and a final evaluation will not be conducted. <i>Source: Mid-term evaluation, MN 101</i>
MED/2005 /017-203 (HR)	There is no mid-term evaluation and no end of project evaluation (the project is still going on) available but both are foreseen in the FA

	<i>Source: FA</i>
MED/2005 /017-557 (SAAP)	Mid term evaluation was conducted in August 2008.
DDH/2005 /017-240 (HR 2&3)	There has not been mid-term and/or final evaluations made of the individual three selected projects. As well, there has not been other thematic evaluation on the Campaigns of the EIDHR in Egypt.
ENPI/2008 /019/607 (PPHR)	The FA has not been signed yet. In the Action Fiche for Egypt “Promotion and Protection of Human Rights and Civil Society”, both a mid-term and a final evaluation are foreseen. <i>Source: Action Fiche for Egypt “Promotion and Protection of Human Rights and Civil Society</i>
MED/2005 /017-543 (Water)	No mid-term or end of programme evaluations as yet.
MED/2006 /018-254 (Pollution)	Nothing.
ENPI/2007 /019-248 (Education)	Only just started.
I.8.6.3	Number of terminated projects for which an evaluation report is accessible/total number of terminated projects.
Overall	FISC social terminated: evaluation available FISC rural terminated: evaluation available FISC financial terminated: mid-term evaluation report available TEP A terminated: evaluation available
I.8.6.4	Planned schedule of activities and disbursements adapted in course of implementation following monitoring and evaluation results
MED/2003 /005-716 (FISC- Rural)	No findings from available doc
MED/2003 /005-719 (FISC- Social)	Recommendations of the 1 st MR have been taken into account in the 1 st progress report and, as a result, TA activities have been refocused to improve quality and timely delivery. However the recommendations to improve the MIS system and standardize the reporting system have not been translated into a fully integrated system at the time of the final evaluation. <i>Source: Monitoring Report n°3, Final evaluation</i>
MED/2004 /006-224 (FISC- Financial)	The first MR recommended considering the actions not included in the project but necessary to reach the objectives and their timing. This recommendation was a consequence of the over-optimistic design of the project. However, those actions did not sufficiently materialise. The second MR mainly recommended to adjust the planning to the absorption

EQ9	To what extent have the Commission's strategies, programmes and activities been designed and implemented in coherence with all EC policies or in coordination and complementarity with the EU Member States, EIB and other donors?
J.9.1	<i>The Commission's interventions are designed and implemented in view of taking advantage of EC policies in the same field, or of mitigating their negative consequences</i>
I.9.1.1	Evidence that EC policies other than cooperation have affected progress towards the Commission-Egypt cooperation's objectives
Overall	<p>EU's cooperation objectives with Egypt are anchored in the Barcelona process. This process is underpinned by a network of bilateral relations between each partner country and the EU, embodied in the AA which provide for political dialogue, free trade between each partner and the EU to be established over a transitional period, and various forms of cooperation. Relations with Egypt in the context of Barcelona are driven by a number of Community policies, in particular trade, energy, transport, environment, research science and technology, good governance, gender issues and the protection of human rights. The European Neighbourhood Policy (ENP) goes beyond existing relationships to offer a deeper political relationship and economic integration. The central element of the ENP is the bilateral ENP Action Plans agreed between the EU and each partner. These set out an agenda of political and economic reforms with short and medium-term priorities. The EU-Egypt ENP Action Plan builds upon the AA. Its implementation will help to further integration into EU economic, social and technological structures and significantly increase the possibility to advance the approximation of Egyptian legislation, norms and standards to those of the EU in appropriate areas, thereby enhancing prospects for trade, investment and growth. In that respect, the AA and ENP Action Plan provide coherence with EU policies.</p> <p>The CSP 2002-06 states that policy coherence lies at the heart of the Barcelona Process and that the principles and objectives of the Community development policy are respected. Indeed, the reduction and eventual eradication of poverty are fully consistent with the goals of the Barcelona Process. The CSP 2007-13 mentions that the consistency of Commission assistance in Egypt with the range of relevant EU is ensured by the ENP policy framework.</p> <p>The CSE evaluation reports that there are no outstanding cases of lack of coherence between Community policies and the overall strategy of the Commission in Egypt. It is however widely accepted that the EU's agricultural policy imposes certain impediments to the CSP's objective of establishing a wider Euro-Mediterranean free trade area by 2010-2015.</p> <p><i>Source: CSP 2002-2006; CSP 2007-2013; EU-Egypt Action Plan; MWH, "Country Strategy Evaluation Egypt, Final Report", 2004</i></p>
MED/2005 /017-543 (Water)	The support to the water sector reforms in Egypt is a direct outcome of the EU's public interest in the world-wide improvement in the management of water resources which was expressed firstly in 2000 through the issuing of a comprehensive Water Framework Directive at the European Level and secondly at the World Summit for Sustainable Development in Johannesburg in 2003 through the launching the EU Water Initiative (EUWI). As a result of this latest directive, support to the reform of the Egyptian water sector was included

	<p>in the 2005-2006 NIP even though support to the water sector was not initially foreseen in the CSP 2002-2006.</p> <p><i>Source: FA MED MED/2005/017-543</i></p>
ENPI/2007/019-248 (Education)	<p>The FA for the Education SPS makes very clear reference to:</p> <ul style="list-style-type: none"> ▪ the EU-Egypt European Neighbourhood Policy Joint Action Plan and its objectives in strengthening cooperation on social development in particular in the areas of combating illiteracy, education reforms as well as better socio-economic inclusion. The Joint Action Plan supports continuing reform of primary and secondary education to improve quality, especially through continuing decentralisation, community involvement and human resources development for teachers and professors. ▪ the EC approach on Sector Programmes: the ESPS supports a fully owned reform process that is based on a coherent and consistent sector policy which is in line with EC strategic priorities for sustainable economic and social development and uses a strategic framework aiming for expenditure efficiency and effectiveness; it uses national systems and processes and is fully coordinated with other donors. <p><i>Source: FA</i></p>
I.9.1.2	Evidence that when conflicts have been identified, Commission support attempts to mitigate the possible negative consequences.
Overall	<p>No conflicts arising from EC policies in areas that may have affected Egypt's progress towards agreed cooperation objectives (such as trade, agriculture, democracy and HR) have been specifically identified in the sample of interventions reviewed for this evaluation. At the most one notes that changes in EU rules affecting trade may have (temporarily) set back progress of achievements in Egypt's trade position with the EC; the programming cycle of the cooperation programme (AAP, CSP and NIP) was not sufficiently flexible to respond in a timely fashion to new directives issues by the EU in the trade area. Conflicts as such between EU policies in trade and the Commission-Egypt cooperation have however not been identified, it is rather that the cooperation programme may not have been able to respond positively and in a timely manner to new demands for support arising from changes brought about by the EU policies.</p> <p>In other areas, no conflicts seem to have arisen either. A more general probing with interviews at policy level would have been necessary to determine whether any EU policies negatively affected the objectives pursued by the Egypt-Commission cooperation strategy but this fell outside the scope of the evaluation.</p>
MED/2006/018-254 (EPAP II)	<p>There are some examples of poor consistency with Community strategies at the level of interventions. In particular the Small Enterprise Development Organisation (SEDO)'s policy to offer subsidised interest rates is not consistent with the European Community global strategy for providing sustainable financial services. New programmes at the time of the final evaluation such as FISC-Rural were designed without due consideration being given to this European Community strategy. Similarly the same argument could apply to the EPAP II programme which provides subsidised loans.</p>

	<i>Source: MWH, "Country Strategy Evaluation Egypt, Final Report", 2004, Project fiche EPAP</i>
MED/2002/003-396 (TEP A) MED/2005/017-557 (SAA)	<p>In the area of trade some lack of responsiveness of the cooperation policy was noted with regards to the speed and scope of support offered to Egypt to deal with new directives issued by the European Community in areas such as anti-dumping, subsidies, market surveillance standards and other technical standards, food safety regulations; a lack of alignment of the EU trade policies with the objectives of the Commission-Egypt cooperation was noted which could have prompted a readjustment of the cooperation priorities in the trade area to enable Egypt to respond in a timely fashion to these new challenges (by complying rapidly to new regulations) thus avoiding losing out on its competitive position on the European market. The lack of responsiveness of the cooperation programme, according to the Egyptian sources, stems mainly from the fact that the Annual Action Plan fixes support areas for the year and does not offer flexibility to adapt to newly arising circumstances; responsiveness to changes in EU policies so as to counter their potential negative effects in pursuit of the cooperation objectives is thus not evident in the programming of Egypt-commission cooperation in the area of trade.</p> <p><i>Source: MN 285</i></p>
MED/2005/017-203 (HR) ENPI/2008/019-607 (PPHR)	<p>In the area of human rights and democracy, the ambition of official EU policies has been adjusted in the cooperation area to adapt to Egyptian specificities so as to minimise conflicts but a resistance to the EU's approach to HR and democracy can still be noted when discussing the topic at large with Egyptian officials. The conflict is thus not so much between the official EU policy and the cooperation policy as between these two and the Egyptian objectives.</p> <p><i>Source: MN185, MN 285, MN 61, MN 151, MN 270</i></p>
J.9.2	<i>Commission's interventions are co-ordinated with the set of other donors' interventions</i>
I.9.2.1	Reference in the CSP/RSP to EIB and other donors interventions
Overall	<p>The CSP 2002-2006 explicitly refers to EIB and other donor interventions. It presents a short description of the activities carried out by the EIB on own resources as well as of the priorities of EU MS and other donors.</p> <p>The CSP states that over the period 2000-2006 the EIB provided financing totalling €1,862m:</p> <ul style="list-style-type: none"> ▪ twelve EIB loans on own resources supported projects in the fields of energy, transport and environment ▪ three global loans contributed towards financing the capital investment project of SMEs ▪ two global loan operations on risk capital resources in support for competitive upgrading of Egyptian enterprises <p>On the basis of a stocktaking of EU MS intentions, the following sectoral pattern emerged in 2001:</p>

	Commission	Germany	France	Italy	Denmark	Netherlands	UK	Finland	Spain	Sweden
SMEs and industrial modernisation	x	x		x	x	x			x	
Water supply and sanitation		x	x	x	x	x	x	x		
Energy, alternative energy		x	x		x				x	x
Environment	x	x		x	x	x	x	x		
Human resources development	x	x	x				x			
Health	x			x		x		x		

The CSP 2007-13 provides an annex that describes shortly EU MS priorities and programmes in Egypt. 23 EU MS have missions in the country but they maintain varying degrees of bilateral cooperation with Egypt. The following sectoral pattern emerges:

	Germany	France	Italy	Denmark	Netherlands	Finland	Sweden
PSD (FS and NFS for the competitiveness of SMEs)	x		x		x	x	x
Water supply and sanitation	x			x	x	x	x
Energy, alternative energy				x			
Environment	x	x	x	x			
Human resources development (education and vocational training)		x	x				
Health			x				
Information society						x	
Good governance					x		

Regarding other donors:

The CSP 2002-06 mentions that USAID (largest single donor to Egypt) programming focuses on economic reform, in particular:

- Private sector middle management skills
- Strengthened environment for trade and investment
- Training in information and technology

The CSP 2007-13 mentions that USAID priorities include:

- Education,
- Economic growth
- Environmental protection
- Infrastructure

While USAID manages programmes on health, democracy and good governance.

<p>USAID and Egypt launched their cooperative development program in 1975 and directed their support towards the following areas:</p> <ul style="list-style-type: none"> ▪ Trade and Investment (stimulating private sector investment, business environment, developing SMEs, improving employment opportunities): 1975-2006: \$14.8bn ▪ Infrastructure (electric power, telecommunications, water and wastewater): 1975-2006: \$5.6bn ▪ Democracy and governance (elections, civil society, justice, decentralisation): 1975-2006: \$1.03bn ▪ Education (basic education): 1975-2006: \$992.8m ▪ Health (child health and family planning, Infectious Disease Surveillance and Response, Health Communication and Promotion) : 1975-2006: \$895.7m <p>The CSP 2002-06 mentions that the WB concentrated its activities on Basic Education and Health Reform and supported the Social Fund for Development. Its priorities are:</p> <ul style="list-style-type: none"> ▪ Agriculture and rural development ▪ Water management and distribution ▪ Macro-economic support and export promotion ▪ Skills development and higher education reform <p>The CSP 2007-13 describes the WB's loan portfolio:</p> <ul style="list-style-type: none"> ▪ Agriculture (rural development and irrigation) (38%) ▪ Infrastructure (31%) ▪ Education (early childhood, secondary and tertiary, and skills development) (31%) ▪ Health/social protection (health insurance, primary care, public health services) (13%) <p>Current WB portfolio in Egypt is stable with 19 ongoing projects (commitment value of about \$2.8 billion). The sectoral distribution of the 19 projects (by value) is as follows: infrastructure (62.3%); financial sector (19%); agriculture (12.5%); and social sector (6.2%). It should be noted that the GoE has adopted a policy of not taking on any lending (even WB soft lending) for funding interventions in the social sectors so that once the ongoing programmes (in health and education) are completed, the WB might not be able to support these sectors any longer.</p> <p>Current World Bank funded programs are:</p> <ul style="list-style-type: none"> ▪ Health sector reform (1998-2009) ▪ National Drainage II (2000-2008) ▪ East Delta Agricultural services (1997-2008) ▪ Skills development (2003-2010) ▪ Secondary Education Enhancement (1999-2010) ▪ Higher Education Enhancement (2002-2008) ▪ Integrated Irrigation Improvement and Management (2005-2014) ▪ Airport Development (2004-2009) ▪ Early childhood Education Enhancement (2005-2010) ▪ West Delta Water Conservation & Irrigation Rehabilitation (2007-2011) ▪ Second Pollution Abatement Project (2006-2012)

	<ul style="list-style-type: none"> ▪ El Tebbin Power (energy) (2006-2011) ▪ Mortgage Finance (2006-2011) ▪ Natural gas connection (2008-2013) ▪ Integrated Sanitation and Sewerage Infrastructure (2008-2014) ▪ Kureimat Solar Thermal Hybrid (greenhouse gas emissions) (2007-2008) ▪ Financial Sector Development Policy Loan II (2008-2009) <p>The RSP 2002-2006 mentions that the Commission is the most substantial player in terms of regional cooperation; other regional activities being essentially that of UNEP and of the WB. The RSP 2007-13 points out that very few significant programmes are being carried out by other donors at regional level. In 2005, the US launched the MENA initiative (support to CSO and to SMEs) and the OECD launched the MENA Governance for Development Initiative. None of the IFIs has region-wide programmes and no EU MS finances significant regional projects in the region, except for a few very small projects or conference events.</p> <p><i>Sources: CSP 2002-06, page 18-19, CSP 2007-13, RSP 2002-06, RSP 2007-13 (Annex II), http://egypt.usaid.gov/, http://siteresources.worldbank.org/EGYPT/EGYPTN/, MN 92, MN61, MN 175</i></p>
I.9.2.2	Existence and modalities of coordination of the Commission with other donors (in particular EU MS) and the EIB at programming stage
Overall	<p>At programming stage, coordination between the Commission and the IMF, WB and EIB takes place at headquarters within the framework of the Luxembourg process which is devoted to strategic issues.</p> <p>In the 2002-06 CSP/NIP formulations, EU MS expressed considerable dissatisfaction regarding their consultation and involvement. EU MS reported that they were put under pressure to accept quickly the CSP without adequate time to consult appropriately their own respective Governments departments. Italy, UK, Netherlands and Denmark pointed out that the CSP did not contain sufficient lessons learnt from previous programmes of assistance. In particular, a major assessment of why some large programmes (e.g IMP) had not succeeded was needed. EU MS noted that considerable improvement occurred since deconcentration and appreciated their involvement in the 2005-06 NIP. It was felt that the ECD was working gradually towards strengthening the process of coordination between EU MS. In that respect, coordination of the preparation of the CSP 2007-13 with all relevant donors took place at an early stage. Current and future priorities of other donors have been factored into the Commission's strategy. The field mission confirmed that EU MS are consulted by the Commission for the preparation of the CSP 2007-2013 and even more so for the NIP 2011-2013 and the new BS interventions. Regular meetings (every 2 months and now each month) are held between the Commission and EU MS where the Commission presents the interventions and asks for EU MS comments.</p> <p>The EIB has a mandate for the horizon 2007-2013 to invest in transport, environment, and electricity (all falling under the Union for Mediterranean objectives). It intervenes on a project basis and is not involved in the long term capacity building of Egypt. Only 50% of its projects financed are in the public sector. Domains of common interests for the Commission and the EIB are:</p> <ul style="list-style-type: none"> ▪ development of Public Private Partnerships,

	<ul style="list-style-type: none"> ▪ new NIF <p><i>Source: CSP 2007-13; MWH, "Country Strategy Evaluation Egypt, Final Report", 2004, MN 122, MN 275, MN 75</i></p>
<p>MED/2005 /017-543 (Water)</p>	<p>The FA gives a detailed overview of the support provided by other donors to the water sector. It is not particularly clear from the FA how these different donors coordinate their activities and the FA mentions the historically fragmented and piecemeal manner in which activities of donors have been supporting the water sector. By the details given in the FA about other donors' activities in the sector, it is nevertheless clear that the EC support is designed (i) in full knowledge of the other donors' activities, (ii) with an eye on strengthening ongoing efforts and /or taking them a step further, and (iii) with the purpose of integrating different approaches into a holistic approach to water management. The FA also explicitly states that the programme supported will 'consolidate what other donors have so far been pursuing and promoting'.</p> <p>The field mission has confirmed that the EC has actively involved GoE and donors in the design of the water sector BS: the shape of the matrix of disbursement conditions has been the result of extensive discussions and agreements with the different stakeholders, including the MS and other donors active.</p> <p>In addition to the fact that the design of the support to the water sector takes full account of other donors' activities and has been fully discussed with all partners, the Commission supported programme aims inter alia to:</p> <ul style="list-style-type: none"> ▪ Renewing and strengthening already involved Donors motivation to stay in the Water Sector; ▪ Attract new Donors in the field, as a result of the overall streamlining of public investment priorities'. <p>Specific donor activities in the sector are mentioned as:</p> <ul style="list-style-type: none"> ▪ USAID funding of a Water Policy Reform Programme (WPRP) initiated during Phase 3 (1996-1999) of the Agricultural Policy Reform Programme (APRP). ▪ UNDP, WB and more recently NL: National Water Resources Plan (NWRP) ▪ WB: Integrated Water Resources Management (IWRM) Action Plan ▪ UNDP: National Environment Action Plan (NEAP) 2002-2017 ▪ UK: Governmental Environmental Action Plan (GEAP) ▪ USAID Irrigation Improvement Project (IIP), ▪ NL, Germany and the EIB: National Drainage Programme (NDP) ▪ Canada: Water Quality & Availability Management Project (NAWQAM) ▪ NL: Decentralised water management at district level (via water board pilots) ▪ NL, KfW, USAID and WB: formation and strengthening of water-user

	<p>associations for participatory irrigation and drainage management.</p> <ul style="list-style-type: none"> ▪ NL: development of National Water Plan by the MWRI ▪ KfW: Study on cost sharing arrangements ▪ NL, USAID, CIDA: development of a Water Quality Unit and an Environmental Quality Unit within MWRI. ▪ WB, EIB and various MS (not specified): infrastructure upgrading projects <p><i>Source: FA MED MED/2005/017-543, MN83, MN 213, MN 217.</i></p>
<p>MED/2006 /018-254 (Pollution)</p>	<p>Cooperation with the EIB was foreseen in the NIP 2005-2006 (paragraph 5.1 relating to FEMIP). Specifically, it was foreseen that the EC would provide complementary budgetary resources to EIB's own funds for upstream and downstream TA and for interest rate subsidies, specifically for the alignment of environmental norms with international agreement and treaties (European Directives, Kyoto etc.).</p> <p>The extent of coordination at design stage is thus outside the EC's responsibility, as it totally rests with the EIB which coordinated and designed the project with the other donors involved in the EPAP II (the WB, JBIC, Finnish Development Cooperation and Agence Française de Développement).</p> <p>The EC as an institution has thus not been really involved in the design of the project as such, but the DCE official in charge of the project was involved in the design of EPAP II in his previous capacity when not yet working for the DCE.</p> <p><i>Source: NIP 2005-2006, MN 128</i></p>
<p>ENPI/2007 /019-248 (Education)</p>	<p>The FA clearly mentions the existence of other donors (USAID, WB, KfW, UNDP, UNICEF, UNESCO, CIDA, JICA) in the sector. The National Strategic Plan is the common platform of all donor involvement in the sector.</p> <p>A joint exercise has been undertaken by DAG members to assess coverage and complementarities of their support to the National Strategic Plan and to enhance effectiveness and harmonization. A common matrix of performance indicators and joint monitoring reviews were under discussion at the time of FA preparation. The progress reports for the various identification missions in preparation of the EC Education SBS show that other donors were consulted. Interestingly they also show that, at the time of SBS formulation (first quarter 2007), there was a generally favourable current of thinking towards the move towards budget support amongst donors: USAID was reported to be considering SBS for 2009/2010 and the World Bank was considering moving to some kind of budget/policy support but definitively preparing an appraisal which would lead to negotiations at the end of 2007/beginning of 2008. In this context the EC looked closely at the benchmarks which were (at the time) under discussion by USAID and the MoE for the disbursement of USAID's potential policy support. These benchmarks were analysed so that they would be in line with the ones agreed between the EC and the MoE for the SBS matrix of disbursement conditions (in particular the timings of the different benchmarks were looked at for coherence between the two sets of disbursement conditions).</p>

	<p>The education sector budget support can be viewed as a very good example where the EC has put major efforts into coordinating with other donors all along its identification and formulation cycle: unfortunately, it seems that the other potential SBS donors will now not, in the foreseeable future, adopt a SBS or policy lending approach (USAID because staff has changed and has decided to continue with projects and adopt a wait and see attitude towards the EC SBS and the WB because the GoE will not sign any lending agreements-policy or project- benefiting the social sectors).</p> <p><i>Source: FA, ESPS identification progress reports, MN 77, MN 92.</i></p>
MED/2003 005-716 (FISC- Rural)	<p>The intervention has not been designed in coordination with other donors' interventions.</p> <p><i>Sources: FA, MN 212, MN94</i></p>
MED/2003 005-719 (FISC- Social)	<p>The FA mentions that with respect to the MFU component, the Commission coordinated the preparation of its intervention with 2 other donors who were preparing related interventions:</p> <ul style="list-style-type: none"> ▪ KFW which intended to finance a credit line under the MFU; ▪ UNDP which finalised a TA programme on the capacity upgrading of the MFU. <p>During the field mission, the coordination with UNDP has not been confirmed.</p> <p><i>Sources: FA, MN 212</i></p>
MED/2004 006-224 (FISC- Financial)	<p>The FA mentions that activities of Component 2 will establish links and seek synergies with relevant initiatives funded by other donors. However, these initiatives are not identified. The field mission has not confirmed any coordination at design stage with other donors-led interventions.</p> <p><i>Sources: FA, MN 101, MN 68</i></p>
MED/2005 /17203	<p>There is no mention of the other donors-led interventions in the FA.</p> <p>In the NIP 2005-2006, it is specified that the programme should be based on experience gained by other donors, in particular the UNDP and explore all the possibilities of coordinating activities.</p> <p><i>Source: FA; NIP 2005-2006</i></p>
ENPI/2008 /019-607 (PPHR)	<p>The formulation report identifies complementary actions. In addition to the EC projects, the Netherlands, Sweden, Italy, USAID, CIDA are the main donors involved in HR. Several UN agencies (UNDP, UNFRA, UNICEF) also fund the NCW and NCCM with limited financial resources. It reports the detailed contributions, the amounts and the focus.</p> <p><i>Source: Action fiche, Transtec formulation report</i></p>
DDH/2005 /017-240 (HR 2&3)	<p>There is no mention of other donors-led intervention in projects' documents. The EIDRH 2001-2006 strategy paper produced in 2001 is no longer available on the website.</p> <p><i>Source: Ref. 123808 Interim narrative report, 2006 Ref. 123-021 Final report December 23 2006 –December 2008 Ref. 123785 Second Progress Report January 1st 2008- December 31st 2008</i></p>

MED/2002 004-955 (TVET)	<p>The NIP for 2002-2004 refers to the design of the EU intervention within a framework of reform that the Ministry of Trade and Industry is undertaking and that the programming is considering work done by Kohl-Mubarak that was designed and funded by GTZ and complementing the World Bank Higher Education Enhancement Programme as well as the DfID who have provided TA on the legal aspects of Reform.</p> <p><i>Source: NIP 2002-04</i></p>
MED/2002 003-396 (TEP A)	<p>The CSP refers to work of USAID in economic reform. However NIP doesn't refer to complementarity of interventions with USAID or other donors during the TEP programming phase.</p> <p>TEP A FA refers to the existence of the USAID TA team for Trade Reform during the design phase.</p> <p><i>Source: CSP 2002-06, FA</i></p>
MED/2004 /017-557 (SAAP)	<p>No reference in programming documents that SAAP was undertaking coordination with other donors.</p> <p><i>Source: CSP 2002-06</i></p>
I.9.2.3	<p>Existence and modalities of coordination of the Commission with other donors (in particular EU MS) and the EIB at implementation stage</p>
Overall	<p><u>Donor coordination</u></p> <p>Efforts to coordinate activities with EU MS and other donors are made through the DAG (Donor Assistance Group) created in the late 1990s as an initiative of the UN Resident Coordinator with the purpose of providing bilateral and multilateral donor agencies a forum for policy dialogue and exchange of information. The DAG, recently re-named Development Partners Group (DPG), is currently composed of 21 bilateral partners and 13 multilateral agencies, including the UN family and World Bank. The group is chaired and co-chaired by two senior representatives of one bilateral and one multilateral institution. In 2005 and 2006, the DAG was respectively chaired and co-chaired by the EC Delegation and Canada, while, in 2007 and 2008, by the Netherlands and UNICEF. For 2008 and 2009, the UN Resident Coordinator and Germany have been designated to respectively Chair and Co-Chair the DPG.</p> <p>The following ten thematic sub-groups complement the DPG plenary group:</p> <ul style="list-style-type: none"> ▪ Health and Population; ▪ Gender and Development; ▪ Natural Renewable Resources; ▪ Human Resource Development; ▪ Participatory Development and Good Governance; ▪ Environment and Energy; ▪ Micro, Small and Medium Enterprises; ▪ Poverty; ▪ Information and Communications Technology (ICT).; ▪ Transport, which has just been created following a demand from the Commission linked to the recently decided BS intervention on transport <p>Within the thematic sub-groups, donors exchange information and discuss GoE policies through presentations made either by donors or by the government on</p>

	<p>the reforms undertaken. Commission representatives report an improvement of donor coordination in recent years: close work on PFM issues with the WB, discussions on specific sectors of interventions so as to exchange information. Overall, donor coordination improved over the period but is more an information forum than a cooperation forum. There is furthermore a lack of Egyptian leadership for donor coordination.</p> <p>Dialogue among partners also differs between sectors:</p> <ul style="list-style-type: none"> ▪ In water, coordination between EU MS and Commission is strong today. ▪ In energy and transport: dialogue is ongoing with ministries and donors ▪ In education: the DPG is a forum to exchange information and a good way to have common positions among donors. There are also regular meetings on MTEF/decentralisation but no sector reviews. However, the sector is still fragmented. ▪ In health: coordination with other donors is not strong : the dialogue is bilateral Commission-Ministries ▪ On human rights, there are informal working groups gathering the Commission and EU MS where an exchange of information and debates on how to respond to a specific issue take place. <p>Coordination between the Commission and the WB and USAID is not strong in the field. There are regular meetings with USAID in the field of good governance but USAID has its own policies and ways of implementing projects.</p> <p><u>Coordination with EU MS</u></p> <p>On 18 May 2001, the MED Committee established MEDA guidelines for coordination of external assistance. This includes:</p> <ul style="list-style-type: none"> ▪ Regular coordination meetings organised at the initiative of the Delegation working closely with the Presidency; ▪ The Delegation in liaison with EU MS organises annual review meetings; ▪ Every other year, the ECD in liaison with MS shall establish a joint report on the strengthening of operational coordination. <p>Coordination of assistance between the Commission and the EU MS is ensured through regular meeting of Development Counsellors in Cairo in which Member States and Commission exchange information on their respective programmes and discuss prospective synergies.</p> <p><u>Coordination with the EIB</u></p> <p>The EIB is generally identified as a separate donor. There is little operational coordination between the EIB and the ECD in terms of project identification and subsequent monitoring. There is scope for improved coordination at implementation stage in the future between the Commission and the EIB with the NIF available to KfW, AFD and EIB if they cooperate, when they share a common goal.</p> <p><i>Sources: CSP 2007-13; UNDP Coordination office, "Brief: The Development Partners Group (DPG), its sub-groups and progress towards aid harmonization", March 2009; MWH, Country Strategy Evaluation Egypt, Final Report, 2004, MN 101, MN 134, MN 122, MN 86, MN 296, MN 77, MN 103, MN 275, MN 75, MN 157, MN 151</i></p>
<p>MED/2006 /018-254 (Pollution)</p>	<p>The project fiche for EPAP II details the arrangements with other donors operating in the sector and since it is a multi-donor funded intervention, it details these internal cooperation mechanisms. Other donors operating in the</p>

	<p>sector include KfW (with a Programme to support private sector industries and industrial environmental protection through commercial banks for the financing of investments in new industrial projects and the modernization and extension of existing industrial production lines), DANIDA (Programme to Support Private Sector Industry for SME providing soft loans to enterprises implementing environmentally friendly projects in particular for improvement of effluent treatment) and the EC's water sector reform programme (see Selected Intervention in brief).</p> <p>Internal cooperation mechanisms for the preparation of EPAP II are based on the experience of EPAP I which was jointly financed by the World Bank (WB), the Finnish Development Cooperation and the EIB. EPAP II includes a larger number of donors, in addition to the EC, namely WB, EIB, JBIC, Finnish Development Cooperation and Agence Française de Développement (AFD). There is a PMU whose mission was extended beginning 2009 to the implementation of the KfW project.</p> <p>The donor coordination of EPAP II is built upon the achievements of EPAP I: according to the project fiche, there is strong co-ordination and complementarity with programmes supported by Member States (MS) and other donors in the field of environment. In addition an Operational Procedures Manual for EPAP II was developed for use by all donors involved. Monitoring missions are undertaken by the World Bank with participation of the other donors (EIB, AFD, JICA)</p> <p><i>Source: Project Fiche, Operational Manual, WB Aide-Mémoire February 2009, MN 128</i></p>
<p>ENPI/2007 /019-248 (Education)</p>	<p>Coordination of donors is done through a DAG sub-committee. Numerous donors intervene in education such as USAID, WB, KfW, UNDP, UNICEF, UNESCO, CIDA, JICA, private foundations. A matrix for common monitoring and joint review missions were foreseen in the FA.</p> <p>The establishment of a Partnership Committee is foreseen by the MoE to facilitate coordination, monitoring and joint reviews. The Committee will include senior officials of the ministries of Finance, Planning, International Cooperation, Administrative Development and Higher Education, as well as representatives of the private sector, donor agencies and NGOs.</p> <p>These various coordination fora have however not yet materialised: the EC has been instrumental in organising wider donor meetings to discuss specific topics of interest (MTEF, decentralisation in education, technical and vocational training) but the GoE/MoE or the donors have not yet organised sector wide reviews or common platforms to monitor and review progress in the education sector. The donors' attitudes are still very much focused on their own projects, without much interlinking with what other donors are doing. The fragmentation in the education sector is very marked, both from a geographical and from a topical viewpoint. The National Education Strategy and Plan should push donors to at least align their support to this, but it has not yet matured into an alignment of project/programme reviews and common monitoring and sector reviews seem to be as yet a remote consideration for the future. For the moment the focus seems to be to move from this fragmented approach and support to a more exhaustive and englobing approach to the education sector as a whole; this would also facilitate a tighter coordination amongst donors.</p>

	<i>Source: FA, MN 77, MN 86, MN 92, MN 160, MN 175, MN 296.</i>
MED/2005 /017-543 (Water)	<p>Coordination of donors is done through a DAG sub-committee of which the DCE is currently a co-chair.. The field mission interviews left a mixed impression about the functioning of this group. On the one hand coordination was said to be very good and the discussions around the EC's SBS were conducive to improved coordination in the sector (in its last meeting the Water Sub-DAG even affirmed the use of the EU Water Sector Reform Programme (WSRP) i.e., EU Water SBS, as the joint/common assessment framework for Egypt's water sector reform). On the other hand, coordination was not unanimous and didn't necessarily lead to coordinated approaches: coordination between donors was still very much based on personal relationships between the people in charge in the donor agencies rather than institutionalised and in particular USAID was felt to not want to coordinate.</p> <p><i>Source: MN83, MN 217.</i></p>
MED/2003 005-716 (FISC- Rural)	<p>There is no mention of coordination of this intervention with those of the other donors in the documentation available. The field mission confirmed that this intervention has not been implemented in coordination with other donor funded interventions.</p> <p><i>Source: FA, Monitoring Reports, Final evaluation, MN 212, MN 94</i></p>
MED/2003 005-719 (FISC- Social)	<p>Coordination Commission-KfW:</p> <ul style="list-style-type: none"> ▪ A cooperation protocol/MoU has been established between the Commission and KfW. The follow up/monitoring reporting has been harmonised to avoid duplication of work (as per MoU). ▪ NGOs selected for the KfW project attended training sponsored by the Commission project. <p>Coordination is reported as “good” with KfW and UNDP in the third MR.</p> <p>The field mission confirmed that this intervention has been implemented in close coordination with the KfW one.</p> <p><i>Source: Monitoring reports, Final Evaluation, MN 157, MN 212</i></p>
MED/2004 006-224 (FISC- Financial)	<p>The WB, USAID, AfDB and the Commission are the main donors involved in the financial sector:</p> <ul style="list-style-type: none"> ▪ USAID is involved in monetary policy (TA, training), ▪ The WB and the AfDB provided loans to the GoE for the financing of its Financial Sector Reform Programme (\$1bn out of a total cost estimated at \$9bn). They assist in the capitalisation of Bank Misr and NBE. ▪ the Commission was involved in banking supervision and restructuring of Bank Misr and NBE with the FISC-Financial programme. <p>Donors regularly exchange information on the restructuring of state owned enterprises, exchange reports and experience in the support to the financial sector. There is no common programming of donors though.</p> <p><i>Source: PS, MR, MN 101</i></p>
MED/2005 /17203	<p>There is no reference made of coordination of this intervention with those of other donors in the documentation available.</p>

	<p>Except for the BEENA component, the intervention does not involve other donors. Although there are mechanisms among donors to exchange information (like-minded working group, MS working group), it is not used as a coordination mechanism. As explained in EQ3 the design of interventions has its own calendar, logic and financial instruments. It is the case between bilateral interventions and the EIDHR instrument, even though delegation staff have exchanges and consult each other. Those exchanges are collaborative efforts; it is not coordination at planning level.</p> <p><i>Source: FA, Monitoring Reports, minutes of Steering Committee meetings, MN 122, MN 78</i></p>
ENPI 2008/019/6 07 (PPHR)	N/A (FA not yet signed)
DDH/2005 /017-240	<p>There is no reference made of coordination of this intervention with those of other donors in the documentation available.</p> <p>The instrument “en amont” has been defined with consultation with member states (and Parliament) as a global instrument, defining the overall objectives and themes of the campaigns for the earlier initiative. At delegation level, the instrument is applied with calls for proposals to civil society for eligible campaigns (2 and 3) and for objective 2 for the current instrument. Exchanges occur with member states on DAG sub-committee on HR but there is no coordination at field level.</p> <p><i>Source: interim and final narrative reports, MN 78</i></p>
MED/2002 004-955 (TVET)	<p>Within TVET, as TVET Reform is coordinated by national coordinating bodies such as the Industrial Training council and the Board of Trustees for TVET Reform, complementarity is planned and ensured during implementation.</p> <p>Complementarities were designed during the identification mission, that followed government policy statement for TVET Reform. Design has outlined that WB would finance “Skills Development Programme” that tackles the demand side of TVET through awareness and training needs assessment of SMEs whereas the EU programme would address the supply Side through the TVET programme.</p> <p>Although some delays in the contracting and mobilization of the TVET programme has challenged the synergies between the two projects at the beginning, for SDP has launched its activities two years earlier than the TVET, and had to depend on external training suppliers rather than TVET institutions, yet, as TVET rolled out coordination complementation are now evident and increasing.</p>
MED/2004 /017-557 (SAAP)	No reference on coordination with donors in the mid term evaluation or the MRs. This also needs to be looked at during the field mission within the implementation at the different beneficiaries’ projects.
MED/2002 003-396 (TEP A)	Evaluation report also emphasized that during the preparation and design the good coordination with other donors active in the field concerned by the programme facilitated the legibility of the programme’s activities and coordination during implementation.

	<p>Interviews emphasized that coordination happened on the ground of implementation not at design phases. Design phase hasn't witnessed much coordination due to the fact that different donors have different contracting cycles and durations. By the time projects actually start, government priorities and action list would have changed. This particularly happened with TEP.</p> <p><i>Source: Final evaluation, MN 285</i></p>
I.9.2.4	Evidence of a sector or geographical specialisation of donors and of an active participation of the Commission in thematic working groups involving several donors
Overall	<p>The ECD has chaired the DAG during 2006 and co-chairs several of its thematic sub-groups (on health, gender and water/agriculture).</p> <p>Some donors are quite active in specific fields such as USAID and CIDA in the support to SMEs, GTZ and the Netherlands in water, etc. but there is no sector specialisation as such among donors. The Commission is active in some thematic working groups such as the ones in education that they currently co-chair and / or in recently pushing the creation of a sub-group in transport.</p> <p><i>Source: CSP 2007-13, MN 122, MN 83, MN 275, MN 270</i></p>
ENPI/2007 /019-248 (Education)	<p>Coordination of donors is done through a DAG sub-committee. Numerous donors intervene in education such as USAID, WB, KFW, UNDP, UNICEF, UNESCO, CIDA, JICA, private foundations. Some sector specialisations appear in support of the Plan:</p> <ul style="list-style-type: none"> ▪ USAID will focus on fiscal decentralization (pilot in Education), Teachers' Cadre, decrease of the number of textbooks, conversion of qualified non-teaching staff into teaching position, piloting the liberalization of textbooks publishing and school construction. ▪ UNICEF and CIDA are supporting Community-Based Education models, and ▪ WB-WFP-CIDA the enhancement of Early Childhood Education. <p>Further geographical specialisations also exist with donor projects being carried out only in some governorates and not in others.</p> <p>In fact the education sector is rather fragmented not only through the fact that for a long time there was no national strategy but also because the approach of the MoE and donors seems to have been for donors to support pilot projects (in some sub-sector and in some geographical location), then to see whether this worked and replicate it from there if successful or adapt it or abandon it. A long phase of a multitude of pilot testing seems to have been done before the GoE/MoE could lay down a national strategy. The EC is so far the only donor supporting the ESP in its entirety through a SBS. Other donors have considered sector wide support or policy support but have decided against it. UNESCO has been instrumental in supporting development of the Education National Strategy and Plan.</p> <p><i>Source: FA, MN 77, MN 92, MN 103.</i></p>
MED/2005 /017-543 (Water)	Coordination of donors is done through a DAG sub-committee of which the DCE is currently a co-chair. Rather than there being a sectoral or geographical specialisation amongst donors, the water sector rather gives the impression that a lot of donors have been intervening on similar issues but tackled in a

	<p>piecemeal manner. To illustrate, the support to the development of a water policy has seen the involvement of at least four major donors as follows:</p> <ul style="list-style-type: none"> ▪ Water Policy Reform Programme (WPRP) initiated during Phase 3 (1996-1999) of the Agricultural Policy Reform Programme (APRP) funded by USAID. ▪ National Water Resources Plan (NWRP) (with assistance from the Netherlands) which build on past policies supported by UNDP and WB. ▪ Integrated Water Resources Management (IWRM) Action Plan (supported by the WB) ▪ National Environment Action Plan (NEAP) 2002-2017 (supported by UNDP) ▪ Governmental Environmental Action Plan (GEAP) (supported by the UK). <p><i>Source: MN83, MN 217.</i></p>
MED/2005/017-203 (HR)	<p>There is no evidence in documents of a sector or geographical specialisation of donors and of an active participation of the Commission in thematic working groups involving several donors</p> <p><i>Source: CSP 2002-2006; NIP 2005-2006</i></p>
ENPI/2008/019-607 (PPHR)	<p>There is no evidence in documents of a sector or geographical specialisation of donors and of an active participation of the Commission in thematic working groups involving several donors</p> <p><i>Source: CSP 2007-2013; Transtec formulation report</i></p>
DDH/2005/017-240	<p>There is no evidence in documents of a sector or geographical specialisation of donors and of an active participation of the Commission in thematic working groups involving several donors</p> <p><i>Source: Interim and final narrative reports</i></p>
MED/2002 004-955 (TVET)	<p>DAG is coordinating the interventions of donors at different levels. In Egypt DAG is divided to 9 thematic groups. TVET lies within the Human Resources Development/Education and it is chaired by UNICEF and USAID in rotation. Both UNICEF and USAID are focused on Basic Education which puts a question mark on the coordination of tertiary and vocationally education within DAG. No reference on the active participation of the Commission in the DAG group for Education.</p> <p><i>Source: Systematic Analysis of TVET Related Projects, June 2008, A Document prepared by the Programme for Reform of the TVET System.</i></p>
MED/2002 003-396 (TEP A)	<p>No evidence of sector or geographical focused donor coordination in trade and economic growth issues.</p>
J.9.3	<i>Commission's interventions are complementary to the set of other donors' interventions</i>
I.9.3.1	Evidence of synergies between Commission's interventions and those of other donors (in particular EU MS) and the EIB
Overall	The Country Evaluation reports some successful examples of complementarity with EU MS. Indeed, the ECD created a thematic group on solid waste

	<p>management and cleaner production with monthly meetings held at the ECD. The Committee is moving from mutual information exchange of information to working towards complementary actions. Joint operations included common participation at the Environment 2003 exhibition in Cairo in 2003 and the Commission and DFID collaborated in the preparation of the design for the forthcoming programme in South Sinai.</p> <p>GoE and beneficiaries reported that synergies are increasingly considered between interventions financed from various donors since 2002. Over the last 3 years, in the light of Paris and Accra Declarations, this has been materialized: for example, the Integrated Water Strategy Programme (IWSP) involving several donors (see hereunder). Interviewees reported increased complementarities between EU MS and Commission interventions since 2 years, especially in water and energy.</p> <p>For EIB projects funded on own resources, the CSE evaluation stresses that the ECD is not following-up their implementation and, as a result, that there is no possible synergy with the NIP projects and no visibility of the Commission in sectors where EIB funding is important (environment and risk capital). It appears that the relatively good coherence between EIB activities and the Commission strategy to support the environment is more by good fortune than design. The field mission confirmed that the EIB takes no account of the focal sectors of interventions of the EC-Egypt cooperation strategy, at the most it is pleased that it can somewhat rely on the DCE's close knowledge of sectors if they intervene in these same sectors.</p> <p>Through the NIF, the Commission aims at encouraging co-financing between European development agencies and institutions. Indeed, this instrument facilitates and favours co-financing between the EIB, KfW, AFD and the Commission in Egypt. It also strengthens synergies between these European development agencies and the Commission which did not exist before. The NIF allows the financing of big investment projects where reforms are on-going (around €200m) and institutional strengthening. Having 4 institutions pulling together resources in one project gives also greater political leverage to donors and a European visibility. Commission's support takes the form of a grant focusing on the delivery of TA (no more interest subsidies). The grant element applies to the whole loan. Several interventions financed through the NIF are now in the pipeline, such as the IWSP. Synergies are also planned between the IWSP and the Commission BS on water. With the NIF, potential synergies are expected in energy, water and transport.</p> <p>There have been strong synergies with some donors on some projects: for example, the Commission has financed projects together with the WB in education and in Health and strong complementarities were created between the Commission and UNESCO on the early childhood project and on the education project (EEP).</p> <p><i>Source: MWH, Country Strategy Evaluation Egypt, Final Report, 2004, MN 275, MN 75, MN 122, MN 109, MN 103, MN 270, MN 157</i></p>
ENPI/2007 /019-248	With the National Strategic Plan in place, all donor interventions are supposed to align to the same plan and there is thus necessary complementarity of

(Education)	<p>interventions. The EC, supporting the whole Plan, can but be aligned to the Plan and in synergy with other donor interventions. Before the SBS, the EC worked in very close collaboration with the WB on the EEP (co-financing of the same project) which is currently in its last year of operation of WB support; UNESCO also worked in close collaboration with the EC and the WB on the EEP.</p> <p><i>Source: FA, MN 103, MN 92.</i></p>
MED/2005 /017-543 (Water)	<p>The water sector has benefited from much donor support without the research of synergies or complementarities. The result has been huge investments without really checking the overall effectiveness of these investments in the sector as a whole. The water sector masterplan that has just been completed will enable future investments to be much better coordinated and synergies and complementarities will be ensured through alignment of investments on the Masterplan.</p> <p><i>Source: MN83, MN 213, MN 217, WB 2005</i></p>
MED/2006 /018-254 (Pollution)	<p>The synergy between EC and EIB, AFD, WB, KfW and JICA is total since the EC just provides IRS to the EIB which itself participates in the multidonor project to provide loans to companies willing to invest in pollution abatement measures.</p>
MED/2003 005-716 FISC-Rural	<p>There is no mention of synergy between this intervention and those of the other donors in the documentation available. The final evaluation states that on the project document and in the field quest the evaluators could not find evidence of any synergy with other cooperation programmes. The field mission confirmed that this intervention did not develop synergies with other donor funded interventions.</p> <p><i>Source: FA, Monitoring Reports, Final evaluation, MN 212, MN 94</i></p>
MED/2003 005-719 FISC-Social	<p>Synergies should appear between the Commission and KfW projects. The KfW project provides only financial services and should address large NGOs while the Commission project, which provides both FS and NFS, will address medium-sized ones, aiming to upgrade them at the level of the large NGOs.</p> <p>The field mission confirmed that complementarities occurred between the Commission and KfW projects which were running in parallel. KfW was financing smaller NGOs than the Commission. The consultants of the Commission and KfW shared the same office and information. They organised training together, etc. Following exchange of information between the Commission and the AfDB, the latter has now just started a “copy-paste” of the FISC-Social programme with larger amounts.</p> <p><i>Source: Monitoring report n°1, MN 157, MN 212</i></p>
MED/2004 006-224 FISC- Financial	<p>The project design of component 3 (CMA) has been complementary to other TA initiatives: CMA gets parallel support from USAID but no overlapping of activities was identified. For the other components of the interventions, there is no mention of synergy between this intervention and those of the other donors in the documentation available. The field mission confirmed that this intervention did not develop synergies with other donors funded interventions.</p> <p><i>Sources: FA, Monitoring Reports, Mid-term evaluation, MN 101, MN 68</i></p>

MED/2005 /17203	<p>There is no mention of synergy between this intervention and those of the other donors in the documentation available, except for the working on two components through UNDP which has previous experience in the area of HR. This experience has been used by the Commission as an entry point to get involved in the area of human rights and democratisation.</p> <p><i>Source: FA, Monitoring Reports</i></p>
ENPI 2008/019/6 07 (PPHR)	<p>There is no mention of synergy between this intervention and those of the other donors in the documentation available.</p> <p><i>Source: Transtec formulation report</i></p>
DDH/2005 /017-240	<p>There is no mention of synergy between this intervention and those of the other donors in the documentation available.</p> <p><i>Source: Interim and final reports</i></p>
TEPs	<p>Final evaluation of TEP A documents synergies existed between the EU funded programme and :</p> <ul style="list-style-type: none"> - the USAID TA for trade reform and policy reform - the Japanese support for Foreign Trade training Centre. <p>There has also been a good cooperation between TEP A (Component 4 – export promotion) and the GTZ project related to the support of the food sector.</p> <p>The GoE and the IMF agreed a customs modernisation programme for reform in 2002. The other main donor partner is USAID and there is a clear complementarity between TEP C and the USAID programme “Assistance for Customs and Trade Facilitation”.</p> <p><i>Source: Final evaluation of TEP A and TEP B</i></p>
MED/2004 /017-557 (SAAP)	Documents don't provide evidence on synergies with other donors, or MS donors or EIB
MED/2002 004-955 (TVET)	Documents don't provide evidence on synergies with any other donor, or MS donors or EIB
I.9.3.2	Evidence of conflicts, duplication or overlapping between Commission's interventions and those of other donors (in particular EU MS) and the EIB
MED/2005 /017-543 (Water)	<p>According to the monitoring report (2007) there is no duplication of efforts with the activities funded by other donors.</p> <p><i>Source: Monitoring Report 14/12/2007</i></p>
MED/2006 /018-254 Pollution	<p>There is one other source of funding for the same purpose as that of EPAP II but apparently this Danish revolving fund is not duplicating nor overlapping since the size of its loans is much smaller than those provided through the EPAP II.</p> <p><i>Source: MN 65</i></p>
MED/2003 005-716 FISC-Rural	<p>There is no mention of conflicts between this intervention and those of the other donors in the documentation available. The field mission highlighted that monitoring missions shed light on the fact that other donors were proposing similar credit lines. As a result, all donors adjusted the rates they proposed to the beneficiaries so as to avoid competition between the different credit lines</p>

	<p>proposed by various donors.</p> <p><i>Sources: FA, Monitoring Reports, MN 212</i></p>
MED/2003 005-719 FISC-Social	<p>The second MR reports an overlapping of TA components with EIB projects and with the Commission FISC-Financial project. The field mission could not confirm this point.</p> <p><i>Sources: Monitoring Report n°2, MN 212, MN 157</i></p>
MED/2004 006-224 FISC- Financial	<p>There is no mention of conflicts between this intervention and those of the other donors in the documentation available. The field mission confirmed that donors make sure that there is no duplication of interventions in the financial sector.</p> <p><i>Sources: FA, Monitoring Reports, Mid-term evaluation, MN 101</i></p>
MED/2005 /17203	<p>There is no mention of conflicts between this intervention and those of the other donors in the documentation available.</p> <p><i>Source: FA, Monitoring Reports, minutes of Steering Committee meetings.</i></p>
ENPI 2008/019/6 07 (PPHR)	<p>Overlapping in terms of activities and geographical coverage is frequent. In some situations, the three National councils are competing each other to get donors financing.</p> <p><i>Source: Transtec formulation report</i></p>
DDH/2005 /017-240	<p>There is no mention of conflicts between this intervention and those of the other donors in the documentation available.</p> <p><i>Source: Interim and final reports</i></p>
MED/2004 /017-557 (SAAP)	<p>Documents don't provide evidence on conflicts with other donors, or MS donors or EIB</p>
MED/2002 004-955 (TVET)	<p>Documents don't provide evidence on conflicts with any other donor, or MS donors or EIB</p>
MED/2002 003-396 (TEP A)	<p>Documents don't provide evidence on conflicts with any other donor, or MS donors or EIB</p>
I.9.3.3	<p>Evidence of a Commission's leadership in the promotion of cooperation and complementarities</p>
Overall	<p>The Country Evaluation reports some examples of Commission's leadership in the promotion of cooperation and complementarities:</p> <ul style="list-style-type: none"> ▪ The ECD made attempts to improve the dialogue at a technical level on sectoral working groups to assist the design of Commission programmes. Some successful examples exist (e.g environment and SMEs). ▪ The ECD created a thematic group on solid waste management and cleaner production with monthly meetings held at the ECD. The Committee is moving from mutual information exchange of information to working towards complementary actions. Joint operations included common participation at the Environment 2003 exhibition in Cairo in 2003 and the Commission and DFID collaborated in the preparation of the design for the forthcoming programme in South Sinai. ▪ The ECD recently pushed for the creation of a sub-group on transport as a

	<p>disbursing trigger for its recently decided BS intervention in transport</p> <ul style="list-style-type: none"> ▪ With the NIF, the Commission favours cooperation between the AfD, KfW, EIB and the Commission (see also I931) <p>Overall, complementarities with other donors interventions, and in particular with EUMS, are more systematically looked after by the ECD today which shares information and asks feedback on the design of future Commission interventions and tries to develop common programmes as much as possible. In the water and energy fields, complementarities between interventions appear.</p> <p><i>Source: MWH, Country Strategy Evaluation Egypt, Final Report, 2004, MN 122, MN 275, MN 75</i></p>
MED/2005 /017-543 (Water)	<p>It seems that the EU Water SBS has had a positive influence on donor rallying around the discussion of a common set of strategic issues; the SBS triggers form the main basis for policy discussions at the quarterly DAG sub-committee water sector meetings and according to the monitoring report the Commission substantially contributes to sector policy dialogue and fine-tuning of strategies. In addition the SBS may have inspired other donors to league together to adopt pool funding in the sector; in 2007, a first initiative for a joint loan by 4 parties was in preparation.</p> <p><i>Source: Monitoring Report 14/12/2007</i></p>
MED/2005 /17203	<p>There is no evidence of a Commission's leadership in the promotion of cooperation and complementarities</p> <p><i>Source: FA, Monitoring Reports, minutes of Steering Committee meetings.</i></p>
ENPI 2008/019/6 07 (PPHR)	<p>There is no evidence of a Commission's leadership in the promotion of cooperation and complementarities</p> <p><i>Source: Transtec formulation report</i></p>
DDH/2005 /017-240	<p>There is no evidence of a Commission's leadership in the promotion of cooperation and complementarities</p> <p><i>Source: Interim and final reports</i></p>
ENPI/2007 /019-248 (Education)	<p>It seems, although it is early days yet, that since the launching of the National Education Strategy, coordination amongst donors has been stepped up; it also would appear that the EC has pushed for closer coordination by involving other donor's in its programme identification and formulation, by discussing openly its SBS with the other donors and by organising donor meetings for discussing specific topics (MTEF, decentralisation, vocational training).</p> <p><i>Source: MN 86, MN 77, MN 92.</i></p>
MED/2004 /017-557 (SAAP)	<p>Documents don't provide evidence on Commission's role in promotion of cooperation and complementarities.</p>
MED/2002 004-955 (TVET)	<p>Documents don't provide evidence on Commission's role in promotion of cooperation and complementarities.</p>
MED/2002 003-396 (TEP A)	<p>Documents don't provide evidence on Commission's role in promotion of cooperation and complementarities.</p>

	capacity of the beneficiaries and to the time remaining. <i>Source: Monitoring reports</i>
MED/2005 /017-557 (SAAP)	Monitoring Report of May 2007 has identified a problem with the broad objectives, results and planned activities of the SAAP project. Recommendations have been adopted in the Project Synopsis. Also monitoring report of Nov 2008 has pointed out the need to articulate the objectives of the individual interventions within partner counterparts to be realistic. This would be looked at, at the most recent project fiches during the field mission.
I.8.6.5	Nature of delays affecting disbursement and implementation
	This indicator is redundant, it has already been covered in I.8.5.2

Annexe 8: Debriefing Presentation of Findings

Annexe 8 - Presentation of findings

Final report



*This document is designed as support to the oral presentation
and is not intended to be used separately*

Evaluation of Commission's Support to Egypt

Reference Group Meeting

Presentation of findings

Brussels, 4 September 2009

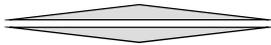


*This document is designed as support to the oral presentation
and is not intended to be used separately*

Objectives of today

Objectives of today's meeting

- To provide an overview of the work done so far
- To present the findings at the level of the questions before starting the synthesis phase



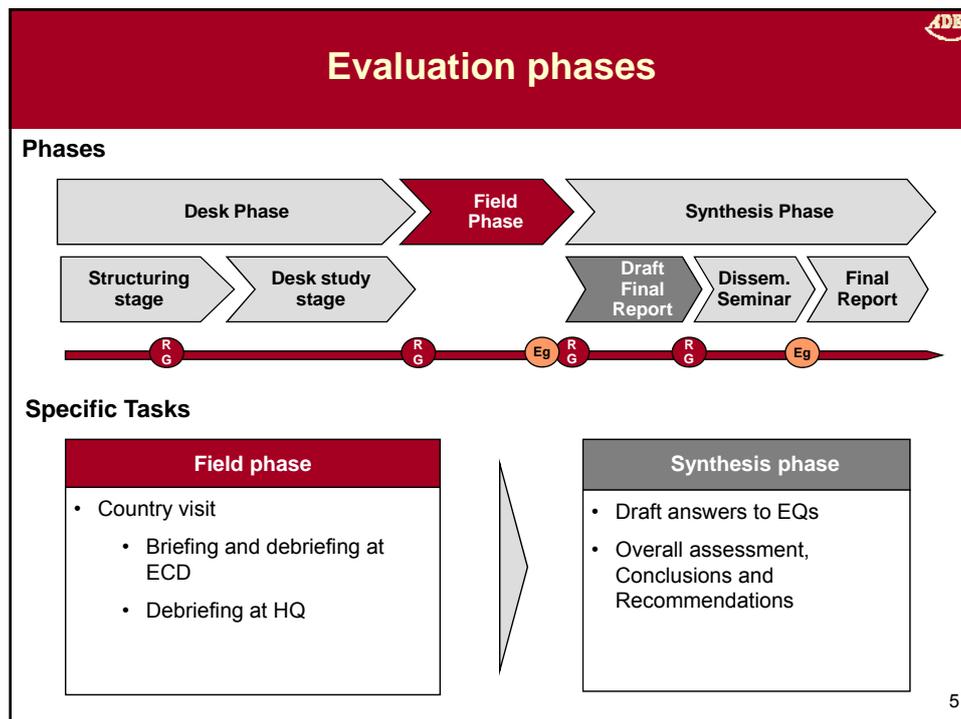
- The purpose is to provide an overall overview of findings to date and not only of the findings of the field visit

3

Agenda

- Reminder of evaluation phases
- Presentation of findings per EQ and discussion
- Next steps

4



- ## Organisation of the mission
- Organisation by the Ministry of Foreign Affairs/Ministry of International Cooperation:
 - one briefing with MoIC and MoFA and one debriefing extended to all ministries/agencies met during the mission
 - very few appointments actually set up leaving a deficit of information from beneficiary ministries – nevertheless had 65 meetings in all
 - Very good cooperation from the DCE in terms of availability, provision of relevant information and documentation, openness of discussions at all levels and all sections
 - Interesting and fruitful encounters with final beneficiaries (from HR, TVET and SAAP (focus group) programmes and with PMUs
 - Less fruitful meetings with Government officials (not the 'right' interlocutors)
 - Failure to meet USAID and World Bank as a group
- 6

Agenda

- Reminder of evaluation phases
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- Next steps

7

Some very general findings

- Overwhelming negotiating role of the MoIC
- Marked difference between GoE officials and representatives of parastatal bodies and private sector and within civil service
- Gap between the spoken assertions and the actual evidence:
 - Existence of strategies, work plans and financial/human cost of plan implementation
 - Concepts (MTEF, PBB, BS)
 - Statistical data availability
- Language barrier
- ➔ Impacts on cooperation strategy, efficiency and effectiveness of EC interventions, ownership (success and sustainability), possibility of holding an open and informed dialogue, ability to identify needs and monitor developments and may affect overall policy, strategy and technical dialogue

8

EQ1 on Rationale of Commission's Cooperation Strategy with Egypt (1/2)

Main Findings - Determinants of overall Country Strategy



9

EQ1 on Rationale of Commission's Cooperation Strategy with Egypt (2/2)

Main Findings - Determinants of sector/project interventions

- Role of MoIC determinant in choice of sectors/interventions
- Needs analysis at intervention rather than at sector level :
 - sector priorities may not be respected
 - needs analysis at project level may sometimes be overruled
- Contribution of interventions to reach objectives insufficiently spelled out in formulation although improving
- Relevance of EC interventions undermined by length of programming cycle
- Strong EC support to sectors with existing or nascent reforms

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EQ2 – Synergies between Commission’s interventions (1/2)

Bilateral interventions
<ul style="list-style-type: none"> • Programming documents (CSP/NIP) identified several interventions aiming at the same set of objectives, hereby paving the way for potential synergies (mainly in first CSP) • When designing interventions, complementarities have generally not been foreseen (e.g FISC-Rural and Social, HR, TVET, Water SBS, SAAP). When they were foreseen, they were not clearly spelled out (EPAP II, FISC-Financial, TEP-A) • At implementation stage synergies have been rare : they appeared as a result of an active involvement of the ECD (Education BS and TVET) or by chance (SAAP and Water BS)

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EQ2 – Synergies between Commission’s interventions (2/2)

EIDHR and Regional interventions
<p>EIDHR</p> <ul style="list-style-type: none"> • Programming documents (CSP/NIP) have not selected interventions in complementarity with interventions financed under EIDHR <p>Regional interventions</p> <ul style="list-style-type: none"> • CSPs increasingly refer to complementarities with regional interventions but this has not yet been reflected in NIPs • RSP and RIP more systematically refer to complementarities with bilateral programmes without identifying which bilateral intervention should support the regional one and vice versa • At intervention-specific level, synergies (bilateral/regional) are not foreseen at design stage or observed during implementation

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EQ3 – Human rights, Democracy and Rule of law (1/2)

Characteristics of Commission’s support

Bilateral support evolved

<ul style="list-style-type: none"> Support to development issues / fundamental rights 		<ul style="list-style-type: none"> More explicit and direct support to GoE-led political reforms in HR, justice, etc.
CSOs: implementing agencies of government social programmes		CSOs active in HR supported through calls for proposals managed by gvt bodies

- Capacity-building to NSA increasingly included in HR programmes but without a clear strategy

EIDHR support :

- worldwide
- does not respond to national needs
- directly to initiatives of CSOs

13



EQ3 – Human rights, Democracy and Rule of law (2/2)

Assessment of results

- Interventions generally delivered their outputs but indicators included in projects are activity-based. An assessment of the results in terms of changes in these fields is therefore not possible.
- The effectiveness of capacity-building measures is not evidenced
- Overall improvement in the situation of HR to which the Commission is contributing:
 - Bilateral support contributed to creating a favourable environment for change (justice and media coverage of HR issues) and raised citizen’s awareness on their rights.
 - NGOs benefiting from EIDHR support supported effective campaigns (e.g women’s participation in political life)

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EQ4 – Economic transition (1/2)



Characteristics of Commission's support

- **Entry into force of the AA in 2004 in a context of a reform-minded GoE marks a turning point in the EU-Egypt cooperation in this field**
- **Commission's interventions : 49% of the bilateral portfolio over 1998-2008**
 - Economic infrastructure (transport, water BS, EIB IS)
 - PSD (Spinning and weaving, FISC-Rural and Social, EIB RK)
 - External trade (TEPs, Promotion of the AA, SAAP, SIAPP)
 - Financial sector (FISC-Financial)
- **Commission's interventions supported**
 - Institutional and regulatory reform programmes
 - Reinforcement of the Egyptian administrative capacities to assist in the implementation of the AA

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EQ4 – Economic transition (2/2)



Assessment of results

- **The absence of quantified targets to be reached makes a quantitative performance appraisal of Commission's interventions impossible**
- **Likely positive contribution of Commission's interventions and of the EEAA to :**
 - reinforcement of the financial markets (FISC-Financial)
 - improvements of the ease of doing business (FISCs)
 - Improvements of trade facilitation (TEPs, EEAA)
- **Support appreciated by the beneficiaries but perceived as too small and disparate to translate into systematic durable changes (ability to keep up with EU and international trade requirements)**

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EQ 5 on Employment



Main findings

- Employment and human resource issues are a major concern for GoE but are not addressed holistically at policy or strategy level
- Labour market statistics are disparate and studies fragmented: the drivers of labour market dynamics remain elusive
- EC supports employment but employment is not an EC objective; EC interventions are geared towards:
 - Stimulation of private sector growth and trade enhancement
 - Stimulation of creation of small enterprises
 - Improve the education system (pre-university, technical and vocational)
- Sustainability of EC interventions is questionable

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EQ6 on Social services



Main Findings

- EC strongly supports the social sectors since 1996 (40% to 50% of NIP funds) and more recently has focussed attention on social sector reforms:
 - In education: decentralisation, equal access, efficiency and effectiveness of public spending, education services and outcomes quality
 - In health: health insurance fund
 - In water: efficient sector management (water use and cost effectiveness) and sector wide strategy (water supply & sanitation and River basin mgmt)
- It is too early to see whether reform implementation has enhanced the sustainability of social service delivery systems but institutional basis and public financing trends are encouraging
- Social conditions reportedly improved but availability of statistics remains an important issue

18

EQ7 on Budget Support (1/2)



Main Findings: context and design of budget support

- Sector budget support has become the EC's favoured intervention instrument: it is used increasingly to support the design and (speedy) implementation processes of policy reforms in the areas of trade, industrial restructuring, water, education, health and transport
- The choice of SBS has not been demand driven and appears to be treated by beneficiary ministries much like project funding even though the design of the later SBS programmes (water, education, health and transport) have been tied entirely to reform measures in these sectors and in the PFM area
- Sector policy dialogue is still very 'bilateral' and the EC is the sole provider of budget support to Egypt
 - the conditions for successful strengthening of reform processes through SBS are weak

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EQ7 on Budget Support (2/2)



Main Findings: Implementation of sector budget support

- SBS may have been a catalyst for the elaboration of sector wide reforms and may prove to have been instrumental in launching the implementation of these reforms
- SBS's contribution to improved service delivery (the ultimate objective of reforms) is totally uncertain: no links were made in SBS design to sector results which are not measured, monitored or evaluated and thus not discussed
- SBS's has contributed to bring some PFM issues to the fore and a process has been started which may eventually lead to a PFM reform
- Overall the BS instrument remains misunderstood

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EQ8 on cost-effectiveness of financing modalities and implementation mechanisms



Main Findings

- Choices of amounts, financing modalities and implementation mechanisms are rarely explained or justified
- Financing modalities are not chosen as a result of a needs or situation analysis but are a given at project formulation stage and are sometimes inappropriate
- Implementation modalities are increasingly well adapted to the institutional context and the objectives pursued although:
 - Absorption capacities sometimes insufficiently analysed
 - Project start-up time underestimated
 - Project flexibility limited after approval
- EC procedures may both slow down implementation and affect effectiveness

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EQ9 – Commission support in the wider cooperation context (1/2)



Main findings

Coherence

- Coherence of the Commission's support to Egypt lies at the heart of the Barcelona Process
- Commission's interventions generally designed with due consideration being given to Community policies

Donor coordination

- Donor coordination mechanisms established at strategic level between the Commission, WB, IMF and the EIB (Luxembourg process)
- Coordination and involvement of EU MS in CSP/NIP + design of interventions has improved and reported as satisfactory today

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EQ9 – Commission support in the wider cooperation context (2/2)

Donor coordination – Main findings

- Efforts to coordinate among all donors made through the Development Partners Group : mostly exchange of information and efforts not to duplicate
- No evidence of sector specialisation of donors
- Coordination between donors varies across sectors
- Coordination with the WB, USAID and the EIB was not very strong in the field
- At intervention-specific level:
 - Stronger coordination between donors for BS interventions
 - Generally no complementarities between donors' interventions
 - The NIF presents good potential for synergies

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Agenda

- Reminder of evaluation phases
- Presentation of findings per EQ and discussion
- Next steps

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Next Steps

- **Draft final report (answer EQs, CCL & REC)** 9 October
 - Meeting EC RG 16 October
- **2nd Draft Final report** 6 November
- **Dissemination seminar** week starting 9 November
- **Final Report** 4 December

Annexe 9: Analysis of ROM reports

This annex is an exploitation of a file summarising the results of the Results Oriented Monitoring reports (ROM) available for interventions implemented in Egypt between 1998 and 2008. The file is an extraction from the CRIS database of the ROM reports for Egypt. It provides the following data for 123 monitoring reports:

- Reference and identification :
 - CRIS and/or ROM identification number
 - Country/region of the activity monitored.
 - Title of project
 - Sector/subsector
 - Budget
 - Start and end date
 - Date of monitoring visit

- Data on the results of the ROM reports. For each ROM report marks “A” to “D” are provided for the five DAC evaluation Criteria (relevance and quality of design, Efficiency of implementation to date, effectiveness to date, impact prospects, potential sustainability).

The meaning of the scores is as follows:

- A: Very good (much better than planned)
- B: Good (slightly better than planned)
- C: Minor problems (slightly below plan)
- D: Serious problems

In order to compute aggregated scores, the marks A, B, C, D have been translated into scores on a total of 20. Each mark has been transformed in the value of the median of the quartile to which it corresponds, thus A = 17.5, B = 12.5, C = 7.5, D = 2.5.

Since it is not indifferent to have a score of, say, “C” for a project of €20m representing a large share of the total commitments or for a project of €0.5bn, scores have been weighted by the relative value of each monitored project in the total value of the projects monitored for that country.

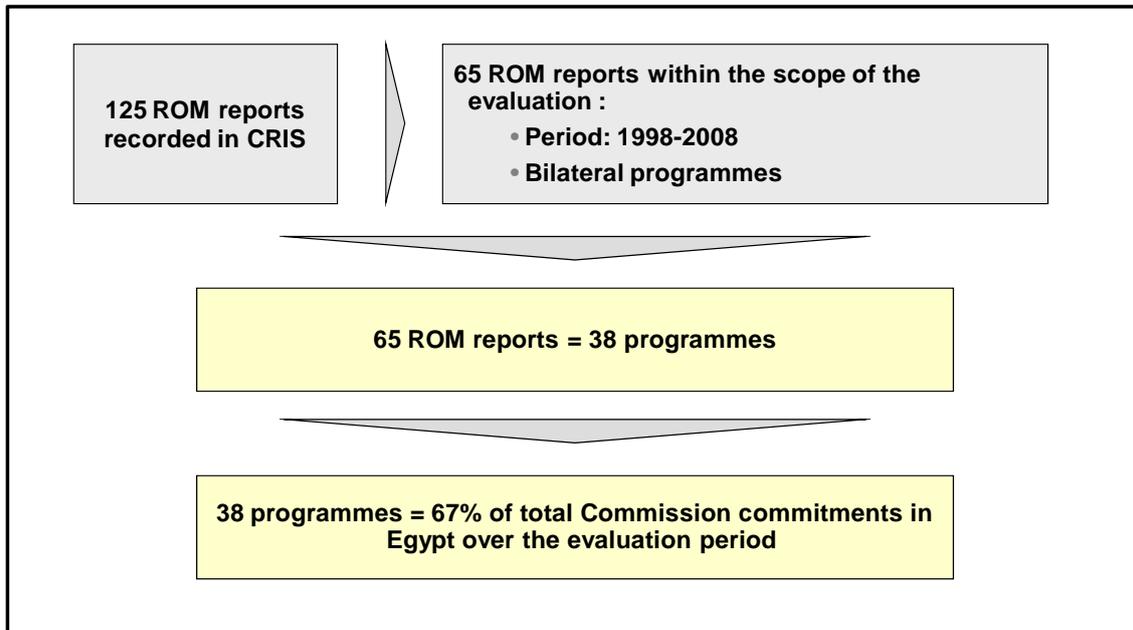
The aggregated analysis of these ROM reports has been carried out for two purposes:

- Firstly to provide an overview by sector of the average scoring for each of the five DAC criteria (section 1);
- Secondly, to provide a view on the evolution of the scores of ROM reports over the years where several reports were available (section 2).

1. Sector analysis

The following data has been exploited for this analysis (see figure 1.1).

Figure 1.1 : Overview of data collected



For this analysis, the following scores have been considered for each programme:

- Score of 1st ROM report for Relevance because the relevance of a programme is better assessed at starting phase;
- Average score of all ROM reports for Efficiency because efficiency of implementation varies during implementation;
- Score of last ROM report for Effectiveness, Impact and Sustainability because effectiveness, impact and sustainability of a programme are better assessed late in implementation.

The following synthesis graphs have then been drawn (figures 1.2 to 1.7). Main findings are as follows:

ROM Main findings
<ul style="list-style-type: none"> • All criteria <ul style="list-style-type: none"> • Agriculture and Infrastructure are the best performers • Sustainable environment is the worst performer • Infrastructure, PSD, Democracy, human rights, justice, and external trade perform above average • Social sectors, financial sector, culture perform under average

Figure 1.2 – Overall performance per evaluation criteria

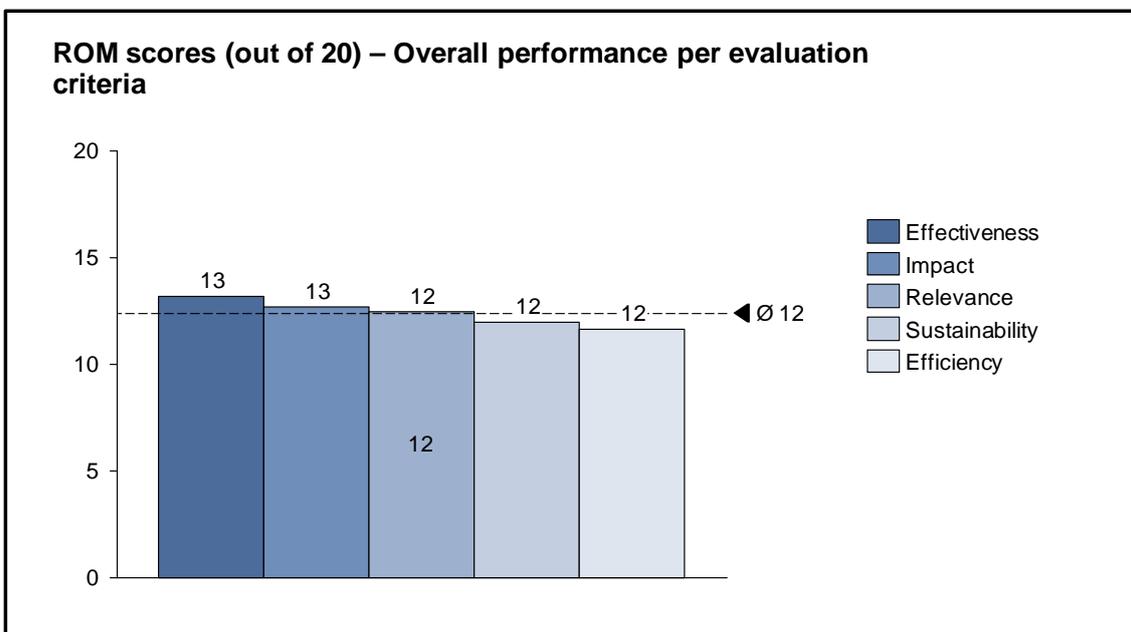


Figure 1.3 – Sector performance for relevance

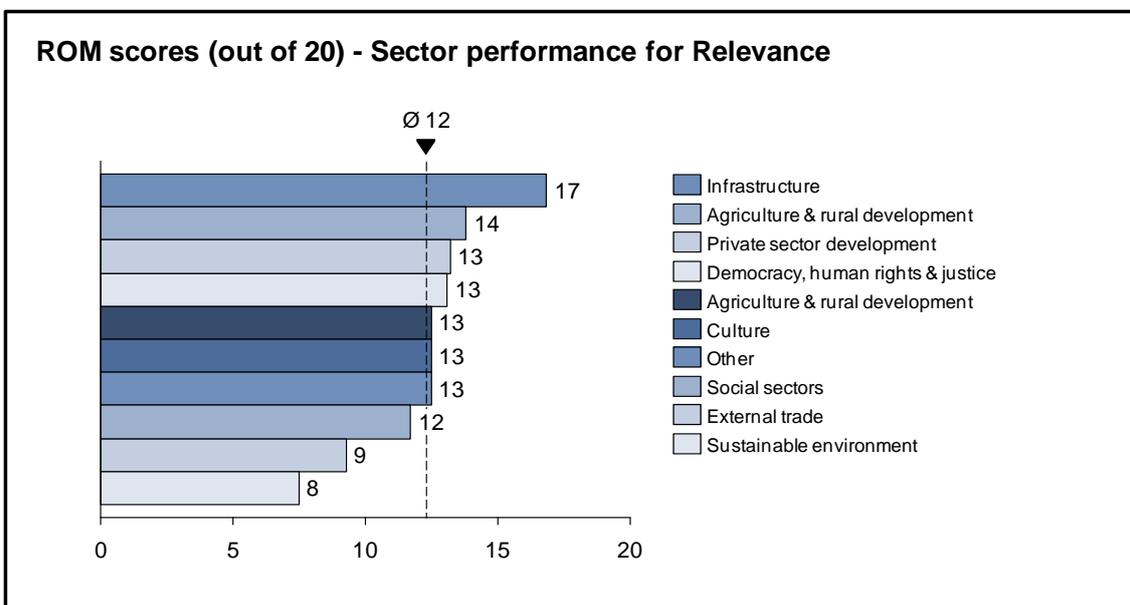


Figure 1.4 – Overall sector performance for efficiency

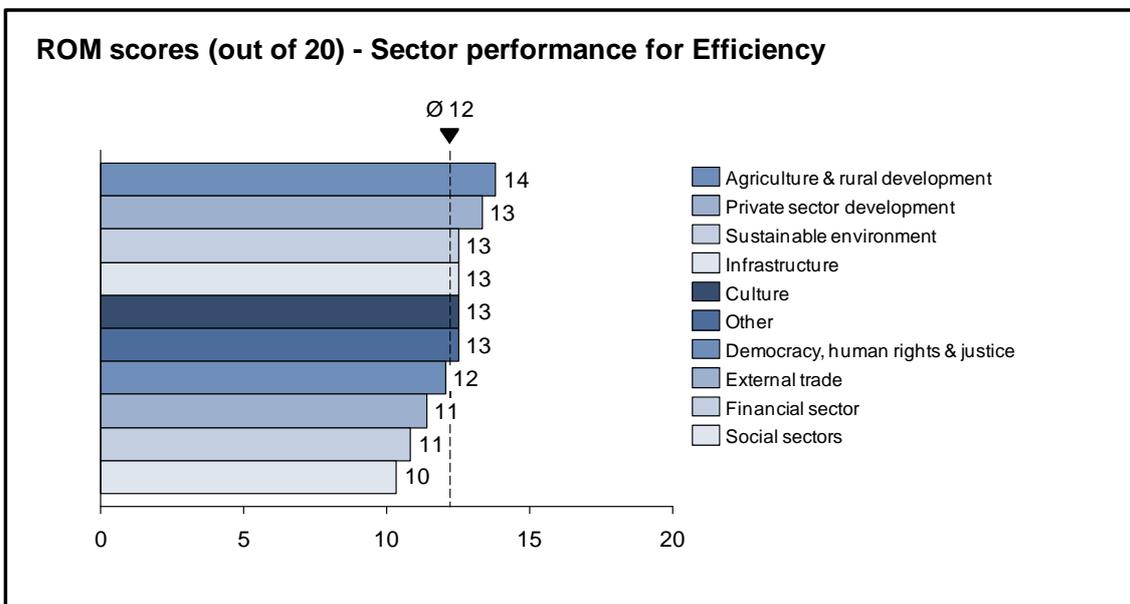


Figure 1.5 – Sector performance for effectiveness

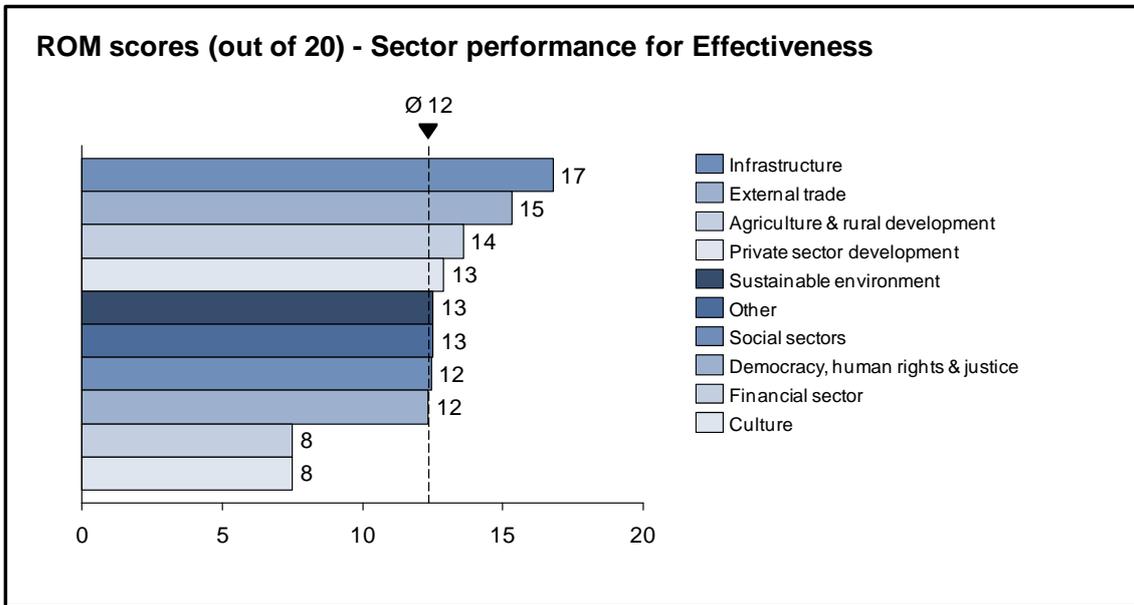


Figure 1.6 – Sector performance for impact

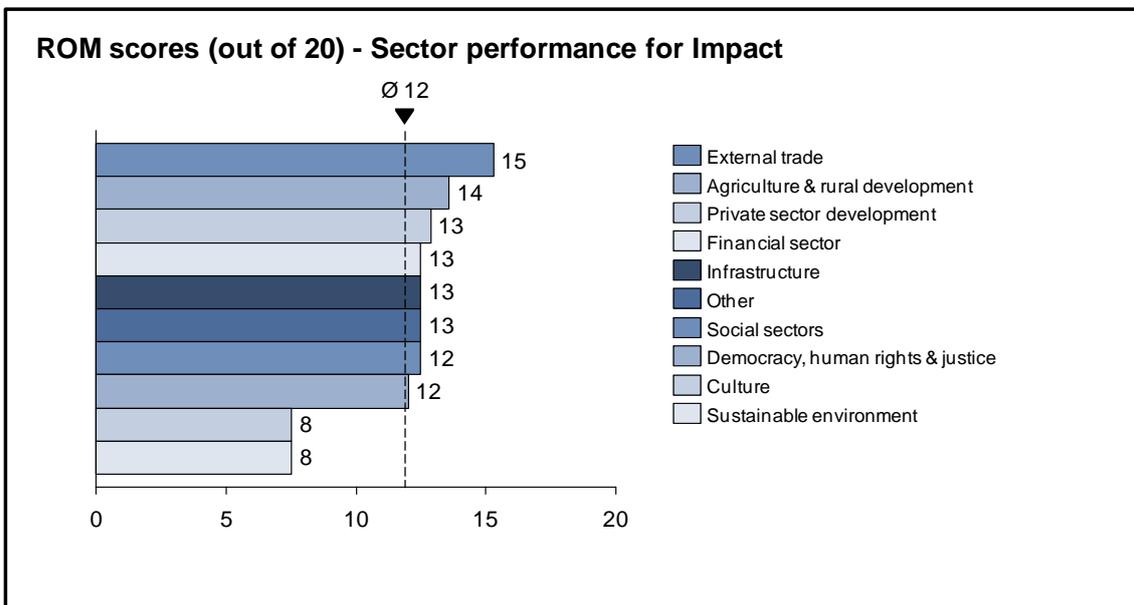
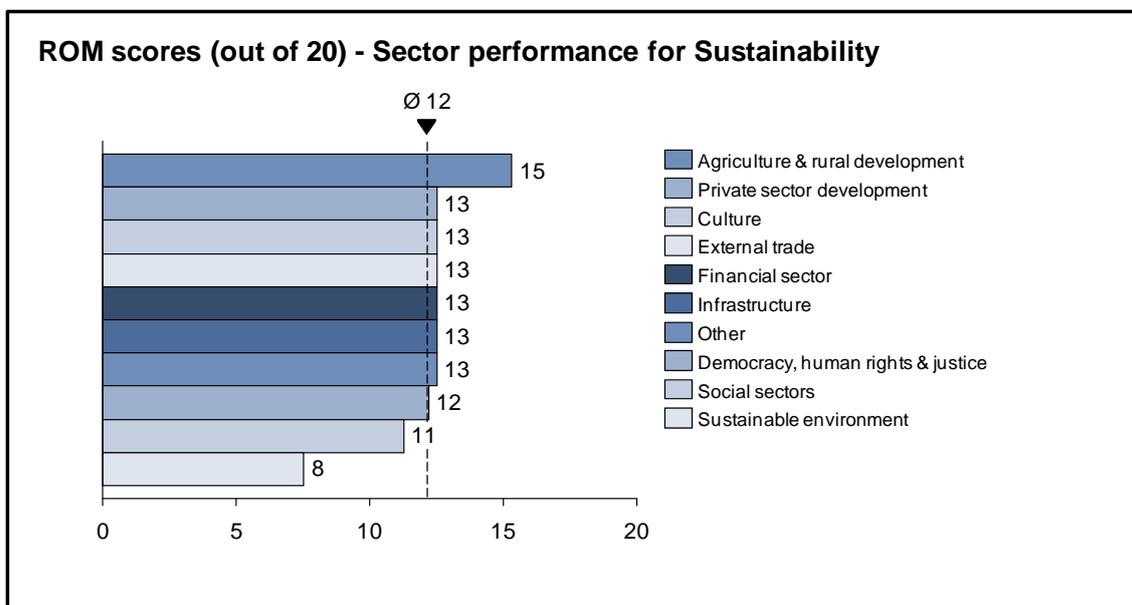


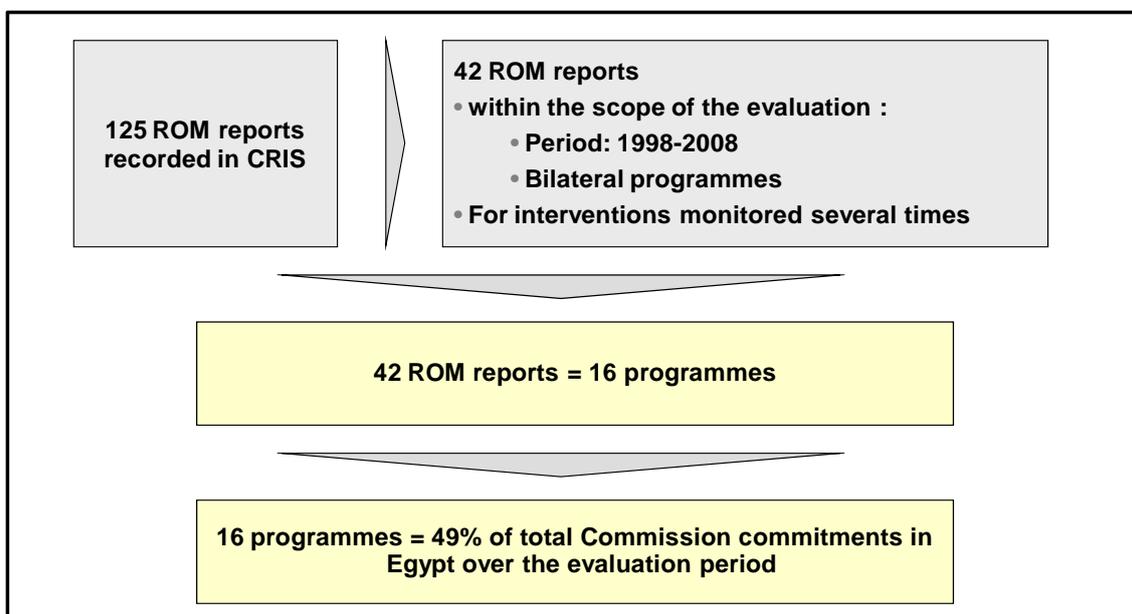
Figure 1.7 – Sector performance for sustainability



2. Evolution of ROM scores over time per intervention

The following data has been exploited for this analysis (see figure 2.1).

Figure 2.1 – Overview of data collected



The following synthesis graphs show the evolution of the scores of ROM reports over time for all DAC criteria first (figure 2.2) and then per evaluation criteria (figures 2.3 to 2.7). The evolution is reported per intervention by showing for each project the overall progress of

the scores over the years: up (improvement), down (deterioration), stable or simply up and down (fluctuation).

Figure 2.2 – Evolution of ROM scores for all 5 DAC criteria

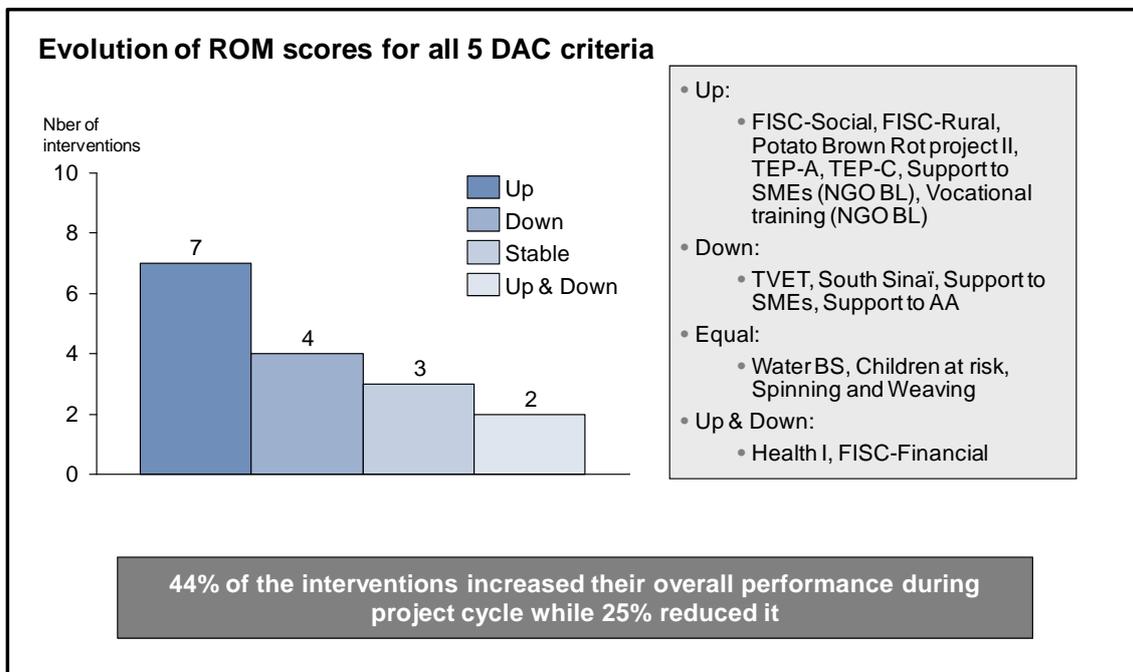


Figure 2.3 – Evolution of ROM scores for relevance

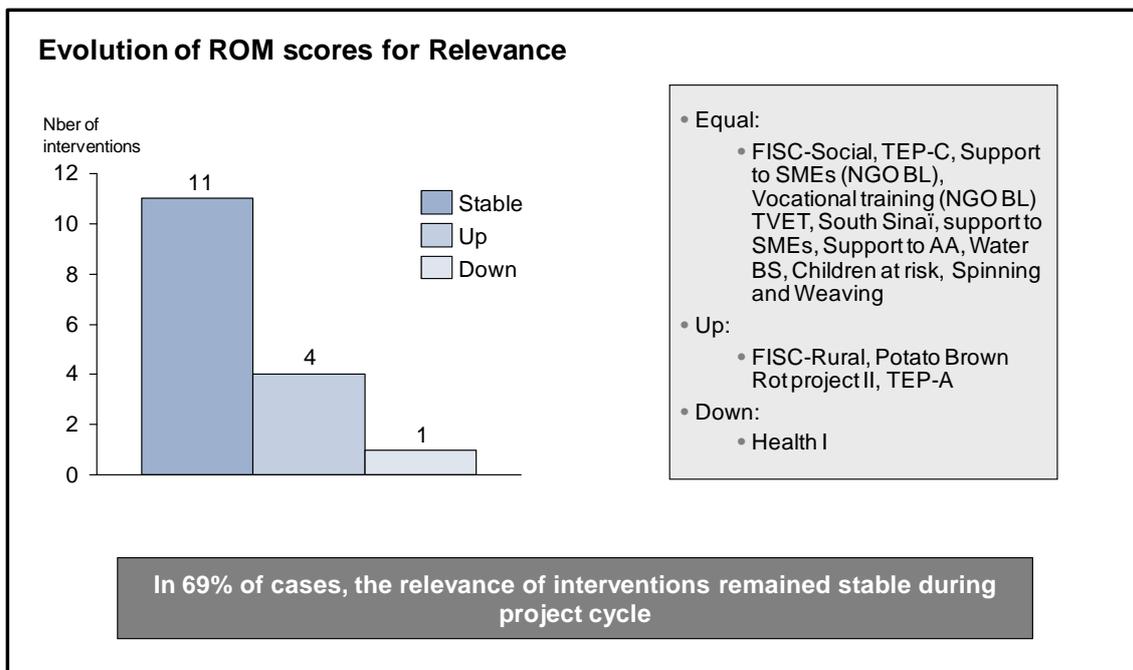


Figure 2.4 – Evolution of ROM scores for efficiency

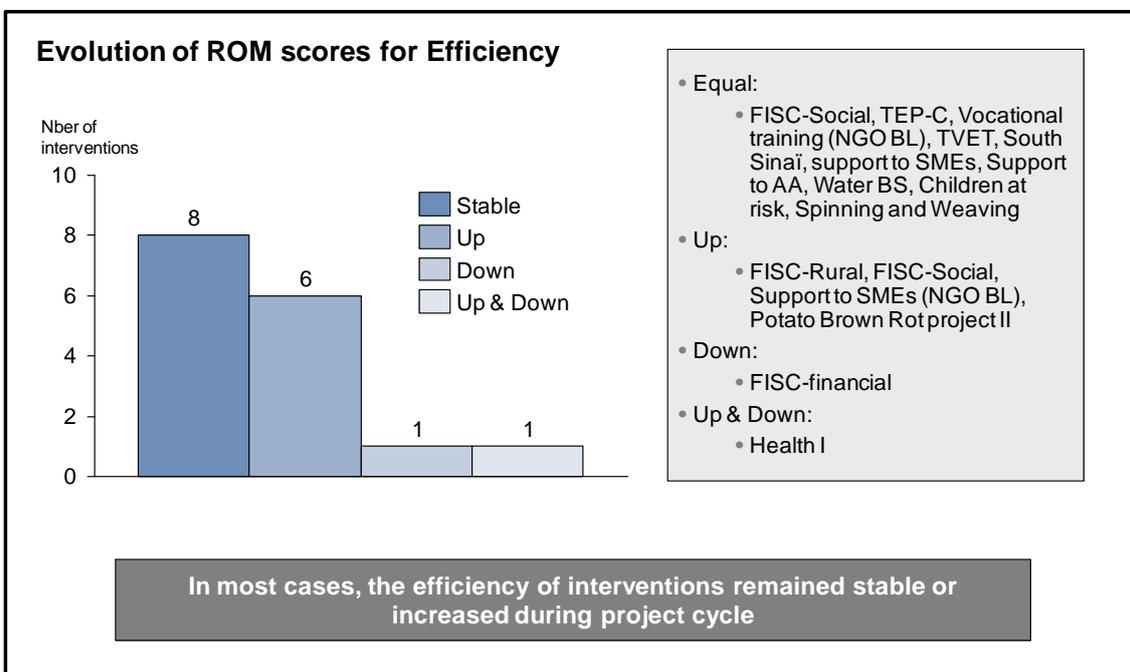


Figure 2.5 – Evolution of ROM scores for effectiveness

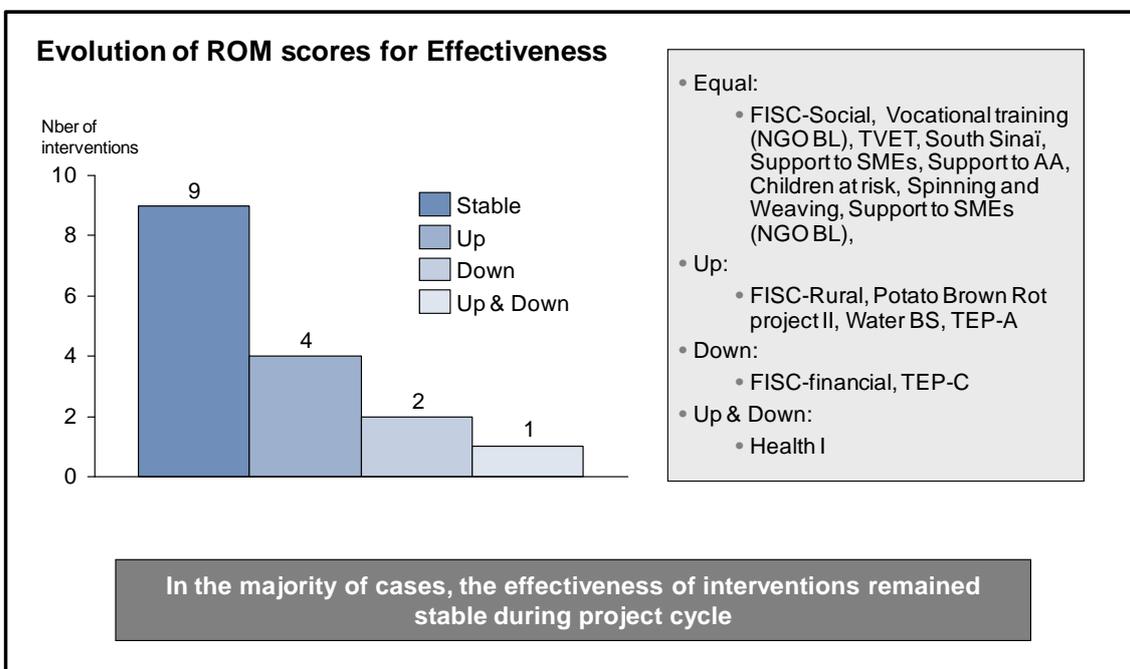


Figure 2.6 – Evolution of ROM scores for impact

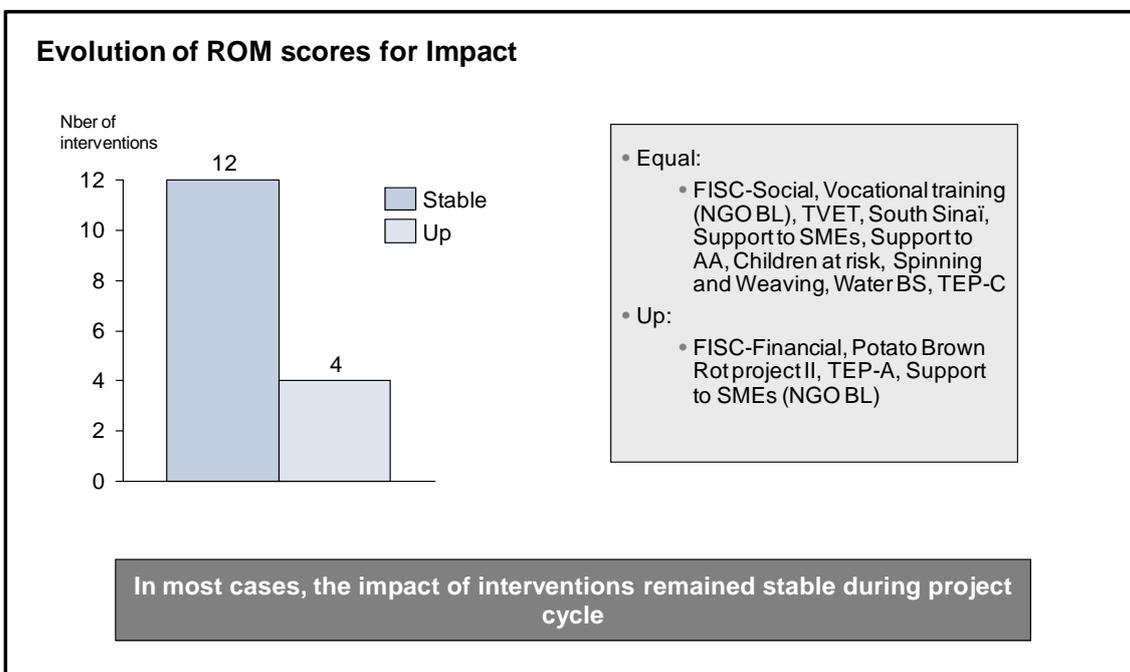
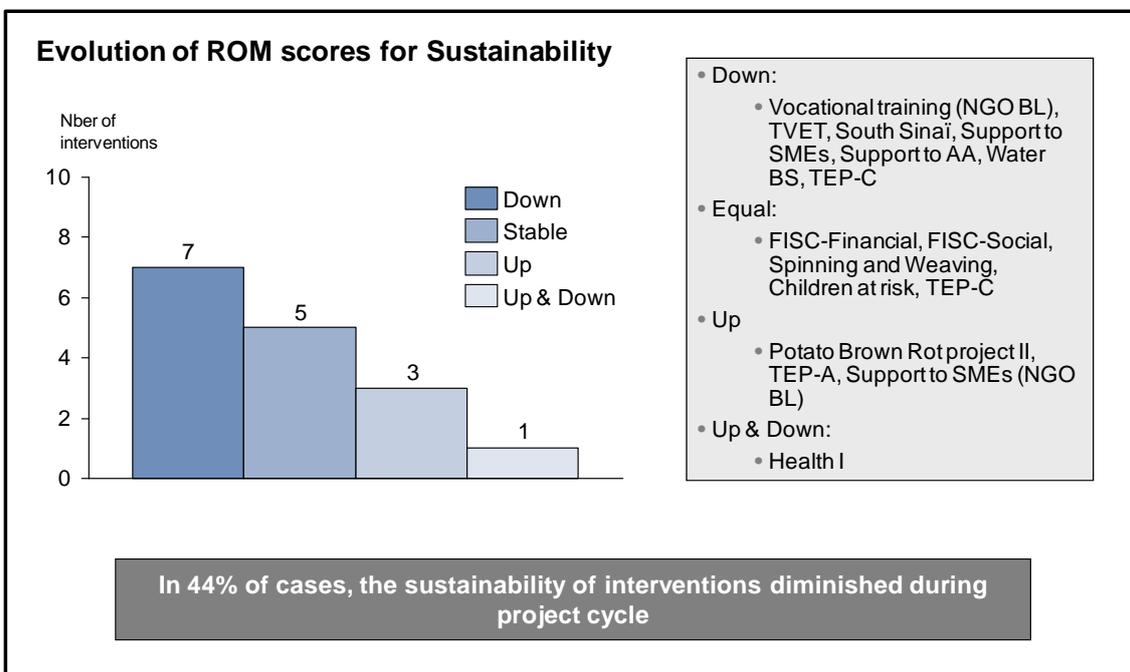


Figure 2.7 – Evolution of ROM scores for sustainability



Annexe 10: Schematic Presentation of Evaluation Process

Evaluation of the Commission's support to Egypt Country Level Evaluation

Schematic Presentation of Evaluation Process

Annexe 10 - Final Report

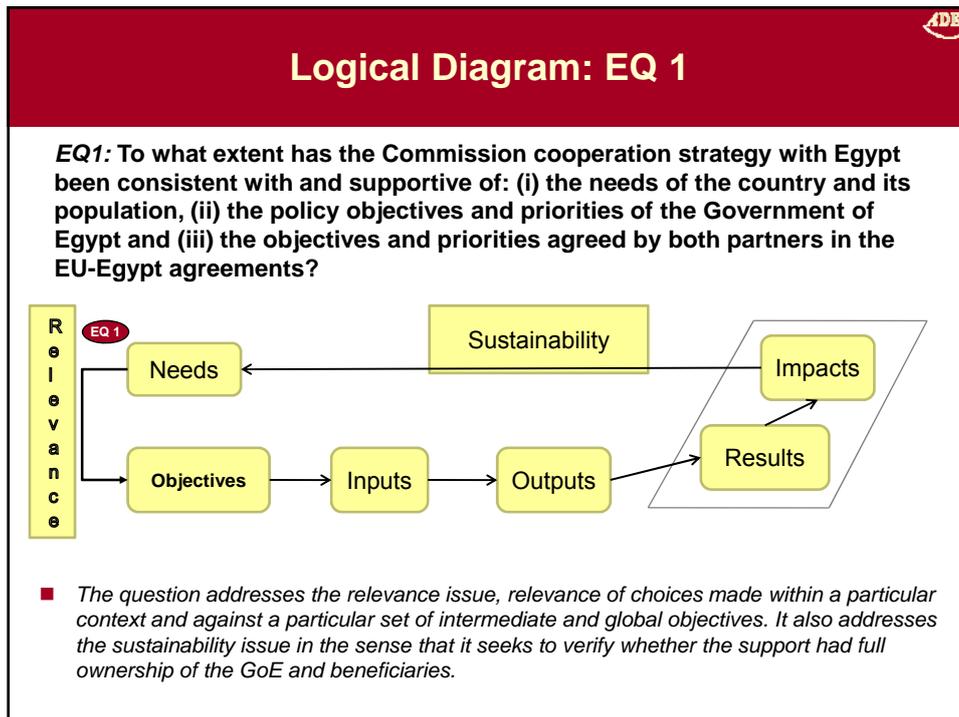


Outline



Presentation with 4 slides for each evaluation question illustrating in a synthetic and schematic way the evaluation process:

- 1st slide) logical diagram with the evaluation question,
- 2nd slide) judgment criteria, indicators and target level,
- 3rd slide) findings compared with success criteria,
- 4th slide) interventions of the Commission plus limits of the evaluation.

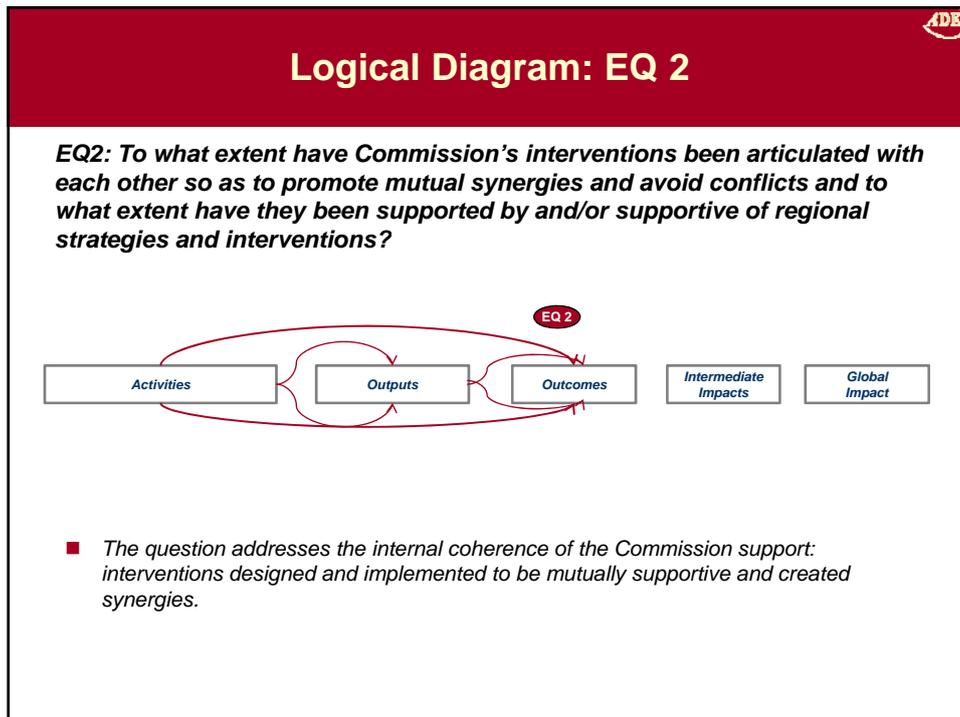


EQ 1: Judgment Criteria, Indicators & Target Level

Judgement Criteria	Indicators	Target Level
<ol style="list-style-type: none"> Interventions chosen on basis of a country & population needs diagnosis and address these needs Interventions aligned with policy objectives and priorities of GoE's M-T dev't plan CSP/NIP refer to and support GOE's efforts to achieve one or several of the EC-Egypt agreements' objectives 	<ol style="list-style-type: none"> Programming documents & FA/MoU include needs analysis and how interventions address these; Stakeholders' views on appropriateness of needs identified and on the priorities chosen. Programming documents refer to GoE objectives & priorities & show how Commission priorities are aligned to them; stakeholders' views on appropriateness of interventions w/r to GoE priorities CSP/NIP & FA/MoU show links between interventions & AA/AP objectives; stakeholders' views on appropriateness of interventions w/r to achievement of AA objectives 	<ol style="list-style-type: none"> Needs analysis & logical response of coop'n strategy; stakeholders positive apprec'n GoE's policy objectives/priorit., analysed & alignment of interventions; stakeholders positive Clear identification of GoE efforts, show how they are supported

EQ 1: Findings & Success Criteria ADE		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> 1. Diagnosis of the needs. Choice of interventions to address these needs 2. Alignment with the policy objectives and priorities of GoE 3. Support of efforts to achieve AA objectives 	<ol style="list-style-type: none"> 1. Initially mainly Commission priorities; after 2004/05 local needs/priorities increasingly taken into account owing to reformist GoE, deconcentration and AA. No logical links interventions to needs/objectives. 2. Increasing alignment after 2004, policies supported through interventions. Fit between the EU-Egypt Cooperation strategy and the GoE's policy agenda has improved, stakeholders agree with this. 3. Cooperation shaped by - and appropriate to - AA objectives, but prioritisation not outcome of a shared process; Commission views dominate and MoIC negotiations may conceal sector level priorities. 	<ol style="list-style-type: none"> 1. Needs identified & interventions target them but needs not prioritised; logic of response strategy not clear; Improvements visible 2. EC support is aligned to policy objectives and priorities of GoE 3. interventions explicit refer to AA objectives; little recognition of GoE efforts in reaching AA objectives

EQ1: Commission Interventions & Evaluation Limits ADE
Commission interventions
<ul style="list-style-type: none"> • All Commission interventions undertaken over the 1998-2008 period
Limits of evaluation
<ul style="list-style-type: none"> • Early strategy and programming documents were no longer available for consultation (first CSP available was 2002-2006) • Institutional in-house knowledge at the Commission was limited due to staff movements



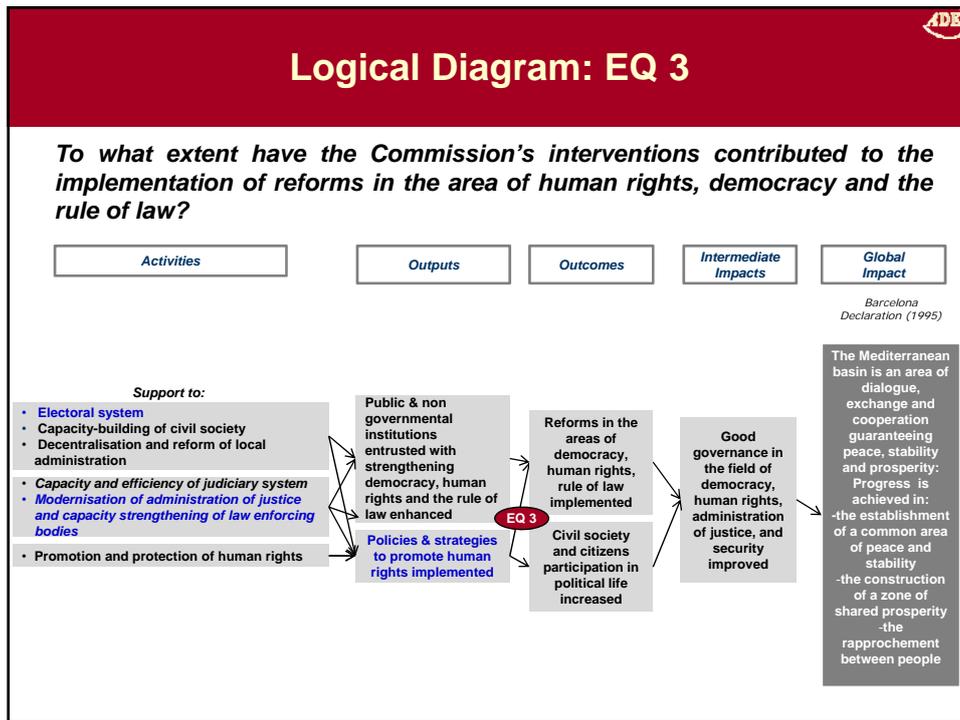


EQ 2: Judgment Criteria, Indicators & Target Level

Judgement Criteria	Indicators	Target Level
<p>1. Interventions aiming for similar objectives designed to create complementarities with each other</p>	<p>1. CSP/NIP identified interventions contributing to similar objectives & designed for max. complementarity; FA/MoU refer to other interventions to promote complementarities; CSP/NIP take thematic budget lines into account; stakeholders' views.</p>	<p>1. Interventions identified in documents, complementarity included in design</p>
<p>2. Bilateral and regional interventions designed to be mutually supportive</p>	<p>2. Cross-references to interventions between CSP& RSP; Design of bilateral interventions in complementarity with regional interventions (and vice versa); Stakeholders' views on complementarities between bilateral & regional interventions</p>	<p>2. Consistent use of cross-references, complementary design, stakeholders are positive about existing complementarity</p>

EQ 2: Findings & Success Criteria 		
Judgement Criteria	Findings	Success Criteria
<p>1. Interventions aiming for similar objectives designed to create complementarities with each other</p> <p>2. Bilateral and regional interventions designed to be mutually supportive</p>	<p>1. Synergies identified only in early strategy and programming documents. But interventions not designed for creating synergies. Hence few complementarities during implementation.</p> <p>2. Synergies with EIDHR neither explicit in CSP/NIP, nor included in design, nor in implementation.</p> <p>3. Increasing references between CSP and RSP, less in NIP, more systematic from regional to bilateral level but lack of specificity.</p> <p>4. Intervention level: regional-bilateral complementarities not envisaged</p>	<p>1. Some interventions identified in the same area to promote complementarities, without clear indication on how the complementarities are to be created</p> <p>2. Some cross-references, no complementary design, stakeholders do not report complementarity</p>

EQ2: Commission Interventions & Evaluation Limits 
<p style="text-align: center;">Commission interventions</p> <ul style="list-style-type: none"> All Commission interventions undertaken over the 1998-2008 period
<p style="text-align: center;">Limits of evaluation</p> <ul style="list-style-type: none"> Early strategy and programming documents were no longer available for consultation (first CSP available was 2002-2006) Institutional in-house knowledge at the Commission was limited due to staff movements



EQ 3: Judgment Criteria, Indicators & Target Level

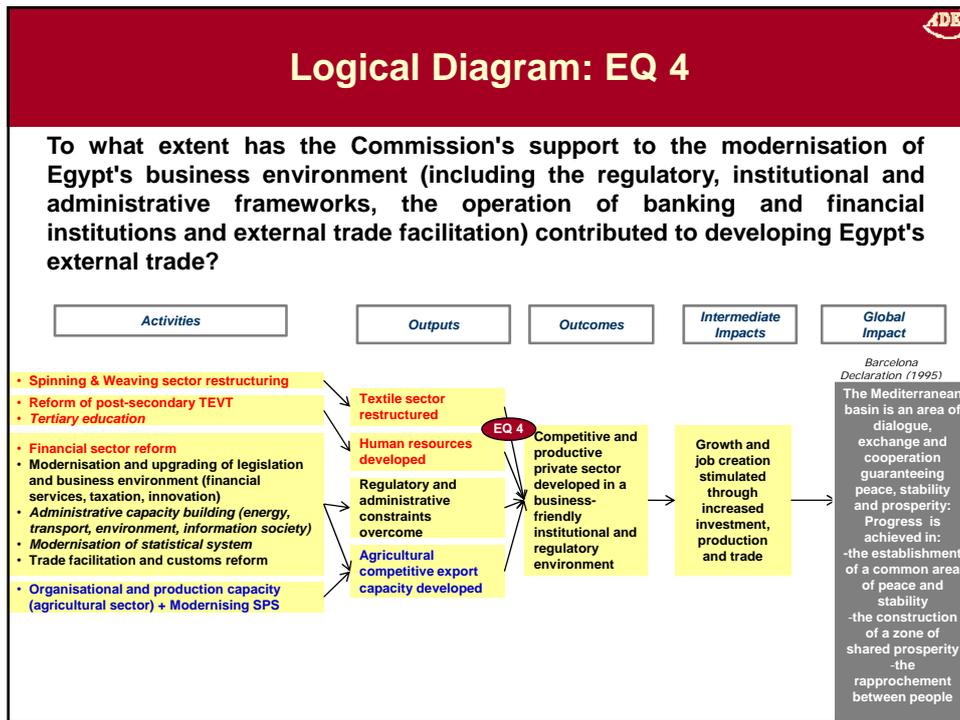
Judgement Criteria	Indicators	Target Level
1. Identification specific areas for support of HR, Democracy & Rule of Law	1. Strategy and Programming documents (CSP/NIP, EIDHR) identified specific needs, areas where the Commission would be accepted ; Design of FA/MoU to initiate or support reforms; Policy Dialogue	1. Precise identification in documents
2. Support initiatives of Non-State Actors	2. CSP/NIP, EIDHR and FA/MoU identify & support NSA initiatives and capacities, stakeholder views.	2. Precise identification in doc's & positive views
3. Interventions contributed to implement tangible changes	3. Good governance (GG) indicators identified; recourse to justice, media coverage, int. Treaties; int.indicators; stakeholders' views	3. GG indicators & stakeholders' views display progress

EQ 3: Judgment Criteria, Indicators & Target Level (2)		
Judgement Criteria	Indicators	Target Level
<p>3. Interventions contributed to establishing sustainable bases for improved governance</p> <p>4. Commission's value added</p>	<p>3. Involvement of beneficiaries in design & implementation; capacity building measures; lasting achievements</p> <p>4. EC comparative advantage; long standing positive experience of EC; internal capitalisation processes; views of the beneficiaries</p>	<p>3. Achievements outlast EC interventions</p> <p>4. EC interventions add value to what MS could have done</p>

EQ 3: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<p>1. Identification specific areas for support of HR, Democracy & Rule of Law</p> <p>2. Support initiatives of Non-State Actors</p>	<p>1. Early strategy and programming documents (CSP/NIP) targeted basic rights due to political sensitivity. Policy Dialogue shows advances, reflected in CSP '07-'13, more explicit references to direct support to reforms. NIP '07-'10 identifies three programmes (one in pipeline) EIDHR: global approach</p> <p>2. Direct support to NSA's not in first NIP due to rejection of GoE, but included in the 2 last NIPs. Support to CSOs only through calls for proposals managed by government bodies. EIDHR supported 36 projects (global, not adapted to priority needs) Stakeholder views: criticism</p>	<p>1. Support progressively targeted directly to these issues.</p> <p>2. Support to CSOs initiatives via EIDHR; strengthening of the capacities under bilateral assistance</p>

EQ 3: Findings & Success Criteria (2) ADE		
Judgement Criteria	Findings	Success Criteria
<p>3. Interventions contributed to establishing sustainable bases for improved governance</p> <p>4. Commission's value added</p>	<p>3. Beneficiaries involved at design and implementation stages Contributing to create a favourable environment for change in the area of justice and media coverage and raise citizens' awareness. Effectiveness of capacity-building measures in the LT & in terms of strengthened dialogue between the GoE and CSOs not evidenced. The activity-based nature of the interventions does not permit an assessment of their impact in terms of tangible changes.</p> <p>4. Voice of EU MS has stronger weight than EC (new player) Progressively gaining stronger experience and building on internal capitalisation processes.</p>	<p>3. No measurement of achievements . No evidence of reinforced capacities of CSOs</p> <p>4. Increased Commission-GoE dialogue. Cooperation programmes backed up by EU MS</p>

EQ3: Commission Interventions & Evaluation Limits ADE
Commission interventions (in bold the interventions selected for detailed review)
<ul style="list-style-type: none"> • Several EIDHR projects • Social Development and Civil Society: Children at Risk • Support in the field of Democratisation, Civil Society, Human Rights, and Good Governance • Promotion and protection of human rights
Limits of evaluation
<ul style="list-style-type: none"> • The assessment of the expected results of interventions is constrained by the absence of specific quantified outcome targets to be reached.



EQ 4: Judgment Criteria, Indicators & Target Level

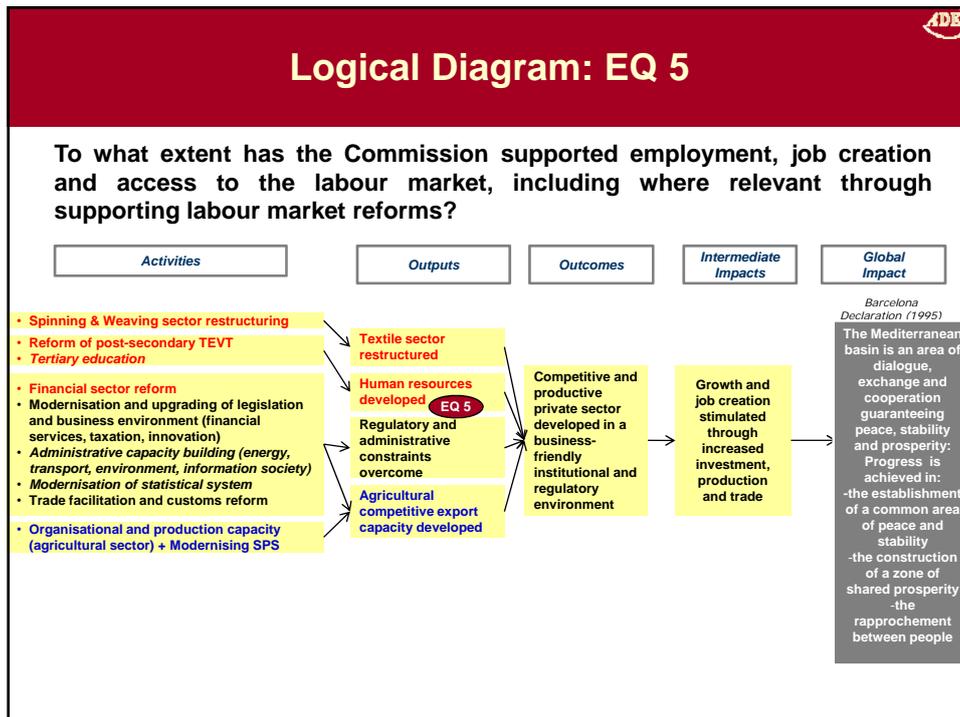
Judgement Criteria	Indicators	Target Level
1. Commission stimulated reforms of the institutional and regulatory frameworks	1. Supported reforms of the regulatory, administrative and financial framework for business development; Supported reforms to modernise administrative capacities of institutions	1. Precise identification in documents
2. Contribution to facilitating the development of productive sector activities	2. WB "Doing Business" indicators; reinforced financial markets and increased capacity of local financial institutions. Indicators of dynamism of critical sectors: active firms, jobs created, production volume & value; nr. of SMEs in rural sector with credit access; Rural production diversified, rural (self-)employment	2. Indicators have improved
3. Contribution to facilitating the improvement of economic infrastructure	3. Power cuts, waiting time for telephone line connection, telecom operators, quality of roads, waiting in ports, nr. industrial sites, etc.; increased private investment	3. Indicators have improved

EQ 4: Judgment Criteria, Indicators & Target Level (2)		
Judgement Criteria	Indicators	Target Level
<p>4. Contribution to improving Egypt's external trade environment</p> <p>5. Contribution to stimulating job creation, production and exports</p> <p>6. Added value of Commission support in this field</p>	<p>4. Public administration's capacity to harmonise & enforce legislation with/of international frameworks; protection of the economy (tariff levels, nr of non-tariff barriers); nr of regional trade agreements; Indicators of participation in external trade (exports' value, new export products, foreign exchange);</p> <p>5. GDP and employment indicators; nr of export enterprises; volume and value of exports; Market share of Egyptian products in main export markets; Trade with the EU and MPC; trade and service balance, foreign direct investment, remittances</p> <p>6. NIP & FA/MoU refer to EC's comp. advantage; long, positive EC experience; internal capitalisation; beneficiaries' views; MS mandate</p>	<p>4. Capacity strengthened</p> <p>5. Indicators improved</p> <p>6. interventions add value to what MS could have done alone</p>

EQ 4: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<p>1. Commission stimulated reforms of the institutional and regulatory frameworks</p> <p>2. Contribution to facilitating the development of productive sector activities</p> <p>3. Contribution to facilitating the improvement of economic infrastructure</p>	<p>1. AA = driving force of EC support to reforms; EC devoted significant financial resources to support reforms & development of productive sector;</p> <p>2. Interventions helped reinforcing capacity of LFIs; increase credit access for SMEs; generate employment. Progress in "Doing Business" score, but getting credit, employing workers, and paying taxes to be improved.</p> <p>3. Interventions aiming to the development of competitive production capacities : very recent or impact not monitored Private sector investment and FDI increased drastically as of 2004</p>	<p>1. Commission supported GoE led reforms through AA and significant resources</p> <p>2. Reported positive contribution : DB indicators and trade facilitation improved but trade restrictions still in place</p> <p>3. No evidence</p>

EQ4: Findings & Success Criteria (2)		
Judgement Criteria	Findings	Success Criteria
4. Contribution to improving Egypt's external trade environment	4. Reinforced capacity to harmonise legislation with international and particularly EU frameworks; Decrease trade barriers and non tariff measures; a number of trade agreements signed, but trade restrictions are still important.	4. Reported positive contribution of EC interventions
5. Contribution to stimulating job creation, production and exports	5. Egypt-EU trade increased. Rest of World bigger trade partner than EU and negligible with MEDA. Share of EU imports (respectively exports) in Egyptian imports (respectively exports) have not increased.	5. No evidence (attribution problems, importance of GoE and USAID resources)
6. Added value of Commission support in this field	6. Commission-EU MS: common agenda in trade ; dialogue on trade issues is carried out at a high political level within the framework of the EEAA	6. No intervention from significant EU MS in trade

EQ4: Commission Interventions & Evaluation Limits	
<p>Commission interventions (in bold the interventions selected for detailed review)</p> <ul style="list-style-type: none"> • TEPs (A,B,C) • Spinning and Weaving restructuring • Promotion of the Association Agreement • Support to the Association Agreement • Support to the Implementation of the Action Plan Programme • Research and Innovation • Social Fund • FISC Financial, FISC Rural and FISC Social • Support to the water sector reform • Support for investment in transport, energy and environment • Targeted support for sector reforms -Transport • EIB Risk Capital • Several EIB interest rate subsidies 	
<p>Limits of evaluation</p> <ul style="list-style-type: none"> • Most interventions were finished and institutional in-house knowledge at the Commission was limited due to staff movements • Access to identification/formulation and evaluation reports often proved difficult • Other interventions were about to start and it was too early to assess their results 	



EQ 5: Judgment Criteria, Indicators & Target Level

Judgment Criteria	Indicators	Target Level
1. Employment and labour market reform: GoE priorities	1. Diagnostic of labour market supply and needs; GoE has developed an employment strategy, a labour market reform strategy, an education sector reform; specific interventions in the productive areas to create employment	1. Diagnose documented, proof of GoE reform strategies; existence of interventions
2. The Commission has supported the priorities identified by the GoE for employment and labour market reform	2. Evidence (amount, type and focus of support, disbursement conditions, topics of dialogue) of EC support to education & TVET reform; to interventions in the productive sectors aimed at creating employment; Views of stakeholders.	2. Satisfactory evidence of EC support; positive views of stakeholders
3. The sustainability of systems put in place for technical and vocational training have been enhanced by reforms undertaken	3. Beneficiary institutions involved in design of interventions; Reforms entailed instit./admin improvements Financial sustainability of service provision; Public expenditure trends	3. Evidence of participation/ of inst./admin. Improvements ;financial sust.

EQ 5: Judgment Criteria, Indicators & Target Level (2)		
Judgement Criteria	Indicators	Target Level
<p>4. Reforms of education supported by EC led to improved adequacy of the labour force to market needs</p> <p>5. Interventions supporting economic transition and creation of small business contributed to improve employment opportunities</p> <p>6. Added value of Commission support in this field</p>	<p>4. Access to the different education levels; successful graduates; Employment rates by education; Views of employers on availability of workers; Views on EC support.</p> <p>5. Revitalising industries for higher employment levels; Rural production diversified, rural (self)-employment increased; GDP and employment indicators</p> <p>6. NIP & FA/MoU refer to EC's comp. advantage; long, positive EC experience; internal capitalisation; beneficiaries' views; EC and EU MS have common political agenda; MS mandate; beneficiaries' views on scope and quality of the dialogue</p>	<p>4. Improved access/outturn ; improved employment by education level</p> <p>5. Indicators improved</p> <p>6. interventions add value to what MS could have done alone</p>

EQ 5: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<p>1. GoE priorities</p> <p>2. Commission support</p> <p>3. TVET sustainability</p> <p>4. Education reform & adequacy of labour force to market needs</p> <p>5. Support to creation of employ'm't opportunities</p> <p>6. Commission support Value Added in this field</p>	<p>1. No overall strategy/reform but stimulation of productive sector.</p> <p>2. Employment: not directly targeted by Commission but indirect support via many aspects of cooperation;</p> <p>3. Sustain'ty ensured in its design but doubtful in practice, no reform yet</p> <p>4. Gap between educational outputs and labour market needs (which are difficult to identify); stigma handicaps vocational education.</p> <p>5. Supported through several programmes; employment not tackled as overall issue.</p> <p>6. Muted role so far but Commission active in establishing links between education & TVET and rallying partners around same issues</p>	<p>1. No labour reform but initiatives for employment</p> <p>2. Support evidence & positive views of stakeholders</p> <p>3. Pb of financial sustainability & TVET champion</p> <p>4. No data on employment/education.</p> <p>5. Job creation at intervention level;</p> <p>6. Commission proactive in stimulating others to look at the issue</p>

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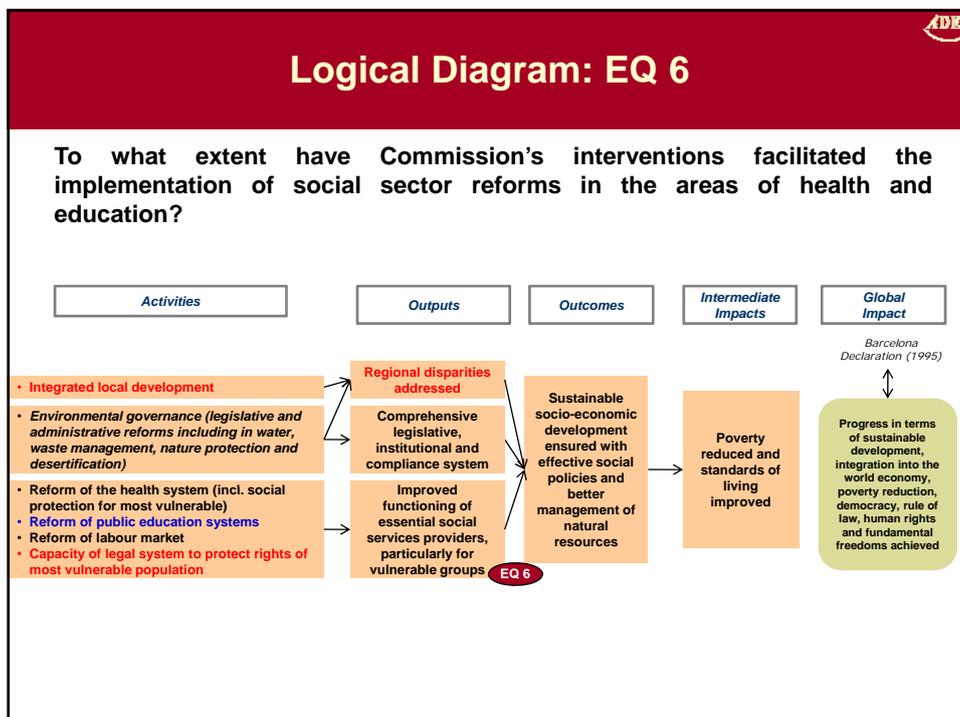
EQ5: Commission Interventions & Evaluation Limits

Commission interventions (in bold the interventions selected for detailed review)

- **TEPs (A,B,C)**
- Spinning and Weaving restructuring
- **SAAP**
- Research and Innovation
- Social Fund
- **FISC Rural and FISC Social**
- Education Enhancement Programme and **Education Sector Policy Support Programme**
- Higher education Tempus
- **TVET**

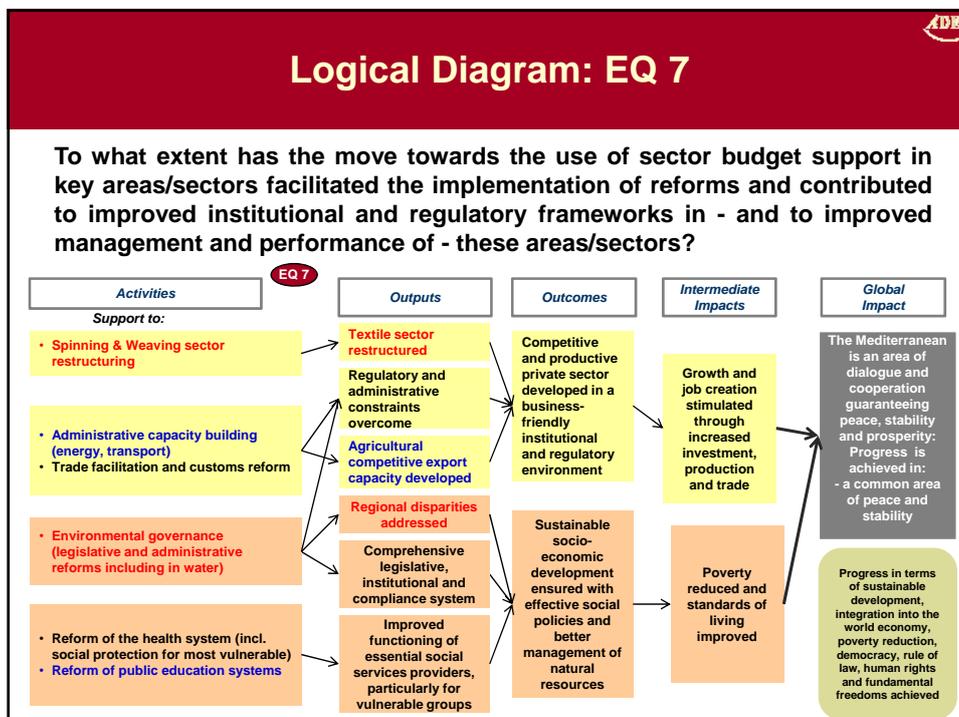
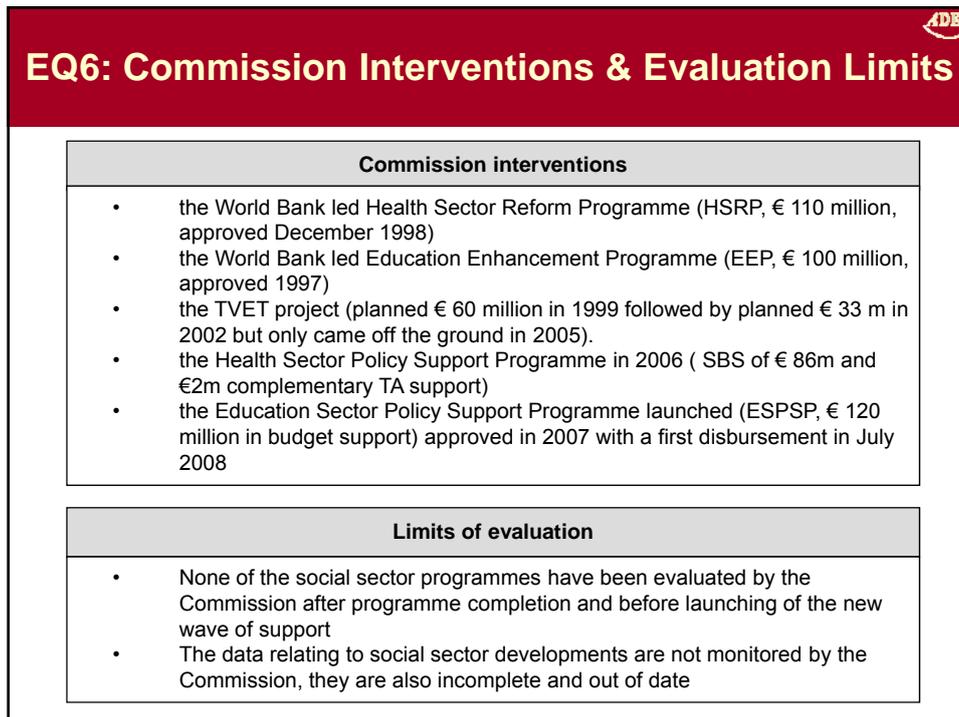
Limits of evaluation

- Employment has not been a focal area of support for the Commission
- The Ministry of Manpower Planning and Immigration is not a partner of dialogue with the Commission
- Labour market and employment data are disparate and non representative due to the large size of informal employment



EQ 6: Judgment Criteria, Indicators & Target Level		
Judgement Criteria	Indicators	Target Level
<ol style="list-style-type: none"> EC supported reforms in basic social service delivery sectors Sustainability of social services delivery systems has been enhanced by reforms undertaken Social conditions in education and health improved Commission value added 	<ol style="list-style-type: none"> GoE undertakes social sector reforms (health, education) aiming for equitable service delivery; Commission support; Views of stakeholders Institutions involved in design; institutional and administrative improvements; Financial sustainability; Public expenditure trends Access and use of basic social services; Indicators of quality of social services; Views of beneficiaries Commission's comparative advantage, proven positive experience, internal capitalisation processes; common political agenda with MS or mandate; beneficiaries' views 	<ol style="list-style-type: none"> Reforms undertaken; EC support documented Participatory design; admin. & institutional improvements; financial sust. Social service indicators improved References, guidelines, communications; positive views of beneficiaries; Interventions add value to what MS could have done alone

EQ 6: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> EC supported reforms in basic social service delivery sectors Sustainability of social services delivery systems has been enhanced by reforms undertaken Social conditions in education and health improved Commission value added 	<ol style="list-style-type: none"> Reforms starting only in 2004: Commission support started in context of continuity then aimed to facilitate ongoing reform process. Too early to tell: bases for sustainable of social services delivery systems are not yet in place. General improvements of conditions over past 10 years The motivations of the EC support to the social sector areas in Egypt do not clearly come out in the analysis. EC means by far larger than those of MS 	<ol style="list-style-type: none"> Education reform, not much yet in TVET and health No data. No qualitative data; only 'old' and general quantitative data Potential added value



EQ 7: Judgment Criteria, Indicators & Target Level		
Judgement Criteria	Indicators	Target Level
<p>1. <i>The designs of SBS interventions were adapted to the specific sectors' contexts</i></p> <p>2. <i>SBS strengthened the reform process and contributed to tangible improvements in policy, strategic, organisational, managerial and/or regulatory frameworks</i></p> <p>3. <i>SBS contributed to improve the sectors' performance in service delivery</i></p>	<p>1. SBS responded to a need; matrix result of policy dialogue & shared identification of constraints; SBS closed financing gap & gave support for institutional needs.</p> <p>2. Ongoing sector reform; SBS gave fiscal space for implementing reforms; non financial support facilitated reform implementation; good disbursement triggers; improved sector framework</p> <p>3. Improved budgetary performance/ improved provision of public services</p>	<p>1. Reforms undertaken; matrix mirrors reform; financ'l & non-financ'l support</p> <p>2. M-T plan, improved policy, strategy, organisation, management of sectors</p> <p>3. Indicators improve</p>

EQ 7: Judgment Criteria, Indicators & Target Level (2)		
Judgement Criteria	Indicators	Target Level
<p>4. <i>SBS contributed to improving public financial management</i></p> <p>5. <i>EC interventions have contributed to improve policy preparation and implementation, including the use of the budget as a policy instrument</i></p> <p>6. <i>Commission value added</i></p>	<p>4. Matrix includes PFM triggers; PFM dialogue, strategic reform process & action plan; improved budgetary discussions & coordination btw. Ministries & MoFinance; SBS is predictable, timely and coordinated; harmonisation of donors</p> <p>5. Quality of sector policy dialogue; budget shows policy priorities & budget planning respected; SBS aligned to M-T expenditure plan; improved budget management</p> <p>6. Commission's comparative advantage, proven positive experience, internal capitalisation processes; common political agenda with MS or mandate; beneficiaries' views</p>	<p>4. PFM issues included in SBS matrix & dialogue; PFM reform & AP exist; improved budgeting process performance; SBS multiannual, disbursed begin FY, coordinated w/other donors</p> <p>5. Meaningful dialogue, budget is policy tool, budget credible, improved allocations and controls</p> <p>6. Guidelines, experience; positive views of beneficiaries; value added compared to MS alone</p>

EQ 7: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> 1. <i>The designs of SBS interventions were adapted to the specific sectors' contexts</i> 2. <i>SBS interventions strengthened the sectors reform process and contributed to tangible improvements in the sectors' policy, strategic, organisational, managerial and/or regulatory frameworks</i> 3. <i>SBS contributed to improve the sectors' performance in service delivery</i> 	<ol style="list-style-type: none"> 1. Policy dialogue exists: SBS education supports GoE strategy; in health and water SBS ambitions sector wide reforms. SBS financial contribution negligible but gave political backing to reform-minded GoE. 2. SBS triggers were policy-based process indicators which may trigger improved frameworks (too early to tell) but ownership and prioritisation uncertain due to project approach to reform 3. Extent to which improved sector framework may lead to improved sector service delivery is not addressed in SBS design: no outcome indicators are included in matrix or dialogue 	<ol style="list-style-type: none"> 1. SBS design tailor made for Egypt, design very ambitious 2. Reform measures taken sustainability uncertain 3. No monitoring of service delivery indicators

EQ 7: Findings & Success Criteria (2)		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> 4. <i>SBS contributed to improving public financial management</i> 5. <i>EC interventions have contributed to improve policy preparation and implementation, including the use of the budget as a policy instrument</i> 6. <i>Commission value added</i> 	<ol style="list-style-type: none"> 4. PFM general issues not included in SBS and SBS treated as project funds: SBS implementation has had no effect upon budgetary processes and budget management. 5. The link between policy and budget has failed to be established: the Egyptian budgeting process is fragmented so that it cannot reflect policy priorities at sector level. 6. Commission provides large amounts of funds where other MS may want to support but cannot. No other donor provides budget support to Egypt. 	<ol style="list-style-type: none"> 4. No effect upon PFM indicators 5. Budget not used as policy instrument 6. Difficult to establish

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EQ7: Commission Interventions & Evaluation Limits

Commission interventions

- Specifically on the 2 interventions selected for detailed review and globally on the 6 SBS operations implemented over 1998-2008

Decision number	Decision Title
MED/1998/004-295	Support to the Health Sector Reform Progr. - closed
MED/2003/004-150	Trade Enhancement Programme B - closed
MED/2004/006-223	Spinning & Weaving Sector Support - pending closure
MED/2005/017-543	EU Water Sector Reform Programme - ongoing
MED/2006/018-249	Support to health sector reform - ongoing
ENPI/2007/019-248	Education Sector Policy Support Progr. - ongoing
ENPI/2008/019-608	Support for Transport sector reform - to be launched
ENPI/2008/020-261	ESPSP-Additional Commitment - ongoing
ENPI/2008/020-494	Health Sect.Pol.Sup.Progr.II - to be launched (Note 1)

Limits of evaluation

- Early SBS programmes were World Bank led policy support programmes with large Project Management Units
- Results from recent SBS are not yet entirely measurable

ADE

Logical Diagram: EQ 8

To what extent were the financing modalities and implementation mechanisms adapted to the objectives of the interventions and to the (absorption/ implementation/administrative) capacities of beneficiary institutions so as to enable timely and cost-effective implementation?

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    graph LR
      Needs[Needs] --> Objectives[Objectives]
      Objectives --> Inputs[Inputs]
      Inputs --> Outputs[Outputs]
      Outputs --> Results[Results]
      Results --> Impacts[Impacts]
      Sustainability[Sustainability] --> Impacts
      Efficiency[Efficiency] --> Results
      EQ8((EQ 8)) --> Efficiency
  
```

This question covers the efficiency of interventions and focuses particularly on the link between the choice of financing instrument and implementation mechanisms and their appropriateness to the outputs, results and expected impacts.



EQ 8: Judgment Criteria, Indicators & Target Level

Judgement Criteria	Indicators	Target Level
<ol style="list-style-type: none"> 1. Financing modalities and their mix have been chosen to allow the attainment of the objectives 2. Implementation mechanisms adapted to institutional context and to objectives 3. Financing modalities and implementation mechanisms took account of beneficiary institution's capacities 	<ol style="list-style-type: none"> 1. Choice of financing instrument justified in NIP and MoU; appropriate financing modalities; mix justified in terms of effectiveness and efficiency with regards to objectives; stakeholder views 2. Choice of implementation mechanism justified in NIP and MoU/FA; implementation mechanisms appropriate & justified in terms of effectiveness and efficiency 3. Analysis of beneficiary capacities; timeliness and cost-effectiveness justify the choice of financing modality and implementation mechanism 	<ol style="list-style-type: none"> 1. Project financing and twinning to build capacities; SBS to support sector policies and reforms 2. TA for institutional/HR capacities; Project admin. adapted; SBS to support sector policies; NGOs in HR & democracy 3. Capacities analysed, context dictates choice of modalities



EQ 8: Judgment Criteria, Indicators & Target Level (2)

Judgement Criteria	Indicators	Target Level
<ol style="list-style-type: none"> 4. Mix of financing & implement' n modalities used to adapt to absorption capacities & timely implementation 5. Interventions are carried out within budget and schedule 6. Implementation takes account of M&E results 	<ol style="list-style-type: none"> 4. Mix of different financing modalities & implementation mechanisms used to adapt to intended results, objectives and implementation capacities; beneficiaries views 5. Disbursement rates relative to programme; Nature of delays 6. ROM, MTRs and final evaluation reports available; evidence of changes induced by M&E. 	<ol style="list-style-type: none"> 4. Coherent mix of FMs and IMs to adapt to particular context/ requirements 5. No delays 6. All projects subject to M&E

EQ 8: Findings & Success Criteria		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> Financing modalities (FM) and their mix have been chosen to allow the attainment of the objectives Implementation mechanisms (IM) adapted to institutional context and to objectives Financing modalities and implementation mechanisms took account of beneficiary institution's capacities 	<ol style="list-style-type: none"> The choice of FMs mostly appropriate. FMs decided by EC HQ at a very early stage of programming; process not based on an explicit argumentation; GoE has little influence. Good effectiveness scores IM relevant to objectives except in some twinning cases. Combination of several IMs and FMs much appreciated; IM in consultation with stakeholders Underestimation of HR limitations, absorption capacities and/or institutional constraints 	<ol style="list-style-type: none"> Project financing and twinning to build capacities SBS to support implementation of sector policies and reforms Mix of IM in same projects to adapt to context Lack of realism in estimation of constraints

EQ 8: Findings & Success Criteria (2)		
Judgement Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> Mix of financing & implement' n modalities used to adapt to absorption capacities & timely implementation Interventions are carried out within budget and schedule Implementation takes account of M&E results 	<ol style="list-style-type: none"> Interventions' designs were found to be very well adapted to both the context and the objectives; Mix of IM used in several instances to better achieve the objectives Implementation slower than planned; Efficiency in ROM reports below average Projects responsive to recommendations made by monitoring, and flexible in adapting activities 	<ol style="list-style-type: none"> Existence of sound mix of IMs and FMs Delays linked to insufficient realism of constraints and capacities ROMs denote adaptation to change; M&E reviews are acted upon.

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EQ8: Commission Interventions & Evaluation Limits

Commission interventions
<ul style="list-style-type: none"> Specifically on the 12 interventions selected for detailed review Globally on the 65 monitoring reports available for the bilateral interventions over 1998-2008 covering 38 programmes

Limits of evaluation
<ul style="list-style-type: none"> Monitoring reports were not available for all interventions; those available from CRIS covered 67% of the Commission's funding over 1998-2008. Evaluations have not been undertaken systematically for the interventions under study Some of the interventions under study had not yet been implemented or had only just started (Education SPSP and Promotion and Protection of Human Rights)

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Logical Diagram: EQ 9

To what extent have the Commission's strategies, programmes and activities been designed and implemented in coherence with all EU policies or in coordination and complementarity with the EU Member States, EIB and other donors?

The diagram illustrates a logical flow starting with 'Needs' leading to 'Objectives', 'Inputs', and 'Outputs'. 'Outputs' lead to 'Results', which then lead to 'Impacts'. A box labeled 'Sustainability' is positioned above 'Impacts'. A vertical bar on the left is labeled 'Relevance'. A box at the bottom, labeled 'EQ 9', contains the text 'Coherence, Complementarity, Coordination' with arrows pointing to the 'Objectives' and 'Results' boxes.

The question relates to coherence, coordination and complementarity. It aims at verifying the extent to which (i) the EC's support to Egypt has been designed and implemented in coherence with Community policies, and (ii) coordination and complementarity with EU MS, EIB and other donors has taken place at design and implementation stages.

EQ 9: Judgment Criteria, Indicators & Target Level		
Judgment Criteria	Indicators	Target Level
<ol style="list-style-type: none"> EC interventions designed and implemented taking advantage of EU policies, or mitigating negative consequences Interventions are co-ordinated with the set of other donors' interventions Interventions are complementary to the set of other donors' interventions 	<ol style="list-style-type: none"> EC support in line with EU policies or support attempts to mitigate possible negative consequences of its policies; Reference in the CSP/RSP to EIB and other donors interventions; Existence and modalities of coordination at programming/ implementation stage; Sector/ geographical specialisation, active participation in thematic, multi-donor working groups; Synergies or conflicts/duplication/ overlapping between EC's and other donor's interventions; EC leadership in the promotion of cooperation and complementarities 	<ol style="list-style-type: none"> Coherence with EU policies; effectively mitigating negative effect Functional coordination; sector specialisation Actively intertwining of projects; harmonisation

EQ 9: Findings & Success Criteria		
Judgment Criteria	Findings	Success Criteria
<ol style="list-style-type: none"> EC interventions are designed and implemented taking advantage of EU policies, or of mitigating their negative consequences Interventions are co-ordinated with the set of other donors' interventions Interventions are complementary to the set of other donors' interventions 	<ol style="list-style-type: none"> Commission's interventions have been coherent with EU policies through Barcelona Process. AA and ENP Action Plan provide the overall framework for policy coherence. Donor coordination mechanisms established between EC and MS and with other donors at strategic and implementation levels. Mostly limited to exchange of information and no sector specialisation; Consultation and involvement of EU MS in the CSP/NIP formulations has progressively improved Complementarities between donors' interventions have generally not yet materialized. The research of complementarities is now increasingly pursued by EC (NIF). 	<ol style="list-style-type: none"> Coherence with EU policies Coordination is mostly exchange of information; no sector specialisation; progressively improving with EU MS No active intertwining of projects



EQ2: Commission Interventions & Evaluation Limits

Commission interventions

- All Commission interventions undertaken over the 1998-2008 period

Limits of evaluation

- WB and USAID could not be met on overall coordination issues

Annexe 11: List of persons met

Persons met in Brussels		
Name	Institution	Position
Cibor, Lucas	European Commission, DG Relex, Near East Unit	Egypt Co-Desk
Duynhouwer, Johannes	European Commission, DG Aidco, Geographical Coordination and Supervision for the Mediterranean and Middle-East	Head of Unit
Hoskins, Ian	European Commission, DG Aidco, Geographical coordination and supervision for the Mediterranean and Middle-East	Desk
Koistinen, Anne	European Commission, DG Relex, Human Rights and Democratisation	Policy Officer
Lagerlof, Helena	European Commission, DG Aidco, Central management of thematic budget lines under EIDHR and Ifs	Programme Manager
Persons met in Egypt		
Name	Institution	Position
Abaza, Ismail	ETP Tourism	Executive Director
Abdellatif, Mohamed	Ministry of Manpower and Immigration	Advisor to the Minister in issues related to employment
Abdul Hameed, Farag	Central Bank of Egypt	Assistant Sub-governor, Banking Supervision
Abu Zied, Zahia	Ministry of International Cooperation	Assistant to the Minister for European Affairs
Ahmed, Neveen	Delegation of the European Commission to Egypt	Programme Manager, Economic & Institutional Reform
Ali, Rehab Sami	Holding Company for Water and Wastewater (HCWW)	Translator International Coordinator
Arafa, Naglaa	United Nations for Development Programme	Assistant Resident Representative
Ataweya, Osama	Ministry of Justice	Assistant Minister of Justice
Badr El Din, Nevine	Social Fund for Development, Central Microfinance Sector	Senior Manager
Badr, Ahmed	Delegation of the European Commission to Egypt	Utilities and Economic Development Specialist
Bahgat, Seifeddine	National Council for Human Rights, Ombudsman Office	Researcher/Jurist
Barahat, Gamal	National Council for Human Rights, Ombudsman Office	Director of the Complaints Unit
Bastawi, Akrum	Ministry of Trade and Industry, Office of the Minister	Senior Economist for Policy and International Cooperation
Bastawi, Dr Akrum	The Consumer Protection Agency (CPA)	
Bayoumi, Ambassador Gamal	Ministry of International Cooperation, General Secretariat of Egyptian European Association Agreement	Secretary General
Bellomo, Nicola	Delegation of the European Commission to Egypt	Counsellor, Desk Officer Human Rights
Bonilla, Javier Menendez	Delegation of the European Commission to Egypt	First Secretary, Social Affairs Section
Bruno, Ivano	Delegation of the European Commission to Egypt	Expert, Political, press and Information Section
Cathala Benoît	Centre Français de Culture et de Coopération	

Persons met in Egypt		
Name	Institution	Position
Cortezon, Alberto	Delegation of the European Commission to Egypt	Programme Manager, Micro-finance and rural development
Crea, Antonino	Delegation of the European Commission to Egypt	First Counsellor, Head of Social Section
Crescimbeni, Silvia	Delegation of the European Commission to Egypt	Programme Manager Social Sector
de Borchgrave, Catherine	Delegation of the European Commission to Egypt	Technical assistant, Civil Society
De La Mota, Felipe	Delegation of the European Commission to Egypt	Programme Manager, Economic Reform Section
Denormandie, Cécile	French Development Agency, Cairo Office	Projects Officer
Destexhe, Pierre	Delegation of the European Commission to Egypt	Programme Manager , Health Sector Policy Support Programme
Dewidar, Dr Ahmed	The World Bank/Swedish International Development Agency (SIDA)	Senior Education Specialist
Diehl, Dr Manfred	Reform of the TVET System	Team Leader
Eid, Iman Zakareia	Ministry of Manpower and Immigration	Undersecretary for Training and Human Resources Development
El Alfy, Mohamed	Water Regulatory Authority	Senior Assistant to the Minister of Housing
El Fateh, Dr. Mohamed	Ministry of Manpower and Immigration	Advisor to the Minister
El Fawal, Einass R.	Ministry of Foreign Affairs	Diplomat
El Fawal, Professor	National Council for Women, Ombudsman Office	National Project Director
El Garf, Dr Mona Taema	Ministry of Trade and Industry, Ministers Office	Lead Economist
El Guindy, Dr. Hanan	GFNF	National Project Director
El Hilaly, Hanaa	Social Fund for Development	Director International relations
El Nozahy, Waleed	Ministry of Trade and Industry, Trade Agreements and Foreign Trade Sector	Under Secretary, Head of Central Department of World Trade Organisation
El Serafy, Dr. Hala	USAID	
El- Shafie, Dr Abdallah	Ministry of Agriculture	Advisor for International Relations
El Shazly, Fathi, Embassador	Ministry of International Cooperation	Head of the PMU and Representative of the Ministry of International Cooperation
Elknawi, Rasha	Ministry of Investment, GAFI	Advisor to the chairman
El-labban, Nevine	Egyptian National Post	International Relations Director
El-Naggar, Dr. Sobhi	Ministry of Agriculture and Land Reclamation, Financial and Investment Sector Cooperation,	Project Director / Authorising Officer
Elnashal, Dr Narymane	National Authority for Quality Assurance and Accreditation in Education (NAQAA) - The	
Elwassal, Amany	Ministry of Trade and Industry, Trade Agreements Sector	Manager of European Partnership Unit
Elzayat, Elhalmy	Emeco Travel (beneficiary TVET)	Chairman and CEO
Farouk, Ahlam	Delegation of the European Commission to Egypt	Programme Manager Social Sector

Persons met in Egypt		
Name	Institution	Position
Farouk, Khaled	Ministry of Transport	Head of Railways Safety Regulatory Unit
Fayed, Tarek	Central Bank of Egypt	Assistant Sub-governor, Banking Supervision
Francini, Chiara	Delegation of the European Commission to Egypt	Programme Manager Economic Reform Section
Gaafar, Hisham	Ministry of Housing EWRA (Egyptian Water Regulatory Agency - Water and Waste Water Authority)	Head of the Policy Advisory Unit (Water sector)
Gholam, Ghada K.	United Nations Educational, Scientific and Cultural organisation (UNESCO)	Programme specialist in education
Gronhagen, Carl Frederik	EIB Regional Office for the Near East	Deputy Head
Hamid, Eng. Nihal Abdel	Skills Development Project	Project Director
Helal, Mohamed Ahmed	Reform of the TVET System	Project Director
Helmy, Aziza	The National Council for Childhood and Motherhood	Senior Advisor and Media Supervisor
Hussein, Mahmoud	Ministry of Finance	First Under Secretary
Iodice de Wolff, Raffaella	Delegation of the European Commission to Egypt	First Counsellor, Head of Operations
Jago, Philip	Egyptian Environmental Affairs Agency, EPAP II	Team Leader EPAP II TA
Khater, Prof. Dr. El-Sayed M.H.	Egyptian Environmental Affairs Agency, EPAP II	Pollution Abatement Consultant
Krause, Gherard	Delegation of the European Commission to Egypt	First Secretary, Head of Economic Reform section
Latif, Ambassador Nehad Abdel	Ministry of Foreign Affairs	Chairman National Steering Bureau Egypt-EU Action plan & Association Agreement
Mahmoud, Zainab	Canadian International Development Agency	Expert in civil society
Mohamed, Dr Zaher Ahmed	Ministry of Education	
Morad, Dr. Tarek A.	Embassy of the Kingdom of the Netherlands	Deputy Head, Economic & Development Cooperation
Mostafa, Ghada	Delegation of the European Commission to Egypt	Programme Manager, Specialist in Banking and Finance
Moulinat, Jean-Hubert	French Development Agency, Cairo Office	Director
Nassar, Hamdy	National Authority for Quality Assurance and Accreditation in Education (NAQAA) - The Egyptian Cabinet	Vice President
Negm, Galam	Central Bank of Egypt	Sub-Governor, Banking Supervision
Nehad Abulcomsan	Egyptian Center for Women's Rights Association	Director
Paproski, Peter	Canadian International Development Agency	Counsellor / Head of Aid
Rabei, Doaa Mounir	Ministry of International Cooperation	European Cooperation Sector
Ragheb, Elsaid Yasser	CAPMAS (Control Agency for Public Mobilisation and Statistics),	Executive Manager of Twinning Project, Head of Central Dept for IT Training (undersecretary)

Persons met in Egypt		
Name	Institution	Position
Raslan, Mamdouh	Holding Company for Water and Wastewater (HCWW)	Deputy Chairman
Rizza, Graziella	Ministry of International Cooperation	Technical advisor
Roshdy, Rafahia Hussein	Central Bank of Egypt	Assistant Sub-governor, Banking Supervision and Control Sector
Ryan, Michael	Delegation of the European Commission to Egypt	First Counsellor, Head of Section, Political Affairs, Press and Information
Salem, Dalia M.	Ministry of International Cooperation, Programme Administration Office of the Support to the EU-Egypt Association Agreement Programme	Programme Deputy Director
Steurer, Roland F.	Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	Country Director
Wahby, Mervat Mohamed	Ministry of Manpower and Immigration	Head of the central department of foreign relations
Wahby, Merwat	Ministry of Manpower and Migration (Occupational Health and Safety)	Undersecretary for central department of foreign relations
Weiss, Daniel	Delegation of the European Commission to Egypt	Second Secretary, Economic Modernisation
Zeitoun, Nahia	United Nations for Development Programme	Programme Analyst

Annexe 12: Bibliography

General Documentation

Author	Title	Year
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Arab Republic of Egypt, Ministry of Economic Development	Achieving the Millenium Development Goals - A midpoint assessment	2008
Arab Republic of Egypt, Ministry of Education	National Strategic Plan for Pre-University Education Reform in Egypt, Towards an Educational Paradigm Shift, 2007/08-2011/12	2007
Arab Republic of Egypt, Ministry of Finance	Statistical Statement - Draft of The State General Budget for FY 2007/2008, April 2007	2007
Arab Republic of Egypt, Ministry of Finance	Analytical Statement of The State General Budget Draft for FY. 2008/2009, May 2008	2008a
Arab Republic of Egypt, Ministry of Finance	Financial Statement of The Draft of State's General Budget For Fiscal Year 2008/2009 Presented by Dr. Youssef Boutros Ghaly, May 2008	2008b
Arab Republic of Egypt, Ministry of Planning	The fifth Five-Year Plan for socio-economic development (2002-2007)	2002
DFC	Final evaluation of the Trade Enhancement Programme B, Contract No: 2007/141070/1, Framework Contract Beneficiaries – Lot 11, Final Report, December 2007	2007
E.Caputo, A.Lawson, M.v.d.Linde	Methodologies for Evaluations of Budget Support Operations at Country level', by E.Caputo (DRN), A.Lawson (ODI), M.v.d.Linde (ECORYS), May 2008	2008
EC	Identification of Education Sector Policy Support Programme (ESPSP), Progress Reports 2007	2007
EC	COMMISSION DECISION of ??? on the Annual Action Programme 2008 in favour of Egypt to be financed under Article 19 08 01 01 of the general budget of the European Communities	2008
EC	Evaluation of channelling aid through civil society organisations, September 2008	2008
EIDHR	Micro-projects "Promoting the democratic process" Guidelines for grant applicants responding to the call for proposals for 2006	2006
EU-MPC	Barcelona declaration adopted at the Euro-Mediterranean Conference - 27-28/11/95	1995

Author	Title	Year
European Commission	Communication to the Commission on the Reform of the Management of External Assistance	2000
European Commission	Euro-Med Partnership, Egypt Country Strategy Paper 2002-2006 & National Indicative Programme 2002-2004	2002
European Commission	Euro-Mediterranean Partnership MEDA Regional Strategy Paper 2002-2006 & Regional Indicative Programme 2002-2004	2002
European Commission	Communication from the Commission to the Council and the European Parliament. Reinvigorating EU actions on Human Rights and democratisation with Mediterranean partners - COM(2003)294	2003
European Commission	Communication from the Commission to the Council and the European Parliament. Shaping Support for Private Sector Development in the Mediterranean - COM(2003)587	2003
European Commission	Communication from the Commission to the Council and the European Parliament. Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours - COM(2003)104	2003
European Commission	Guidelines for European Commission Trade Related Assistance	2003
European Commission	Communication from the Commission European Neighbourhood Policy Strategy Paper COM (2004) 373	2004
European Commission	2005 : Year of the Mediterranean: the Barcelona Process Ten Years on	2005
European Commission	Commission Staff Working Paper. Annex to : "European Neighbourhood Policy". Country Report Egypt. COM(2005) 72 final	2005
European Commission	Commission Staff working paper; "European Neighbourhood Policy"; Country report Egypt	2005
European Commission	Euro-Med Partnership, Egypt, National Indicative Programme 2005-2006	2005
European Commission	EURO-MEDITERRANEAN Partnership MEDA Regional Indicative Programme 2005-2006	2005
European Commission	EU/Egypt Action Plan (annex of council decision of 07/06/06)	2006
European Commission	European Economy, European Commission Directorate-General for Economic and Financial Affairs Occasional Papers N° 25 . European Neighbourhood Policy: Economic Review of ENP Countries by Directorate-General for Economic and Financial Affairs	2006
European Commission	Communication from the Commission to the Council and the European Parliament on the preparation of the Lisbon Euro-Mediterranean Foreign Affairs Conference (5-6 November 2007). The Euro-Mediterranean Partnership: advancing Regional Cooperation to support peace, progress and inter-cultural dialogue COM(2007) 598	2007
European Commission	Egypt Country Strategy Paper 2007-2013	2007
European Commission	European Economy, European Commission Directorate-General for Economic and Financial Affairs Occasional Papers Number 30. European Neighbourhood Policy: Economic Review of EU Neighbour Countries by Directorate-General for Economic and Financial Affairs	2007

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European Commission	European Neighbourhood and Partnership Instrument (ENPI) Regional Strategy Paper (2007-2013) and Regional Indicative Programme (2007-2010) for the Euro-Mediterranean Partnership - EUROMED	2007
European Commission	European Neighbourhood Policy EU – Egypt Joint Action Plan Adopted at the 3rd EU-Egypt Association Council, Brussels 6 March 2007	2007
European Commission	European Neighbourhood Policy, Economic review of EU neighbourhood countries, European Economy, number 30. Occasional papers	2007
European Commission	Guidelines on the programming, Design and Management of General Budget Support, Tools and methods series, Europaid, 2007	2007
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European Commission	Communication from The Commission to the Parliament and the Council. Implementation of the European Neighbourhood Policy in 2007 - COM(2008) 164	2008
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