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ANNEX II

of the Commission Implementing Decision on the Multi-Annual Action Programme for Egypt for 2022, 2023 and 2024

Action Document for **“EU for Decent Life (Haya Karima) – Combatting Multidimensional Poverty in Rural Areas in Egypt”**

MULTIANNUAL ACTION PLAN

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

1. SYNOPSIS

1.1. Action Summary Table

1. Title	EU for Decent Life (Haya Karima) – Combatting Multidimensional Poverty in Rural Areas in Egypt
OPSYS	Multiannual action plan in favour of Egypt for 2022, 2023 and 2024 OPSYS business reference: NDICI-GEO-NEAR/2022/ACT-61282 ABAC Commitment level 1 number: JAD.1064349
Basic Act	Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Team Europe Initiative	Yes Team Europe Initiative “Integrated Water & Food Security” in Egypt
3. Zone benefiting from the action	The action shall be carried out in Egypt, in rural areas benefitting from the Haya Karima Government initiative.
4. Programming document	Multiannual Indicative Programme for European Union support to Egypt for the period 2021-2027 (MIP) ¹
5. Link with relevant MIP(s) objectives/expected results	Priority 1: Green and sustainable development Priority area 2: Human development, economic resilience, and prosperity building through green and digital transition Priority 3: Social Cohesion, Modern and Democratic State
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	DAC code 311- Agriculture DAC code 122- Basic health

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

	DAC code 160- Other Social Infrastructure & Services DAC code 430- Other multi-sector			
7. Sustainable Development Goals (SDGs)	SDG 1 (no poverty); Other significant SDGs (up to 9) and where appropriate, targets: SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 5 (gender equality), SDG 6 (water and sanitation), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities) and SDG 13 (climate action).			
8 a) DAC code(s)	12220- Basic health care 12230- Basic health infrastructure 12240- Basic nutrition 16010- Social Protection 31120- Agricultural development 31130- Agricultural land resources 31140- Agricultural water resources 31161- Food crop production 43040- Rural Development			
8 b) Main Delivery Channel @	Channel 1: 41100 United Nations Entities			
9. Targets	☐ Migration ☒ Climate ☒ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☐ Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	☒	☐	☐
	Aid to environment	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☐	☒	☐
	Disaster Risk Reduction	☒	☐	☐
	Inclusion of persons with Disabilities	☐	☒	☐
	Nutrition	☐	☒	☐
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	☒	☐	☐

11. Internal markers and Tags	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☐	☒	☐
	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	☐	☒	☐
	Tags	Yes	No	
	digital connectivity	☐	☒	
	digital governance	☐	☒	
	digital entrepreneurship	☒	☐	
	digital skills/literacy	☐	☒	
	digital services	☐	☒	
	<u>Connectivity</u>	☒	☐	☐
	Tags	Yes	No	
	digital connectivity	☐	☒	
	energy	☐	☒	
	transport	☐	☒	
	health	☐	☒	
	education and research	☐	☒	
	Migration	☒	☐	☐
	Reduction of Inequalities	☐	☐	☒
	COVID-19	☒	☐	☐

BUDGET INFORMATION

12. Amounts concerned	Budget line(s) (article, item): 14.020110 Southern Neighbourhood Total estimated cost: EUR 50 000 000 Total amount of EU budget contribution EUR 50 000 000. The contribution is for an amount of EUR 30 000 000 from the general budget of the European Union for 2022 and for an amount of EUR 20 000 000 from the general budget of the European Union for 2024, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths. The Action, for its component on rural development, food security and climate change resilience is part of the Team Europe Initiative “Integrated Water & Food Security”. The commitment of the EU’s contribution to this action will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners’ meaningful contribution as early as possible. In the event that the Team Europe Initiatives (TEI) and/or these contributions do not materialise, the EU action may continue outside a TEI framework. As of June 2022, a number of EU Financial Institutions and EU Member States have expressed their interest to take part in the initiative, in particular: the European
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	Investment Bank (EIB) with nearly EUR 1 000 000 000; the European Bank for Reconstruction and Development (EBRD) with nearly EUR 400 000 000; Germany (GIZ and KfW) with EUR 530 000 000; France (AFD) with EUR 205 000 000; Spain (FIEM) with EUR 18 000 000; the Netherlands with EUR 25 000 000; and Italy (AICS), implementing the rural development programme “EU Zira3a”, worth EUR 27 000 000 and co-funded by the EU with Italy’s contribution of EUR 3 300 000. No transfer agreement is envisaged. In addition, EUR 20 000 000 from Multi-Annual Indicative Plan (MIP) 2022-2024 may be directed to the NIP for blending projects in line with this Action.
MANAGEMENT AND IMPLEMENTATION	
13. Implementation modalities (type of financing and management mode)	Project Modality Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1.

1.2. Summary of the Action

The Action is in line with a major Egyptian initiative “Haya Karima” (Decent Life), launched in 2009 initially for five years, which seeks to improve the life and livelihoods of 57 million Egyptians in rural areas by renovating local infrastructures, upgrading basic services, and creating jobs. Poverty affects 29.7 % of the Egyptian population, including 12 million children and is particularly acute in rural areas where more than 70% of the poor population lives. It also aligns to relevant Government’s reform programmes and complements other initiatives funded by the EU and by international donors.

Poverty is characterized simultaneously by scarcity and salinity of water, land and environment degradation, insufficient income, lack of professional skills and economic empowerment, inadequate basic services such as healthcare and social protection, and nutrition issues. This situation is compounded by a demography that continues to represent a tremendous challenge with almost 2% annual population growth.

The Action is articulated along two components:

1. Rural development, food security and climate change resilience, focused on supporting the farmers in improving agriculture and irrigation techniques and rural communities in income generation through employment and skills development opportunities;
2. Health and social protection, focused on helping the central and local administrations in implementing and expanding health, nutrition and social protection services and offering rural families support in child nurturing.

The Action directly responds to the EU-Egypt Partnership Priorities 2021–2027², namely: “*The EU will support Egypt’s efforts to foster the economic and social protection of persons in vulnerable situations in Egypt, particularly those exposed to potential negative impacts of economic reforms and the fallouts of external shocks such as the COVID 19 pandemic through comprehensive social safety nets and targeted social protection programmes aligned with the targets of the Decent life (Haya Karima) initiative and Takaful and Karama programmes.*”

The Action is part of the Team Europe Initiative “Integrated Water & Food Security”, which includes a number of projects in particular aiming at improving water usage and at supporting agriculture resilience and rural development. In particular, the Action will supplement the ongoing “EU Zira3a”, a EUR 27

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

million programme co-funded by the EU and implemented by the Italian Agency for Development and Cooperation, supporting farming and social development in rural areas, where the magnitude of needs calls for multiple responses. The Action is closely coordinated with the EUR 100 million “Food and Resilience Facility” under adoption.

On livelihoods, the Action builds on the successful results of the EU funded programme “Enhancing Access of Children to Education and Fighting Child Labour”, implemented from 2014 to 2019, which created a revolving micro-finance fund managed by local NGOs, addressed to women in rural areas together with skills development trainings, so to support them in starting or expanding income-generating activities at small scale.

On health and social protection, the Action will assist the central and local administration in the wide reform of the systems and the introduction of the Universal Health Insurance, as well as in the extension of the social protection floor to less advantaged categories.

The aid so far allocated by other international donors in the form of technical assistance or loans has mainly focused on the first phases of the reforms, on health infrastructure and on cash components. The Action will aim at reinforcing administrative capacities at central and local level, including local social workers, and will complement cash transfers with “cash +” assistance packages for families’ well-being and behavioural change. In the health sector, the Action will contribute to expand the geographical coverage of the reform, to upgrade the quality of services through better management and more skilled medical staff, and to accompany healthcare with nutrition support.

Being multi-sector, the Action contributes to different SDGs (SDG 1 - no poverty, SDG 2 - zero hunger, SDG 3 - good health and well-being, SDG 5 - gender equality, SDG 8 - decent work and economic growth, SDG 10 - reduced inequalities, SDG 13 – climate action) and is linked to the three MIP components: i) green and sustainable transition, ii) human development, inclusive growth and digital transition and iii) social cohesion and modern, democratic State.

2. RATIONALE

2.1. Context

Egypt is a lower middle-income country with a relatively diversified economy. GDP growth has been steady in the last few years: it reached 3.2% in 2020 and is forecast at 5.5% in 2022, in spite of the effects of the pandemic and of the Russian war of aggression against Ukraine. In particular, some sectors are benefiting from a deliberate government spending policy to finance mega-projects, including the establishment of a new administrative capital city, the expansion of the Suez Canal, road extensions, transport networks, and the construction of new residential units to replace slum areas.

Notwithstanding this stimulus approach, and Egypt’s efforts to stabilize the macro-environment in recent years, the gross public debt on GDP remains high at more than 92% with large allocations of the budget going to interest payments. Good progress has been achieved including through substantial containment of public spending, in particular through subsidy cuts to fuel and electricity, and a containment of the public sector wage bill. While critical to stabilization, these fiscal reforms have had adverse implications notably on low and middle-income population through high inflation (double digits) and reduced real income. The Egyptian pound, after keeping a constant value in 2020 and 2021, depreciated overnight by around 15% on 21st March 2022.

The COVID-19 pandemic had already affected the health, education and economic conditions in Egypt, but continued global disruptions and the Russian war of aggression against Ukraine are weighing heavily on

Egypt's macroeconomic balances notably through its severe impact on travel, trade, investment and the commodity market. Food supply is particularly at risk, as Egypt imports 80% of the cereals it consumes from Ukraine and Russia, and wheat represents more than 35% of caloric intake per person in the country. The sector being subsidised, limited cereal availability and rising prices are likely to further weigh on the State budget. The hospitality sector, just recovering from the effects of the pandemic, is hit again by the decrease of tourists' influx from Russia and Ukraine, which translates in a 30% reduction of arrivals.

To cope with the crisis effects, the Egyptian government has adopted a new stimulus package in tax incentives and increased social spending, including expansion of cash transfers to 450,000 new families, and is supporting projects to increase wheat production and storage capacities. At the same time, the Government is negotiating a new IMF programme, to pursue economic stability, jobs creation and assistance to the less advantaged population and to affected businesses.

Economic growth has not been proportionally reflected in quality job creation and increase of well-being. The employment to population ratio has been declining from 41.4 % in 2001 to 38.5 % in 2020; unemployment is at 9.1 %, and the share of those employed in precarious jobs is on the rise, from 40% in 2008 to 57% in 2018. Exclusion from economic life affects most severely youth and women. A quarter of young people are not in education, employment or training (NEET) and youth unemployment is above 30%. Even if gender gaps have been almost closed in primary and secondary education, women participation in labour force remains at 21.9%, while it is 70.9% for men. Overall, progress in social development is relatively weak, and the Human Development Index ranks Egypt as number 116 out of 189 countries.

Demographic pressure, although in slight decrease since 2014, continues to pose a serious challenge to the labour market and the provision of basic services. Egypt today counts 104 million inhabitants, growing at an annual rate of 1.92 %, which makes an addition of 2 million people each year. 60% of the population is under 30 years of age. According to the latest World Bank Egypt public expenditure review for human development presented in September 2022, spending on social sectors are low by international standards and have been declining in real terms. The country is increasingly facing the double challenge of improving social outcome while preserving its commitment to fiscal discipline.

To mitigate the risks associated to social contract changes and to the shift towards a less subsidised economy, accompanying measures to alleviate poverty and inequalities are of utmost importance. This is particularly relevant for rural areas, where 57% of the Egyptian population lives, and where 70% of the poor is concentrated.

In line with the Egyptian Constitution of 2014, the Government has set up different social programmes, in particular since 2015. One of the most relevant actions is Takaful and Karama (solidarity and dignity), a conditional and unconditional cash transfer programme which started in 2015 and benefits now 11.1 million individuals. It is accompanied by other measures, like Forsa (opportunity), geared towards graduation out of poverty and offering sustainable livelihoods through wage employment and self-employment, health initiatives (such as maternal and child health programmes and the "100 Million Healthy Lives", aiming at eradicating non-communicable diseases) and family planning measures. In 2018, the Government adopted the Universal Health Insurance Law to achieve Universal Health Coverage and ensure that everyone has access to quality health services at moderate tariffs.

Building on this, the presidential initiative Haya Karima (Decent Life), launched in 2019, is designed as a framework complementing and coordinating Takaful and Karama and the other social programmes, and liaising with relevant economic development policies like "Digital Egypt" and support to small and medium enterprises. The initiative focuses specifically on rural areas, which have been neglected for the past decades in favour of the cities, thus aiming at "Redrawing Egypt's map and redistributing human and economic capabilities".

Haya Karima is a large programme with four main areas of intervention:

- Local infrastructures: water and wastewater, rural roads, gas and electricity networks, fibre optics networks, canals lining, and agricultural complexes;
- Living-standards: improving services in education (learning spaces infrastructure and pre-school curricula), in health (refurbishing clinics and upgrading equipment), in youth, sports and culture (youth centres rehabilitation and organisation of events and campaigns);
- Human development: improve private housing, adult education and illiteracy eradication (establishment of societal schools for literacy classes), family planning consultations and maternal services, and services for people with disabilities;
- Economic development (including digital transition): support to small and medium enterprises through MSMEDA³, establishment of small crafts complexes, offer of vocational training (mobile training units, training workshops, vocational training programmes with the Federation of Egyptian Industries), promoting the digital transition through IT skills training, financial inclusion, and creation of direct employment through labour-intensive infrastructure works.

Haya Karima started in 2019 with a pilot phase, with a budget of USD 730 million, targeting 375 villages, three quarters of which have a poverty rate exceeding 70% of the population. In 2020, the Government expanded the programme in a second phase, covering over 4,500 villages, and then in a third phase, running until 2024 and aiming at reaching 4,600 villages and 57 million citizens (56% of the population), in 20 of the 29 governorates. The Government has earmarked around USD 45-50 billion for the full programme. The main source of financing is the State's investment budget. Civil society organizations, local development funds, and donations also contribute to funding projects. Haya Karima enjoys popular appreciation and the direct engagement of many citizens, and was praised by the UN as one of the best international practices in achieving SDGs. The focus on the programme is mainly on infrastructures and direct creation of temporary employment. While implementation is progressing swiftly, there is no comprehensive assessment to date. The Government plans to issue the first evaluations in 2023⁴.

2.2. Problem Analysis

1. Rural development, food security and climate change resilience

- Short problem analysis

Agriculture is a sector of foremost importance in Egypt: although it accounts for 11.3% of the GDP, it engages 28% of national workforce, and 45% of all employed women. Besides, the sector has an important role in fighting poverty, and a 1% increase in agriculture GDP can reduce poverty by 3%⁵. At the same time, Egypt is a net food importer, buying 40 % of the food consumed from abroad, for a total value of more than USD 3 billion per year.

Agriculture represents the main source of income in rural areas, but this income is acutely insufficient to guarantee a decent life to households, particularly in Upper Egypt. Around 90% of Egyptian farmers are smallholders owning less than 0.4 hectares and suffering from low land productivity and limited government support. They are thus led to over-exploit their holdings and to increase fertilizer usage to increment production, while facing growing water scarcity and land quality deterioration. Moreover, farms are exposed to external factors such as rises in prices of agricultural inputs, crop loss due to extreme weather events and longer-term climate change impact. Rural communities also endure lack of quality services, inadequate skills and exclusion from the financial system.

³ Egyptian Micro, Small and Medium Enterprises Development Agency.

⁴ <https://enterprise.press/hardhats/past-present-future-decent-life-initiative/>

⁵ Synthesis Report on Egyptian agriculture 2019, ENPARD South support project II.

The effects of the Russian war of aggression against Ukraine have further emphasized the need of strengthening the local agricultural systems and the development of less input-intensive and more climate resilient agricultural practices, in particular by improving water management, supporting water reuse and shifting towards less water intensive varieties, crops and agricultural practices, with the aim of fostering local agro-food systems' sustainability, encouraging agro-environmental measures and reducing dependency on imports.

- Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

At national level, the Ministry of Agriculture and Land Reclamation, the Ministry of Water Resources and Irrigation and the Ministry of Local Development are the main policy-makers, together with the Ministry of Social Solidarity and the Ministry of Manpower on broader social and economic aspects.

At local level, beside the Governorates and districts administrations, other intermediate structures play an important operational role. Community Development Associations, under the oversight of the Ministry of Local Development, implement no-profit civil works in the communities they are serving. Concerning the irrigation network derived from the Nile River, the Ministry of Water Resources and Irrigation is responsible for all irrigation canals, from the principal canals to the branch canals, while farmers, organized in associations (Water Users Associations, called *meskas* and *marwas*) are responsible for on-farm water management. The agricultural cooperative system plays a very important role to provide agricultural inputs and services, and a large majority of smallholder farmers belong to a cooperative to benefit from the subsidised nitrogen fertilisers. However, cooperatives are weakened by budget constraints and cuts in subsidy programmes for agricultural inputs, and cannot offer the farmers adequate financial and technical support, like on crop or post-harvest loss reduction, value addition and marketing.

In the framework of Haya Karima, the Ministry of Local Development is supporting the creation of community hubs, located in local administrative units or in community schools, as spaces for residents to gather, have access to learning, information and services and participate in collective activities. Civil society organisations in rural areas also play an important role in service provision and assistance to the less advantaged, like families and children in need.

2. Health and social protection

- Short problem analysis

The health sector is characterised by sharp inequalities and insufficient public services. Although the public health system is supposed to provide free care for all citizens, the quality of the service has been deteriorating for many years. Private facilities offer better services, which however are not affordable for the poorest. The COVID-19 pandemic has put additional pressure on an already deficient system.

Maternal and child mortality has been steadily declining in the past two decades: Egypt counts now 13.7 deaths per 1000 live births⁶, compared to 27 in 2014, and under-five mortality has been decreasing by 60% in 20 years. However, access to services still depends heavily on wealth levels⁷. Low-income groups are also affected by the double burden of malnutrition, in particular among children, who suffer at the same time from undernutrition and rising overweight, affecting more than 20% of children and adolescents.

⁶ In the EU: 3.4 deaths per 1,000 live births.

⁷ Mothers from the poorest households are 20% less likely to deliver in a health facility than those from the richest households; the poorest children are twice as likely as those from the wealthiest families to die before the age of 5 (source: UNICEF).

To tackle the most urgent structural problems, the Egyptian Government has embarked in a wide reform and adopted a Universal Health Insurance Law in 2018. The Law introduces a new health insurance system, providing more equity and quality services for all citizens, with the less advantaged groups benefitting from specific subsidises. The scheme is expected to cover the whole population by 2032 and to cost EUR 10 billion per year. The reform is being implemented gradually, starting with a first phase in Port Said in 2019 and following a geographic expansion based on Governorates.

The majority of Egyptians are excluded from the social protection system: in spite of different Government initiatives, only 34.7% of the population is covered by at least one social protection benefit, and only 57.6% of persons above legal retirement age receive a pension.

The Government is partly addressing these issues at national level, in particular with the new Social Insurance and Pensions Law adopted in 2019⁸, aiming at granting employees of the private and public sector greater benefits and stability. However, informal workers are not adequately protected by the schemes in place and are left in extremely risky situations. Given the very high proportion of informal and casual employees, it is imperative to extend the social protection floor, so that low-income households can preserve their dignity and resilience in case of changes in the breadwinners' ability to work or of external shocks, such as the COVID-19 crisis.

- Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

At national level, the main institutional stakeholders in the health sector are the Ministry of Health and Population, i.e. the main provider of health services, the Universal Health Insurance Authority (UHIA), responsible for management, investments and payments of public and private health providers, the General Authority of Healthcare (GAH), responsible for providing primary, secondary, and tertiary care, and the General Authority for Healthcare Accreditation and Regulation (GAHAR), which is responsible for developing the relevant quality standards and accredit service providers. Social protection is the remit of the Ministry of Social Solidarity, together with the National Organization for Social Insurance (NOSI), responsible for the implementation of the 2019 Social Insurance and Pension Law. The Ministry of Finance is an essential actor to ensure the financial sustainability of the systems and to extend their coverage.

At local level, besides Governorates and Districts, different entities are of foremost importance and must be endowed with adequate capacities. Primary Health Care Units are the cornerstone of the health service delivery and of the implementation of Universal Health Coverage. Social Units responsible for Takaful and Karama cash support and social workers are at the forefront of social protection implementation. Local NOSI offices will have growing responsibilities under the new law.

Community-based organizations are deeply involved in promoting community participation, in awareness raising and service provision.

2.3. Lessons Learned

As the Action is addressed to rural communities, it is essential to implement activities as close as possible to final beneficiaries, and to involve them in an active way, readjusting the design when necessary. The Action can benefit from the experience of past and on-going assistance to urban and rural communities on the application of a participatory approach through vast consultations, community activities and feedback. In agriculture projects, the involvement of Water Users Associations has been extremely useful in ensuring the ownership of activities by the farmers and availability of funds for maintenance of infrastructures. At village

⁸ Law No. 148 of 2019.

level, the Action will build on successful experiences of turning local administrative units and community schools in community hubs as main point for information, service provision and engagement.

The Action will build on the frameworks and best practices of the programme “Enhancing Access of Children to Education and Fighting Child Labour”, in particular its micro-finance and livelihoods components, which has had important positive impact in the quality of life and empowerment of women in rural areas.

Inclusion can be difficult to implement in a meaningful way and often requires tailored measures addressing the specific needs of marginalised groups: for instance, with settled targets, outreach and affirmative actions for women, disabled and poor-income beneficiaries, or by ensuring that facilities and activities are truly accessible to all, e.g. not requiring fees and not hampered by physical barriers.

As some components imply additional public resources for the provision of services, the Action will build on on-going policy dialogue and will closely coordinate with the entities responsible for the financial aspects of health and social protection, in particular the Ministry of Finance, the Universal Health Insurance Association and the National Organisation for Social Insurance.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this Action is to improve the quality of life of rural population affected by multi-dimensional poverty.

The Specific(s) Objective(s) (Outcomes) of this Action are:

COMPONENT 1: Rural Development, Food Security and Climate Change Resilience

1. To increase the resilience of food systems at local level;
2. To improve food security and nutrition in rural communities.

COMPONENT 2: Health and Social Protection⁹

3. To improve health services’ access and quality in rural communities;
4. To strengthen the social protection systems, both at national and local level, for the benefit of the less advantaged groups.

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

COMPONENT 1: Rural Development, Food Security and Climate Change Resilience

Contributing to Outcome 1 (or Specific Objective 1), to increase the resilience of food systems at local level:

- 1.1 Local communities’ capacity to identify and manage climate change related risks is increased;
- 1.2 Improved irrigation practices are introduced;
- 1.3 Improved agricultural practices are introduced;

⁹ On healthcare, Outcome 3 focuses on healthcare services at local level, while Outcome 4 focuses on the implementation of the Universal Health Insurance as social protection policy.

- 1.4 Agricultural supply chains are enhanced and food losses reduced.

Contributing to Outcome 2 (or Specific Objective 2), to improve food security and nutrition in rural communities:

- 2.1 Integrated socioeconomic support for food and nutrition security is provided;
- 2.2 Communities' awareness of food security and health-related issues is raised;
- 2.3 Rural households are supported with livelihood opportunities to build self-resilience and withstand shocks.

COMPONENT 2: Health and Social Protection

Contributing to Outcome 3 (or Specific Objective 3), to improve health services' access and quality in rural communities:

- 3.1 The capacities of national stakeholders to develop primary health care and early child development services' packages are upgraded;
- 3.2 The capacity of health care management and workers to deliver services is increased;
- 3.3 Awareness and opportunities for local communities' involvement in health services provision are increased.

Contributing to Outcome 4 (or Specific Objective 4), to strengthen the social protection systems, both at national and local level, for the benefit of the less advantaged groups:

- 4.1 The capacity of relevant ministries to deliver social protection systems is improved;
- 4.2 The governmental Takaful and Karama cash transfer programme is widened;
- 4.3 Tools and capacities to support the Universal Health Insurance system sustainability are developed;
- 4.4 The awareness of target population on the new pensions and Universal Health Insurance schemes is increased.

3.2. Indicative Activities

COMPONENT 1: Rural Development, Food Security and Climate Change Resilience

Activities related to Output 1.1:

- Community/farmers mobilization and awareness raising on climate change issues and sustainable agricultural practices, including agro-environmental measures;
- Establishment of local early warning centres¹⁰.

Activities related to Output 1.2:

- Improvement of irrigation systems (including on-farm irrigation as well as the reuse of treated wastewater);
- Establishment of energy-saving solar pumping systems.

Activities related to Output 1.3:

- Land consolidation and set up of producer communities to promote improved agricultural practices;

¹⁰ Early Warning Centres will be established within Community Development Associations, which will maintain the services after the Action's end. The Early Warning Centres will be institutionalized within the systems of the Egyptian Metrological Authority and the Ministry of Agriculture and Land Resources.

- Introducing new crop production practices.

Activities related to Output 1.4:

- Managing food losses through value chain analysis and value addition of income generating crops;
- Linking smallholder farmers to local and digital markets;
- Transformation of agricultural waste into economic secondary products.

Activities related to Output 2.1:

- Provision of technical expertise to strengthen national and local food security and nutrition systems;
- Provision of technical support to strengthen the national school feeding programme;
- Integration of food security and nutrition within national safety nets (Takaful and Karama).

Activities related to Output 2.2:

- Transformation of local administrative units and community schools villages into smart and safe knowledge and services hubs, by also strengthening capacities of their staff¹¹;
- Promotion of positive practices through social behavioural change and communication on various issues of concern to the communities and in alignment with national campaigns.

Activities related to Output 2.3:

- Building business and vocational skills of rural households, especially those rejected or graduating from the Takaful safety net;
- Facilitating access of rural households to financial services and local and digital markets.

COMPONENT 2: Health and Social Protection

Activities related to Output 3.1:

- Support to Ministry of Health and Population to develop new services in the current packages of the primary health care;
- Support to Ministry of Social Solidarity to develop new services in the current health and nutrition packages of the early child development;
- Provision of support at local level to develop and rollout of quality and safety frameworks within the health facilities.

Activities related to Output 3.2:

- Capacity building of health workers at both national and local levels to deliver new health care services;
- Capacity building of caregivers and managers of early child development facilities to deliver new nutrition¹² and responsive care services;
- Provision of essential basic equipment to support maternal, child health, nutrition and WASH (water, sanitation and hygiene) services for Primary Health Care units.

Activities related to Output 3.3:

¹¹ The Action will strengthen capacities and improve the functioning of community hubs, ensuring sustainability of the service provision.

¹² The Action will support nutrition in different ways. Under the first component, the Action will strengthen central and local systems in the provision of nutrition services integrated in social services, social safety nets and school feeding. It will work primarily with the Ministry of Social Solidarity and its line local units.

Under the second component, the Action will support the Ministry of Health, local health units and nurseries to improve nutrition services provision, in particular as related to maternal and child nutrition, including through parents' better knowledge and behavioural changes.

- Development and implementation of mechanisms for community participation in the definition of health needs, with the support of community volunteers and community-based organizations;
- Provision of support to the establishment and trainings of local women focus groups on issues of women's empowerment including decision making, proper nutrition, and promotion of health during pregnancy.

Activities related to Output 4.1:

- Support the Ministry of Social Solidarity and Ministry of Planning and Economic Development with key analyses on the social protection policy reform process;
- Provision of technical and legal support to the Ministry of Social Solidarity and the National Organisation for Social Insurance for the implementation of the new social insurance and pension schemes, and the subsidy system under the Universal Health Insurance.

Activities related to Output 4.2:

- Provision of training and equipment to the local social units and the Takaful and Karama management team to register and select beneficiaries;
- Support to the provision of a “cash plus” complementary services to Takaful and Karama beneficiaries in the form of social and behavioural change interventions;
- Support to Ministry of Social Solidarity in implementing targeted communication campaigns on Takaful and Karama and related conditionality.

Activities related to Output 4.3:

- Capacity building to the Universal Health Insurance Authorities to build actuarial skills and develop an actuarial model to ensure the financial sustainability of the system;
- Technical support to Universal Health Insurance Authorities for financial management of the health insurance funds;
- Provision of support and capacity building for national and local health authorities on the digitalisation of the Health information and management systems.

Activities related to Output 4.4:

- Development and implementation of an awareness strategy on the social insurance and pensions reforms;
- Development of national and local awareness campaigns to increase demand and uptake of Universal Health Insurance system.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project).

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

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project).

The CRA screening concluded that this action is no or low risk (no need for further assessment).

However, the EU will carry out further consultations with the Development Partners and local knowledge centres during the contract design for Component 1, in particular Output 1.3 (land consolidation and set up of producer communities to promote improved agricultural practices and introducing new crop production practices), to ensure that it promotes cost-effective locally appropriate climate-smart agriculture approaches. Indicatively, one forth of the Action budget will be dedicated to climate change adaptation in rural areas.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that the Action will mainstream gender equality in all components, through gender-sensitive indicators, activity designs, training materials, and ensuring equal participation of women.

Besides, the Action will include specific support for women and girls in different ways: by including gender-responsive approaches in capacity development activities for the administration; by promoting women economic empowerment, through entrepreneurship and financial services, in particular on agri-business; by offering opportunities for digital learning and skills development; by providing specific nutrition services for pregnant and lactating women and children under two; by introducing maternity benefits for women working in the informal sector; and by promoting behavioural change on social norms, including through positive parenting and increased fathers' participation in childcare, which has proved to improve gender equality and decrease risks of domestic violence.

Human Rights

The Action approach is in line with SDG commitments and puts a particular emphasis on social rights, women's rights, and child's rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that the Action will promote inclusion of persons with disabilities in three main ways: by considering persons with disability as a priority group when possible, for instance in financial inclusion and entrepreneurship support; by promoting acceptance of diversity and awareness in community activities and as part of the positive parenting support package; and by making project activities accessible, for instance through barrier-free training formats and materials, with adequate funding earmarked in that respect.

Democracy

The Action will promote citizens' social participation at local level, through the application of a participatory approach in local decision-making (with consultations, joint identification of needs, and awareness), and through direct community engagement, with community activities and campaigns, and using community hubs as spaces to have access to learning, information and services. This will also contribute to creating communication bridges between community leaders and local governments and will add a participatory dimension to the Haya Karima initiative.

Conflict sensitivity, peace and resilience

The Action contributes to resilience and social cohesion in rural communities, addressing inequalities, improving the quality of life and promoting social and economic inclusion of the less advantaged groups.

Disaster Risk Reduction

N/A.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium / Low)	Impact (High/ Medium/ Low)	Mitigating measures
External Environment	Global crises, such as COVID-19 pandemic waves, hamper the implementation of activities.	Medium	Medium	Digitalisation of activities and online remote capacity development; partnering with governmental entities and service providers to explore all implementation alternatives.
External Environment	The impact of Russian military aggression in Ukraine causes shortages of fertilisers and/or wheat and sharp rises in food prices, which requires to allocate important resources to food security.	Medium	Medium	Coordination with the “Food and resilience facility” for Egypt and the region adopted by the European Commission to face the current crisis; adjust the programme activities to respond to the most urgent needs.
Planning, Processes and System	Lack of full political support to the programme, for instance if the programme objectives are not considered a political priority anymore.	Medium	High	Political dialogue and close communication with line Government entities; policy advice; consultations; transparent procedures; involvement of relevant social actors.
Planning, Processes and System	Lack of coordination among involved institutions	Medium	Medium	Coordination supported by the programme.
Planning, Processes and Systems	Longer than planned time for granting government security clearances for project interventions and partners	Medium	High	Starting the process of approval requests as soon as possible; to the extent possible, involve the administration at central and local level in the design of activities and identification of local partners.
Planning, Processes and Systems	Social norms and stereotypes towards gender equality persist.	Low	Medium	Cooperation with community and religious leaders; advocacy and involvement of role models and influential actors.
Planning, Processes and Systems and People and the organisation	Selection of final beneficiaries (e.g. farmers, households, women and youth) is biased and not	Medium	Medium	Establishment of clear and fair criteria for selection; involvement of the EU Delegation in selection processes; regular monitoring by the EU Delegation, the implementing partners

	sufficiently inclusive.			and local entities involved; feedback mechanisms at beneficiaries' levels.
Communication and information	Because of the implementation in indirect management implies, the EU is less visible as a partner.	Medium	High	A strict implementation of contracts' visibility provisions; clear communication and visibility plans, foreseeing the EU presence and the approval by the EU Delegation of any communication activity.

External Assumptions

The Action assumes that Egypt will continue to enjoy relative stability in spite of the geopolitical and global contexts.

The Action responds to a request for assistance by the Egyptian Government as part of “flagship projects” and is consistent with the Government’s policy priority of alleviating poverty and improving the quality of life in rural areas.

In particular, the Action builds on the presidential initiative “Haya Karima” (Decent Life) and on the selection of villages based on poverty levels developed in this framework. The Action will also complement the cash-transfer programme “Takaful and Karama”. Besides, the Action will assist the Egyptian administration in expanding and implementing national policies and plans, for instance on the rolling out of the Universal Health Insurance scheme and on the widening of the social protection floor to less advantaged categories. Therefore, one of the main assumptions is that the Egyptian Government will maintain these policies and the interest of investing in them.

As implementation will require a number of approvals by the national authorities, the Action assumes that the Egyptian administration will process requests smoothly so that the projects can keep the pace of work plans and objectives.

3.5. Intervention Logic

The underlying intervention logic is that if the Action provides multi-sector support to poor rural villages in Egypt, less advantaged communities and individuals will have a better quality of life and will be more equipped for sustainable livelihoods, individual development and social participation, which will decrease poverty levels in rural areas. The Action will also contribute to foster a stronger agro-food system, enhance the sustainable management of water (an increasingly limited resource in Egypt) in the agricultural sector and help Egypt to be better equipped to face food security issues, such as those stemming from external crises (e.g. Russian war of aggression against Ukraine). The Action will expand and amplify the benefits of the Haya Karima governmental initiative and will make achievements more sustainable.

To achieve these objectives, the Action will address different needs and groups of residents.

If the Action supports farmers through land consolidation, improved irrigation and crop management and if it offers rural residents skills development and livelihoods opportunities, the income of rural households will increase sustainably.

If agriculture techniques are adapted to a more efficient use of natural resources and if information and awareness are adequate (for instance through early warning centres), rural communities will be more resilient to climate change effects.

If the Action assists the administration in the provision of healthcare of better quality and of specific nutrition interventions, and in expanding social protection to the rural areas and to the less advantaged, such as women,

the elderly and informal workers, in particular in most deprived rural areas, the well-being of the residents will increase.

If women acquire new skills, receive entrepreneurial and financial support, are offered specific health and nutrition services, and benefit from positive behavioural changes in the family and in the communities, they will be able to pursue their aspirations and to truly participate in social and economic development.

All these interlinked components will contribute to breaking the intergenerational cycle of poverty in rural areas and to broader sustainable development.

To ensure sustainability, the Action will strengthen capacities of central level administration and of local actors directly involved in service provision, in particular Community Development Associations, community hubs, social units and social workers, health care units, NOSI local offices and local CSOs..

3.6. Indicative Logical Framework Matrix

Results	Results chain: Main expected results [maximum 10 @]	Indicators [at least one indicator per expected result @]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve the quality of life of rural population affected by multi-dimensional poverty	Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality, disaggregated by sex (GERF¹³ 2.39/MIP¹⁴) Average income of small-scale food producers, (GERF 1.1/SDG 2.3.2) disaggregated by sex¹⁵ Share of the targeted population having minimum dietary diversity (%) (Standard WFP indicator) Proportion of child and adult population covered by social protection floors/systems	0 B¹⁶ B Children: 14% (2021) Adult: 34.7% (2021)	700,000 B+30% B+10% Children:17 % Adult: 42%	Government Reports Reports from the Implementing Partners	<i>Not applicable</i>
Outcome 1	1. Resilience of food systems at local level has increased.	1. Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) (MIP /GERF 2.2)	0	4,000	Government Reports Reports from the	The commitment of Egyptian authorities is ensured during

¹³ GERF: indicator from Global Europe Results Framework - <https://europa.eu/capacity4dev/eu-rfi>

¹⁴ MIP: indicator from the Multi-annual Indicative Programme for the period 2021-2027.

¹⁵ In the villages covered by the action.

¹⁶ (B) Base Line and targets to be provided at later stage.

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
					Implementing Partners	the full project duration
Outcome 2	2. Food security and nutrition in rural communities has improved.	2. Number of food insecure people receiving EU assistance (GERF 2.32), disaggregated by sex	0	300,000	Government Reports Reports from the Implementing Partners	No conflict arises between the different local rural communities
Outcome 3	3. Health services' access and quality in rural communities has improved.	3.1. Number of women having access to reproductive health and family planning information (MIP b1) 3.2. Proportion of pregnant women who receive at least 4 antenatal care visits	0 28%	1,000,000 40%	Health Information System (HIS) Reports from the Implementing Partners	Timely acquisition of security clearances at all stages of the programme implementation
Outcome 4	4. The social protection system, both at national and local level, for the benefit of the less advantaged groups has been strengthened.	4. Number of people directly benefiting from interventions that aim to reduce social and economic inequality, desegregated by sex and age (MIP 3.3 a1) GERF 2.39	0	700,000	International Labour Organization World Social Protection Report Reports from the Implementing Partners	National initiatives such as Universal Health Insurance and Haya Karima continue to be prioritised both politically

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 1 related to Outcome 1	1.1 Local communities capacity to identify and manage climate change related risks is increased	1.1. Number of CSOs (representatives) whose capacities to deliver quality, safe, and sustainable basic socio-economic services and access to infrastructure has been strengthened with EU support (MIP)	0	200	Reports from the Implementing Partners	and financially by Government and receives adequate State funding
Output 2 related to Outcomes 1	1.2 Improved irrigation practices are introduced	1.2.1. Greenhouse Gas (GHG) emissions avoided (tonnes CO2eq) with EU support (GERF 2.7) 1.2.2 Water losses reduction (cbm/ha) (MIP)	B ¹⁷ B	B-40% B-20%	Reports from the Implementing Partners	Improved health services will improve the quality of life of residents in rural areas
Output 3 related to Outcome 1	1.3 Improved agricultural practices are introduced	1.3. Yield (MIP)	B	B+30%	Reports from the Implementing Partners	
Output 4 related to Outcome 1	1.4 Agricultural supply chains are enhanced and food losses reduced	1.4. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (GERF 2.1 / MIP) , disaggregated by sex	0	100,000	Reports from the Implementing Partners	Government allows sufficient space for civil

¹⁷ (B) Base Line and to be provided at later stage.

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 1 related to Outcome 2	2.1 Integrated socioeconomic support for food and nutrition security is provided	2.1. Number of food insecure people receiving EU assistance (GERF 2.32) , disaggregated by sex ¹⁸	0	100,000 ¹⁹	Reports from the Implementing Partners	society participation
Output 2 related to Outcome 2	2.2 Communities' awareness of food security and health-related issues is raised	2.2.1. Number of CSOs (representatives) whose capacities to deliver quality, safe, and sustainable basic socio-economic services and access to infrastructure has been strengthened with EU support (MIP) 2.2.2. Number of food insecure people receiving EU assistance (GERF 2.32) , disaggregated by sex	0 0	130 200,000 ²⁰	Reports from the Implementing Partners	
Output 3 related to Outcome 2	2.3 Rural household are supported with livelihood opportunities to build self-	2.3.1. Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality, disaggregated by sex (GERF 2.39/MIP)	0 0	30,000 10,000	Reports from the Implementing Partners	

¹⁸ The Action will not offer direct food distribution, but rather strengthen food and nutrition services.

¹⁹ The action will support 20,000 'Takaful and Karama' registered children under two and their mothers within Hayah Karima villages, with top up cash transfers in addition to their basic Takaful and Karama entitlements. The top up cash transfers will contribute to improving access of women and children under two to food and nutrition, as they are among the most vulnerable groups to food insecurity and irreversible consequences of malnutrition. With an average of 5 persons per household, 20,000 women with children under 2 are corresponding to 100,000 direct beneficiaries.

²⁰ This target corresponds to the people who will benefit from the promotion of positive practices through social behavioural change and communication on various issues of concern related to nutrition.

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
	resilience and withstand shocks	2.3.2. Number of beneficiaries with access to financial services with EU support (GERF 2.17/MIP) , disaggregated by sex				
Output 1 related to Outcome 3	3.1 The capacities of the relevant national stakeholders to develop primary health care and early child development services' packages are upgraded	3.1.1. Number of administrative bodies and NGOs whose capacities to deliver quality, safe, and sustainable basic health services has been strengthened with EU support (MIP 3.3 c3) 3.1.2. Number of primary health care and early child development packages revised or developed	0 0	3,200 3	Ministry of Health and Population and Ministry of Social Solidarity records, and field reports Health Information System (HIS) Reports from the Implementing Partners	
	3.2 The capacity of health care management and workers to deliver services is increased	3.2.1. Number of health service providers and managers that have successfully accomplished skill enhancement programmes disaggregated by sex, by service/management (MIP 2.2 b2)	0	3,000	Ministry of Health and Population (governorates and districts level) field reports	

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		3.2.2. Number of PHCs equipped with the support of the EU, by Governorates (MIP 3.3 c3)	0	8,00	Reports from the Implementing Partners	
Output 3 related to Outcome 3	3.3 Awareness and opportunities for local communities' involvement in health services provision are increased	3.3.1. Number of CSOs (representatives) whose capacities to deliver quality, safe, and sustainable basic health services and access to infrastructure has been strengthened with EU support (MIP 3.3 c3)	0	300	UNICEF reports and database, besides HIS Ministry of Health and Population	
		3.3.2. Number of parents, caregivers reached with nurturing care messages directly benefiting from EU supported interventions that aim to reduce social and economic inequality, disaggregated by sex and governorate (MIP 3.3 a1)	0	1,400,000	Reports from the Implementing Partners	
Output 1 related to Outcome 4	4.1 The capacity of relevant Ministries to deliver social protection systems is improved	4.1. Number of representatives from the social insurance system whose capacities to deliver quality, and sustainable basic insurance services and access to infrastructure has been strengthened with EU support (MIP 3.3 c3)	0%	15% of employees of the social insurance system	List of attendants and feedback of capacity building activities Policy papers and analysis	

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
					Reports from the Implementing Partners	
Output 2 related to Outcome 4	4.2 The governmental Takaful and Karama cash transfer programme is widened	4.2.1. Number of social units whose capacities to deliver quality and sustainable basic social services has been strengthened with EU support by district (MIP 3.3 c3)	0	600	Ministry of Social Solidarity administrative data of TKP beneficiaries	
		4.2.2. Number of beneficiaries supported from EU interventions that aim to reduce social and economic inequality, disaggregated by sex and governorate (MIP 3.3 a1)	0	700,000 (families)	Reports from the Implementing Partners	
Output 3 related to Outcome 4	4.3 Tools and capacities to support The Universal Health Insurance system sustainability are developed	4.3.1. Number of tools been developed to secure sustainability of the Universal Health Insurance System 4.3.2. Number of administrative bodies representatives whose capacities to ensure the UHI financing sustainability has been strengthened with EU support (MIP 3.3 c3)	0 0	2 50	List of attendants and feedback of capacity building activities Reports from the Implementing Partners	

Results	Results chain: Main expected results [maximum 10 @1]	Indicators [at least one indicator per expected result @1]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 4 related to Outcome 4	4.4 The awareness of target population on the new pensions and Universal Health Insurance schemes is increased.	4.4. Number of families reached with Health, social insurance and pensions communication messages disaggregated by sex and governorate (MIP 3.3 a1)	0	2,000,000	UNICEF reports and database and Ministry of Health and Population HIS Reports from the Implementing Partners	

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with Egypt.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

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

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²¹

4.3.1. Indirect Management with a pillar-assessed entity²²

4.3.1.1. Indirect Management with a pillar-assessed entity #1, rural development, food security and climate change resilience

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

- adequate operational and financial capacities,
- presence in the country
- solid experience in the sectors covered by the Action, including at local level and with the involvement of communities.

The implementation by this entity entails the implementation of the Specific Objectives/ Outcomes (1) to increase the resilience of food systems at local level and (2) to improve food security and nutrition in rural communities.

4.3.1.2. Indirect Management with a pillar-assessed entity #2, Health and social protection

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

- adequate operational and financial capacities,
- presence in the country,
- solid experience in the sectors covered by the Action, including at local level and with the involvement of communities.

²¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

²² The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessments

The implementation by this entity entails the implementation of the Specific Objectives/ Outcomes (3) to improve health services' access and quality in rural communities and (4) to strengthen the social protection systems, both at national and local level, for the benefit of the less advantaged groups.

4.3.2. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

If the implementation modality under indirect management as defined in sections 4.3.1 cannot be implemented due to circumstances beyond the control of the Commission, the modality of implementation by a combination of procurements and grants under direct management will be used according to the following parameters::

- a) Purpose of the procurements and grant(s)
The procurements and grant(s) foreseen under this action will contribute to achieving Specific Objectives 1,2,3, and 4 of the Action, with 50% of the budget implemented through procurements and 50% through grants;
- b) Type of applicants targeted for grants:
Non-Governmental Organisations (NGOs), International Non-Governmental Organizations (INGO), research centres, think tanks.

4.4. Scope of geographical eligibility for procurement and grants

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

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

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)			
	2022	2024		Total
Implementation modalities – cf. section 4.3				
To increase the resilience of food systems at local level and improve food security and nutrition in rural communities. composed of				
Indirect management with a pillar-assessed entity(ies)- cf. section 4.3.1.1	20 000 000	9 800 000	0	29 800 000
To improve health services' access and quality, and strengthen the social protection				

Indicative Budget components	EU contribution (amount in EUR)			
	2022	2024		Total
systems, both at national and local level, for the benefit of the less advantaged groups. composed of				
Indirect management with a pillar-assessed entity(ies)- cf. section 4.3.1.2	10 000 000	9 800 000	0	19 800 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3		400 000	0	400 000
Communication and visibility – cf. section 6 ‘will be covered by another decision’			0	0
Contingencies				0
Totals	30 000 000	20 000 000	0	50 000 000

In addition, EUR 20 000 000 from MAAP 2022-2024 may be directed to the NIP for blending projects in line with this Action.

4.6. Organisational Set-up and Responsibilities

A Steering Committee (SC) for each component will be set up in the first three month of operation of the Action to oversee and guide the overall direction and policy of the Action. It shall meet twice a year. It could also be convened whenever the project implementation requires strategic decisions. The SC shall be chaired by the Ministry of International Cooperation (MoIC) on behalf of the GoE and will be composed of the Government line ministries and comprise representatives of other relevant ministries and Government entities and a representative of the EU Delegation. The SC has the right to invite other stakeholders whenever deemed appropriate, including representatives of the private sector and NGOs. The MoIC will act as SC secretariat. The SC will receive, discuss and review the periodical work plans, budgets, technical and financial reports of the programme.

A Technical Committee will be set up for each component of the Action and shall meet every 3 months. It will involve the other donors present in the sectors, as appropriate, to ensure complementarity.

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

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of

achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the log frame matrix.

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

Roles and responsibilities for data collection, analysis and monitoring:

Data will be gender disaggregated and, when possible, include data on persons with disabilities involved in the Action. Feedback from the involved communities will be collected through community hubs, CSOs and feedback mechanisms and will be integrated in the monitoring exercises.

5.2. Evaluation

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

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to possible changes in the needs of the final beneficiaries and adjustment of project activities.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that aims at supporting sustainable solutions, in particular at local level.

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

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

Evaluation services may be contracted under a framework contract.

5.3. Audit and Verifications

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

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

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

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

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

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

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