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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX**

of the Commission Implementing Decision amending Commission Decision C(2009) 7483 of 02.10.2009 on the Annual Action Programme 2009 in favour of Egypt to be financed under Article 19 08 01 01 of the general budget of the European Communities

**Action Document for “EU Support to Egypt’s immediate health response to COVID-19”**

**ANNUAL PROGRAMME**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<b>1. Title/basic act/ CRIS number</b>	HSPSP II – Health Sector Policy Support Programme II - EU sector budget support in response to the COVID-19 outbreak impact in the Health sector in Egypt CRIS number: ENPI/2009/020-494 financed under the European Neighbourhood and Partnership Instrument
<b>2. Zone benefiting from the action/location</b>	Egypt The action shall be carried out at the following location: all Egypt
<b>3. Programming document (if applicable)</b>	NIP 2007-2010
<b>4. Sustainable Development Goals (SDGs) (if applicable)</b>	Main SDG targeted: SDG 3: Good Health and Well Being
<b>5. Sector of intervention/ thematic area</b>	Health sector
<b>6. Amounts concerned</b>	Initial amount of the programme: EUR 110 million, of which EUR 21 million has been disbursed. Amount concerned by this new Action: EUR 89 million.
<b>7. Aid modality(ies) and implementation modality(ies)</b>	Budget Support <b>Direct management</b> through: Budget Support

<b>8 a) DAC code(s)</b>	12250 – Infectious disease control			
<b>8 b) Main Delivery Channel</b>	12000 – Recipient government – Government of Egypt / Ministry of Health and Population (MoHP)			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	X	<input type="checkbox"/>
	Inclusion of persons with disabilities	x	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	x	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
<b>10. Internal markers</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Migration	x		
	COVID response			X

## 1 BACKGROUND AND CONTEXT DESCRIPTION

### 1.1 Context and problem description

The response by the EU to the devastating effects of the COVID-19 crisis calls for a full overhaul of the EU BS Health II ENPI / 2009/ 020-494 where EUR 89 million remain unspent of the original total of EUR 110 million.

On 11 March 2020, the World Health Organisation declared COVID-19 a global pandemic owing to the rapid spread affecting over 200 countries and territories. In Egypt, a first COVID-19 case was reported on 14 February 2020. As of 25 June 2020 there were 59,561 confirmed cases and 2,450 deaths.

In addition to posing an unprecedented health threat to 100 million Egyptians, the pandemic will have far-reaching **socio-economic impacts** arising from the severe economic downturn which is expected to result. 38 million Egyptians were reported to live in informal settlements lacking basic infrastructures including sufficiently equipped health and care centres and 32.5% lived under the poverty line in 2019 with projections that the COVID-2019 outbreak will push a further 8% of the population under the poverty line. In addition, as evidenced from past epidemics, provision of social services and healthcare may be disrupted or discontinued, as efforts to contain outbreaks often **divert resources** from routine services and may exacerbate limited access for millions of Egyptians.

As an immediate emergency response and to prevent community transmission, the authorities have put in place **several public health measures**, as early as 15 March 2020. This includes dissemination of public awareness raising material on preventive measures on various media platforms; suspension of schools and universities, affecting 3 million university students and 25 million school students; closure of cinemas and theatres; suspension of international flights; reduction of the presence of public sector employees and encouraging private sector to do the same; disinfection of government buildings for different ministries, governorates offices, and educational institutions, as well as public transportation. Prayers in both mosques and churches have been suspended and a partial curfew has been imposed, including closure of malls, cafes, amusement parks and sporting clubs.

Policy framework:

The Ministry of Health and Population (MoHP) drafted a first version of **Egypt's National COVID-19 Preparedness and Responsiveness Plan** (COVID-19 NPRP) in February 2020.

**The objective of COVID-19 NPRP is to develop a national comprehensive COVID-19 response against the spread of the pandemic in Egypt.** The plan refers to the following key areas of intervention: (i) stewardship; (ii) governance considering local or subnational capacities and co-ordination mechanisms for their adaptation plans; (iii) clinical definitions; (iv) prevention and control measures; (v) treatment; (vi) case detection, contact tracing and surveillance systems; and (vi) citizen engagement and communication.

COVID-19 NPRP focuses particularly on the needs of high-risk population, including the elderly, pregnant women, inhabitants of urban slums, people with disabilities, infants, people

with compromised immunity e.g. HIV patients (to be noted that no reference is made to migrants specifically).

Regarding prevention, COVID-19 NPRP supports the design, implementing and monitoring of social distancing and “smart lockdown” in the country and interventions at different levels, including transport, closures of educational institutions, curfew hours, evacuations, regulation of working hours for different types of services and/or commercial activities. In effect, most of these measures commenced in March 2020.

Regarding case detection, COVID-19 NPRP supports containment/suppression of COVID-19 through: combining detection of new cases with active contact tracing; supporting epidemiological investigation; strengthening risk assessment; and finally building capacity in recording and reporting of cases and their contacts to prevent spread and increase adaptation capacities. These measures need still to be substantially scaled-up.

Training of health personnel, one of the pillars of this plan also needs to be scaled-up both in terms of content (development of COVID-19 case management protocols), numbers of doctors and nurses trained and development of additional COVID-19 case management protocols.

According to the World Health Organisation (WHO) assessment, the Plan is in line with the WHO’s global COVID-19 Strategic Preparedness and Response Planning guidelines and with International Health Regulations (2005). A national co-ordination structure is included in the plan, namely the **National Supreme Committee (NSC) for Combating COVID-19**, reporting directly to the Prime Minister and led by MoHP with the membership of several ministries and governmental agencies.

However, while the COVID-19 NPRP outlines the roles and responsibilities of the MoHP, roles of other line ministries are not as detailed and are limited to supporting the medical preparedness and response surveillance and detections. The EU Budget Support Health programme will therefore need to promote an inclusive governance of the COVID-19 health response on side of the authorities.

It is also to be noted that this COVID-19 NPRP that has been formulated quickly under an emergency situation, a fast-evolving context with many unknowns and therefore does not provide for an articulated time-line and budgetary allocations. The plan will need to be revisited depending on how the pandemic will evolve in the forthcoming period and the EU Budget Support programme, through its governance set-up, will assist in reviewing as well as further specifying the COVID-19 NPRP according to the needs.

It is also to be noted that at the end of March 2020, the WHO conducted an assessment mission that indicated that more could be done to "*prepare for a scenario of community transmission that could overwhelm all aspects of the response*". The WHO made some recommendations on scaling up resources; scaling up referral and treatment at points of entry; and developing risk communication for greater transparency that will guide the Government’s response.

Against this background, the EU Budget Support programme, with an available allocation of EUR 89 million, will aim at assisting Egypt in responding to the immediate threat that COVID-19 presents to the Egyptian population at large with a focus on the most vulnerable communities by: i) reinforcing the capacity of the Health system to respond to COVID-19; ii) scaling-up prevention measures including through awareness campaigns (transparent risk

communication reaching out all the population); iii) strengthening the inclusive governance on side of the Egyptian authorities.

In other words, the programme will assist in providing a health response and protect human life in a volatile and emergency context where the impact of the COVID-19 in the medium-term cannot be fully predicted but indications are already alarming. The programme also presents an opportunity irrespective of the COVID-19 context to build the health sector's resilience and resistance to shocks in the medium term, increase accessibility to rights holders and protect the most vulnerable populations in Egypt. Equally important, the Programme will contribute to achieving progress towards the sustainable development goals (SDGs) and the Sustainable Development Strategy (SDS) "Egypt Vision 2030".

## **1.2 Other areas of assessment**

### **1.2.1 *Fundamental values***

The EU-Egypt Association Agreement and Partnership Priorities have put human dignity, freedom, democracy, equality, the rule of law and respect for human rights as an essential part of the relationship and co-operation between the two parties. The environment for civil and political freedoms continues to be very restricted. Public dissent is highly circumscribed and there is little effective political opposition to the current administration. Rule of law is weak with the emergency law repeatedly extended. Use of prolonged pre-trial detention, torture, mass trials and lack of transparency and clarity about the terms of detention, as well as increased use of the death penalty are all matters of concern. Religious, sexual and ethnic minorities face significant discrimination, despite efforts for women's empowerment and commitment notably to the Coptic community.

Recent positive developments include revision of a highly controversial law regulating the work of Non-Governmental Organisations (NGOs) and efforts to extend medical services to citizens. Steps have also been taken to establish a formal human rights presence in government bodies, and a national strategy is under preparation. Regulation of civil society remains however restrictive, public expressions of criticism or political opposition in traditional or social media carry risk of imprisonment on terrorism-related or "spreading false news" charges. Media freedoms are highly curtailed and some are detained for their expressions on social media. Hundreds of critical websites are blocked in Egypt.

Improving social and economic conditions for citizens, including persons belonging to minorities, remains a strong priority for the government, notwithstanding that poverty has increased in recent years as a result of austerity measures. Conditions remain difficult, despite a number of urgent measures taken in the last month to alleviate the immediate negative impact of COVID 19, notably among those living a hand-to mouth subsistence as part of the informal economy. Emphasis on the social and economic aspects of human rights under the principles of an inclusive society, including the right to access quality health services, are likely to increase even further in Egypt as the country grapples with the pandemic.

### 1.2.2 *Macroeconomic policy*

Egypt has been successfully implementing stability-oriented policies in the context of an International Monetary Fund (IMF) programme that started in November 2016 and ended in November 2019. After initially ruling out a new loan from the IMF, Egypt is in talks with the fund given the magnitude of the crisis. Based on the latest available estimates, the COVID-19 outbreak could have the following impact:

- Egypt's tourism industry (10% of employment) stalled. For this sector alone, foregone revenues until June 2020 are estimated at EGP 87 billion (approx. EUR 5.1 billion), in direct, indirect and induced impact. Exports, in particular the oil sector (USD 15 billion annually), Suez Canal revenues (about USD 5 billion), and remittances (10% of GDP) are expected to slump as part of the global economic impact of the crisis.
- These major downward shocks on economic activity and fiscal revenues, added to the redirection of resources to the immediate COVID-19 response as per the emergency revision of the 2020/2021 budget, and a steep reduction of Foreign Direct Investment (FDI), will also impact on public and private investments and economic growth.
- Thanks to carry-over effects from strong growth momentum, Egypt is expected to avoid negative growth rates. IMF predicts that GDP growth will be 2% in fiscal year (FY) 2019/2020 and 2.8% in FY 2020/2021, down from estimated 5.9% and 6.0% respectively prior to the outbreak (source: IMF Regional Economic Outlook Update, April 2020). Unemployment could increase by 9.4%.
- Lower spending caused by uncertainty and lower income due to job losses and wage cuts will affect the household sector. The business sector will be impacted mainly through decreased consumer demand, lower profits, disruption in global and local supply chains and activity slowdown.
- The informal sector will be badly hit due to wage and livelihood losses triggered by the declining economic activity, government-imposed closures and social distancing. This might create additional risks to Egypt's socio-political stability.
- Being a net food importer, Egypt is significantly vulnerable to global food price shocks and exchange rate fluctuations. Thus, inflation caused by COVID-19 would significantly affect Egyptian households, especially the poor. Some studies however point out that inflation will remain within the Central Bank of Egypt (CBE) inflation target of 9% (+/- 3%).
- Public debt target has been revised upward to 82.7% of GDP (from 80%) and the overall deficit to 6.3% of GDP (from 6.2%).
- To partially cover foreign portfolio investment outflows and accommodate domestic market needs for foreign currency the CBE has utilised USD 5.4 billion from its international reserves. Despite this decline, the current position of the reserves remains strong. According to Standards & Poor, foreign reserves are forecasted to fall to USD 37 billion by the end of 2020 (from USD 45.5 billion peak of February), sufficient to cover 5-6 months of current account payments.
- S&P maintained Egypt's B credit rating; however it could turn negative if the crisis would put severe or "prolonged" pressure on foreign reserves and Egypt's ability to service debt. Rating pressure could also emerge if Egypt's plan to gradually reduce the

government debt-to-GDP ratio is derailed by fiscal slippages, higher borrowing costs, or more pronounced currency depreciation than expected.

The authorities have announced the following measures as a response to the crisis:

- The Government of Egypt has announced a COVID-19 fiscal stimulus package of EGP100 billion (approx. EUR 5,9 billion) through emergency liquidity made available in the current fiscal year's budget. The funding includes EGP187.6 million (EUR 10.9 million) tranche immediately disbursed to the MoHP, of which EGP 153.5 million (EUR 8.44 million) allocated for medical supplies and equipment and EGP 34.1 million (EUR 2 million) in hazard pay to healthcare frontline workers.
- Out of the EGP 100 billion package, 20 billion (EUR1.1 billion) were allocated to support the stock market, and 10 billion (EUR 600 million) to purchase non-financial assets as a boost to government spending.
- The Central Bank of Egypt (CBE) has directed banks to relax credit limits for Small-Medium Enterprises, remove ATM and point-of-sale transaction fees and commissions, and raise daily limits on card transactions in addition to cutting interest rates to historic lows by 3%.
- Several measures were taken to mitigate the impact of COVID-19 on vulnerable groups. This includes expanding the access to the Ministry of Social Solidarity (MoSS) Takaful and Karama social safety net programme to an aggregate of 3.5 million households. The Government, in partnership with NGOs, is to target 3 million households with food rations, nutrition and medications, with an estimated shortfall of 500,000 households. MoSS has also increased payments to women leaders in rural areas from EGP 350 (approx. EUR 20) to EGP 900 (approx. EUR 53) per month.
- Wages of workers in the public sector are also to increase in the FY 2020/2021 and the tax exemption ceiling increased.
- Company-specific measures include the reduction of the price of natural gas and electricity for industrial use; the postponement of repayment of loans for SMEs; the introduction by the CBE of credit lines for tourism enterprises to facilitate paying of salaries and financial dues for suppliers; and corporate income tax relief for certain economic sectors.

Close monitoring of the situation will be performed in co-ordination with the IMF and other development partners such as the World Bank and the United Nations Country Team. In conclusion, **the response to the crisis is assessed as relevant and credible to restore key macroeconomic balances.**

### **1.2.3 Public Financial Management (PFM)**

Egypt has demonstrated progress in PFM and Domestic Revenue Mobilisation through the following efforts, consolidation measures and key reforms:

- Revised Organic Budget Law / PFM legal framework, with the support of international partners.
- Drafting (adoption and publication were expected in Q1-2020) of a Medium-Term Revenue Strategy, supported by the IMF and other donors including the EU.

- Unified tax law, amendments to the VAT law, simplified tax system for SMEs, and e-commerce regulation law, as part of the continuous efforts to improve the efficiency of the tax system administration.
- A new tax system, included in the state budget 2020/2021, will offer a new tax bracket for those whose income is under EGP 35,000 annually.
- Increased budget allocations and procedures for stimulating economic activity in the direction of a top-down budgeting.
- Continuous efforts to expand the program-based budgeting approach, which is essential for better budget planning.
- Reform of the pension system to ensure its financial sustainability and improving the conditions of pensioners.
- Preparation of the public offerings programme (IPO) to divest minority shares of state-owned-enterprises.
- Completion of the automation of all the accounting units and application of the GFMIS system to achieve full financial control.
- Continuous efforts to improve risk management, through increasing the transparency and accountability of public enterprises and monitoring of state-owned enterprises (SOEs).
- New public procurement law to optimise public spending, boost transparency and competition while reducing corruption.
- Comprehensive Debt Strategy and great efforts to reduce public debt.

**The PFM ongoing reforms remain relevant and credible.** The crisis context will however require close monitoring of the state budget execution, with possible needed adjustments. Revisions to tax revenue in light of slower economic activity and the temporary need to support business through the crisis as well as reallocation of expenditure, most likely from investment, might be needed to increase social spending and allocation to health or other impacted sectors.

#### **1.2.4** *Transparency and oversight of the budget*

The entry point is met since the state budget for the current fiscal year was published and budgetary information is generally accessible, timely, sufficiently comprehensive, and sound. External audit and control are also performed, though not officially published. The crisis context will however require close monitoring of the current budget execution as well as any proposal for amendment of the already approved budget for FY 2020/2021.

## **2 RISKS AND ASSUMPTIONS**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Political instability and suspension of Constitutional rights	H	Monitoring of human rights and democracy issues by the political section of the EU Delegation & engagement by Head of Delegation with relevant stakeholders on sensitive topics;



<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
		Issues of socio-economic grievances are addressed through mainstreaming a rights-based and participatory approach in all EU programmes.
Sector performances and GDP growth are essentially affected by exogenous factors	H	The EU and other development partners are designing SME and trade support programmes to mitigate the economic impact of the crisis.
Adverse impact of the outbreak and social distancing measures on society and economy, with increases in poverty rates	H	Egypt (with IMF, World Bank, EU and development partners) mitigate the impact of the outbreak and social distancing on the most vulnerable populations and pave the way for early recovery for those who lost their income.
Set back in the way PFM functions are operated	M	Continued support to PFM reforms.
Weak overall planning by MoHP in developing the response to COVID - 19.	H/M	Continuous dialogue with MoHP, WHO and main development partners in order to assist in developing the response.
COVID-19 pandemic in Egypt reaches a community transmission, increasing casualties and disrupting further the delivery of health services	H/M	Continuous dialogue with MoHP, WHO and main development partners in order to scale up the financial support provided by the international community.
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• Co-ordinated and pro-active engagement of the Government of Egypt in delivering mitigation measures through its' health and non-health COVID-19 National Response Plans;</li> <li>• The pandemic posing serious threats to nutrition and livelihoods of most vulnerable communities in Egypt, the Government of Egypt and development partners will implement integrated interventions complementing the health response;</li> <li>• Government of Egypt does not have sufficient fiscal space to trigger an appropriate COVID-19 response without support from development partners;</li> <li>• Government of Egypt continues its efforts to maintain long term macro-fiscal stability despite the current context;</li> <li>• External lenders offer maximum flexibility in restructuring debt servicing during the coming months.</li> </ul>		

### **3 COMPLEMENTARITY, SYNERGY AND DONOR CO-ORDINATION**

In the EU health response to the crisis, synergies are sought between this programme and the following operations:

- EU-UNFPA joint programme (on-going) on family planning with related measures on delivery of Personal Protective Equipment (PPE), other equipment and medical supplies with focus on women and child;
- EU-UNICEF joint programme (on-going) on education with related measures on delivery of medical / hygiene supplies to schools and awareness campaign therein on good hygiene practices;
- EU-WFP joint programme on community education (community-based schools) with related measures to provide socio-economic opportunities for the most vulnerable in rural areas (forthcoming, under Annual Action Programme (AAP) 2019);
- EU-EIB/AFD/GIZ joint programmes on urban development (on-going) providing support for the improvement of social/health services in greater Cairo area and other Governorates;
- EU-GIZ and Italian Co-operation joint programmes in urban and rural developments (forthcoming, under AAP 2020): scope of the programmes will be reconsidered to accommodate the evolving dynamics of COVID-19 in the medium run;
- EU 4 Egypt's immediate socio-economic response to the COVID-19 outbreak intended to contain the prevalence of COVID-19 amongst the most vulnerable groups and mitigate the immediate social impact of the outbreak (forthcoming).

In the response of the international community, close co-ordination will be ensured between the EU and the following entities, members of the Development Partners Group, of which the EU is part:

- **The World Bank** activated on 20 March 2020 the Contingency Emergency Response Component (CERC) under the “Transforming Egypt’s Healthcare System Project” (USD 7.9 million) to fund emergency response activities related to the COVID-19 outbreak in Egypt and the provision of personal protective equipment to the MoHP. WB initially supported the set-up of the Takaful and Karama programmes in 2015 and is planning to further contribute to the expansion of the programme and the graduation of programme beneficiaries (USD 500 million).
- Based on the One UN Strategic Preparedness and Response Plan (SPRP), the WHO in collaboration with the UNCT has developed the Country Preparedness and Response Plan (CPRP) to COVID-19. On the basis of these plans the UN launched on 15 April 2020 a comprehensive emergency appeal for Egypt, of which USD 23 million is requested for health response and USD 50 million for immediate social sectors response.
- In support to the MoHP, the WHO has procured and delivered medical equipment and supplies, and supported the training of healthcare workers, laboratory support, risk communication, normative support and staffing. Building on the current well-structured Infection Prevention and Control (IPC) programme, WHO will work with national health authorities to enhance the isolation, quarantine and referral mechanisms, and scale up IPC practices to prevent transmission at all levels to ensure that patients and health workers are protected. Co-ordination will be assured with the EU funded EUR188 million intra-African Caribbean Pacific (ACP) initiative implemented by the WHO to strengthen health systems for universal health coverage along with the EU Initiative on Health Security

being implemented by European Centre for Disease Control (ECDC) for the Neighbourhood.

- The EU will also continue to co-ordinate with **USAID** as well as other potential donors through the Development Partners Group as it re-orientes its activities to COVID-19 response.

For the purpose of ensuring complementarity, synergy and co-ordination, the Commission may sign or enter into joint donor co-ordination declarations or statements and may participate in donor co-ordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

#### 4 DESCRIPTION OF THE ACTION

The Action consists of total overhaul of the BS Health Programme EUR 110 million (ENPI/2009/020-494) under which EUR 89 million remained unspent.

Results chain		Indicator	Source of data	
IMPACT	Impact (overall objective)	<i>To mitigate the health impact of the COVID-19 crisis in Egypt by supporting the MoHP's national COVID-19 health response strategy and plan (COVID-19 NPRP)</i>	<ul style="list-style-type: none"> <li>- % of population infected by COVID-19.</li> <li>- % survival rate of COVID-19 infected people by sex and age.</li> <li>- % mortality rate because of COVID-19 by sex and age.</li> </ul>	MoHP and WHO reports
	OUTCOMES	Outcome I (specific objective)	<i>1. Health system response capacity is strengthened: i) patients affected by COVID-19 receive appropriate care (medical consultations, tests, medications) within the national health system (hospitals, clinics, Primary Health Care Centers); ii) health workers are trained in COVID-19 case management.</i>	<ul style="list-style-type: none"> <li>- Number of detected cases by sex and age.</li> <li>- Number of patients taken care of in the national health system by sex and age.</li> <li>- Number of cured patients by sex and age.</li> <li>- Number of health workers trained in COVID-19 case management by sex and type of job.</li> </ul>
Outcome II (specific objective)		<i>2. Prevention measures and case detections in place to decrease community transmission.</i>	<ul style="list-style-type: none"> <li>- Citizens awareness about Government's prevention measures.</li> <li>- Citizens adoption of covid19 preventive measures.</li> </ul>	Baseera phone Survey  MoHP and WHO reports
Outcome III (specific)		<i>3. A specific institutional set up is created to co-ordinate and monitor the national</i>	<i>The decisions of the National Supreme Committee for combating COVID-19 and reporting to the Prime Minister</i>	Government Decrees, reports and minutes of

Results chain		Indicator	Source of data	
	objective)	<i>COVID-19 health response strategy and plan (COVID-19 NPRP) as well as this programme.</i>	<i>(NSC) inform the work of the Steering Committee (SC) of this Programme; the SC reports to the NSC on achievements and measures still needed.</i>	NSC and SC
INDUCED OUTPUTS	Induced Outputs related to Outcome 1, 2 and 3	<p><b>Induced output I:</b> Capacity to deal with the pandemic is scaled up throughout the country, more specifically through: 1) training of health workers on COVID 19 pandemic; 2) availability of tests, equipment and supplies in primary health care centres, hospitals and laboratories; 3) well defined process for, and isolation of COVID-19 cases, 4) availability of PPE for health workers.</p>	<p><i>- Number of Health staff workers trained on COVID 19 case management by Hospital and function.</i></p> <p><i>- Number of ICU beds and isolation facilities by governorate</i></p> <p><i>- New medical and non-medical supplies received per hospital and governorate.</i></p> <p><i>-Number of tests carried out in the health system by sex and age.</i></p> <p><i>-Number of confirmed cases that have had their contacts traced as per protocol by sex and age.</i></p> <p><i>-Number of PPE distributed to Health workers per type and hospital.</i></p>	MoHP reports
		<p><b>Induced output II:</b> a prevention campaign is put in place promoting social distance, hand washing and other preventive measure to avoid the spread of COVID 19 among the population</p>	<p><i>-Number of messages broadcasted in main television and radio channels.</i></p> <p><i>-Number of messages uploaded in social networks.</i></p> <p><i>- Preventive messages are in place in health care centres.</i></p> <p><i>-A national campaign is implemented for high risk groups.</i></p>	
		<p><b>Induced output III:</b> The overall governance for the COVID-19 health response is reinforced through: 1) establishment of clear processes for the effective implementation of COVID-19 NPRP; 2) Accountable fundraising; 3) An epidemiological information system is in place at central and governorate level and reports periodically to Egyptian population; 4) periodic reports and co-ordination with WHO,</p>	<p><i>-Nomination and profile of people under each teams of the governance structure. Status of activities delivered in each specific area (i.e. health, livelihood.</i></p> <p><i>-Number of epidemiological reports to the Egyptian population.</i></p> <p><i>-Number of reports and meetings of MoHP with the donor community and the EU.</i></p> <p><i>-A Steering Committee for the</i></p>	

Results chain		Indicator	Source of data
	donor community and the EU for the implementation of the programme.	implementation of this programme is put in place by MoHP; audit report of the activities under the BS programme.	

For that purpose, the budget support contract will assist Egypt through financial transfers, policy dialogue, performance and monitoring capacity.

## 5 IMPLEMENTATION

### 5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a new Financing Agreement with the Government of Egypt but to amend the existing one through an addendum, with new Technical and Administrative Provisions (TAPs) to be agreed through an exchange of letters between the European Commission and the Government of Egypt.

### 5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities will be carried out and the corresponding contracts and agreements implemented, is 12 months from the date of entry into force of the addendum (tentative calendar: August 2020 / August 2021 assuming this Action is adopted by the European Commission in July 2020).

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

### 5.3 Implementation of the budget support component

#### 5.3.1 Rationale for the amounts allocated to budget support

The initial amount allocated for the budget support programme is EUR 110 million, out of which an amount of EUR 89 million remains unspent and is allocated to this Action. This amount is based on the most recent forecasts of the fiscal impact of the crisis, with significantly increased expenditure on health and socio-economic support to the most vulnerable parts of society, accompanied by a steep decline in revenues. The financial allocation of EUR 89 million will be disbursed in two tranches:

- The first fixed tranche of EUR 80 million will be disbursed upon the verification of general conditions as specified in 5.3.2; this amount will be used to support the implementation of the COVID-19 National Preparedness and Response Plan of the Government of Egypt to detect, isolate, treat and curb the spread of the Coronavirus. It will support the MoHP to establish a comprehensive health system covering the entire territory of Egypt while at the same time providing the necessary financial means to properly equip and train national health workers to respond to COVID-19. Support

will also allow enhanced governance and monitoring and increased awareness amongst the population through efficient messaging campaigns.

- The second fixed tranche of EUR 9 million will be disbursed upon the verification of general conditions (as specified in 5.3.2) and the delivery of a report issued by MoHP on the implementation of the COVID-19 National Preparedness and Responsiveness Plan (COVID-19 NPRP). This tranche will ensure that planned results and achievements have been attained.

### **5.3.2** *Criteria for disbursement of budget support*

The general conditions for disbursement of the two fixed tranches are as follows:

- Satisfactory progress in the implementation of the COVID-19 NPRP adopted by the Government of Egypt and continued credibility and relevance thereof;
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances;
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme;
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive and sound budgetary information.

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### **5.3.3** *Budget support details*

The budget support component consists of two fixed tranches of EUR 80 and EUR 9 million respectively to be tentatively disbursed in September-October 2020 and June-July 2021 (implementation period of the programme will end in August 2021 tentatively).

The crediting of the euro transfers disbursed into Egyptian Pound will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

## **5.4 Implementation modalities for complementary support to budget support<sup>1</sup>**

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 measures<sup>2</sup>.

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<sup>1</sup>. More guidance is available in the existing Action Document that can be found in the MAP v5.1 section D.2.3.

<sup>2</sup>. [www.sanctionsmap.eu](http://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

## 5.5 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
<b>Budget support</b>	EUR 110 million, of which EUR 89 million is unspent and allocated to this Action.	Not envisaged
<b>Evaluation-Audit-Monitoring</b>	EUR 300,000 (out of which EUR 102,283 have already been used)	
<b>Communication-visibility</b>	Through another source of funding	

## 5.6 Organisational set-up and responsibilities

The Government of Egypt, through the Ministry of Health and Population (MoHP) is responsible for the implementation of this Action. A Steering Committee (SC) will be established after the signature of the addendum to the Financing Agreement. The SC will meet on a quarterly basis with the aim of reviewing the implementation of Egypt COVID-19 National Preparedness and Responsiveness Plan (COVID-19 NPRP) as well as ensuring general co-ordination of the programme supported by this Action. The SC will be chaired by the Ministry of International Co-operation and composed of representatives from Ministry of Health and Population, Ministry of Finance, WHO Egypt country office and the EU Delegation as observer. The SC will review the decisions taken by the National Supreme Committee for combating COVID-19 (NSC) which reports directly to the Prime Minister.

## 5.7 Performance and Results 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 end, the implementing partner shall establish a permanent internal, technical and financial monitoring system that will allow the review of the action in the context of the Steering Committee to be set up. The Steering Committee will review the implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results in the overall context of the COVID-19 NPRP. The WHO being a member of the Steering Committee (SC), their guidance will be systematically sought during the implementation of the programme.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

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case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

Having regard to the importance of the action, an ex-post evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 60 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

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

Evaluation services may be contracted under a framework contract.

## **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. It is foreseen that audit services may be contracted under a framework contract.

## **5.10 Communication and visibility**

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

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

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.

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



The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.