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ANNEX 2

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Action Document for the "Promoting Inclusive Economic Growth in Egypt" Programme

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3.1; and in the following sections concerning grants awarded directly without a call for proposals: 5.3.2.

| | |
|--|---|
| 1. Title/basic act/ CRIS number | Promoting Inclusive Economic Growth in Egypt Programme CRIS number: 2015/038-273 financed under the European Neighbourhood Instrument. |
| 2. Zone benefiting from the action/location | Neighbourhood South, Egypt. The action shall be carried out at the following location: Egypt. |
| 3. Programming document | Egypt-EU Single Support Framework and Multi-Annual Indicative Programme (2014-2015) |
| 4. Sector of concentration/ thematic area | Governance, Transparency and Business Environment |
| 5. Amounts concerned | Total estimated cost: EUR 16 million. Total amount of EU budget contribution: EUR 15million. This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1 million. |
| 6. Aid modality(ies) and implementation modality(ies) | Project Modality Direct management – grants – call for proposal; grants – direct award and procurement of services. |
| 7. DAC code(s) | 16061 Culture 25010 Business support services and institutions 32130 Small and medium-sized enterprises (SME) development |

| | | | | |
|--|--|--|-------------------------------------|--------------------------|
| | 33210 Tourism policy and administrative management. | | | |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality (including Women In Development) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Reproductive, Maternal, New born and child health | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Main objective |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | 9. Global Public Goods and Challenges (GPGC) thematic flagships | Flagship 7. Trade integration for green and inclusive growth Flagship 11. Rights-based development for the working poor | | |

SUMMARY

The "Promoting Inclusive Economic Growth in Egypt" Programme puts forward an innovative framework through which the EU will contribute to the achievement of the employment generation and economic development goals set under Egypt's Sustainable Development Strategy, in particular under the "economy", "transparency and efficient governmental institutions" and "culture" pillars. The **overall objective** of this new programme is to contribute to Egypt's economic recovery by leveraging MSME development and cultural heritage for inclusive economic growth and hence decent job creation. The **specific objectives** are to i) facilitate the development of Micro, Small and Medium-sized Enterprises (MSMEs) in sectors with high potential for inclusive growth, and ii) enhance the protection of cultural heritage for it to become a real driver of local socio-economic development.

The programme is structured in two components: (i) Institutional Development and Capacity Building in the fields of MSMEs, heritage, and tourism (including by mobilising technical assistance and by transferring worldwide leading European public expertise, know-how and best practices in these domains), and (ii) two Grant Facility Schemes that will implement projects of specific added-value in MSME development (sub-component 1), and tourism and cultural heritage (sub-component 2).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

Economic policies in Egypt in the 2000s (especially from 2004 onwards) achieved relatively high growth but their impacts remained modest in terms of employment creation and poverty reduction. Their implementation left millions of Egyptians trapped slightly above the poverty line, i.e. living on USD 2-4 a day, and provided few opportunities for youth who felt economically and socially excluded. Following the 2011 revolution, a consensus emerged on the need for more inclusive economic policies and improved social justice. A shift away from the long-standing paradigm favouring large and established companies in capital-intensive and resource-based sectors, towards a reinforced focus on the creation and development of small businesses in labour-intensive sectors, could contribute to achieve a more inclusive growth.

This is well recognised in the *"Sustainable Development strategy, Egypt Vision 2030"*, unveiled during the Egypt Economic Development Conference in March 2015. The Strategy is composed of twelve pillars on which a modern, democratic and productive society will be built over the coming 15 years. The pillars relevant to this action are the Economic Pillar which aims at facilitating private sector led growth that provides sustainable jobs and maximises local value added; the Transparency and Efficient Governmental Institutions Pillar; the Social Justice Pillar, as well as the Culture Pillar which aims to achieve positive cultural awareness and increase economic activities built on Egypt's cultural heritage.

Tourism has traditionally been a key contributor to Egypt's GDP growth, employment, and foreign exchange reserves. However, Egypt's over-reliance on mass tourism, and the limited linkages of the tourism sector to the rest of the economy, have been recognised by the authorities as factors undermining inclusive growth. In particular, tourism does not provide enough avenues for a trickling-down of the revenues to local communities. In light of the country's rich and diverse cultural heritage, and related revenue-generation opportunities (cultural tourists are more likely to spend larger amounts in the country and in particular in local businesses), the Government has decided to put a renewed emphasis on cultural tourism to promote social inclusion and local economic development. Public policy did not involve local communities. There is a need to increase community participation and re-appropriation of Egypt's cultural heritage by the surrounding communities.

The National Tourism Strategy dates back to 2008 and is still being implemented. The Ministry of Tourism (MoT) is actively working on updating this Strategy to increase the number of visitors to 25-30 million per year by 2020 (while 9.5 million tourists visited Egypt in 2014, and 14.7 million in 2010). If attained, this will increase investments as well as employment opportunities. The MoT also aims at (i) maintaining safety and security; (ii) reducing poverty by integrating the local communities in tourism-related activities; (iii) creating new jobs in areas surrounding tourist destinations; and (iv) improving the quality of services. At governmental level, the MoT intends to develop better coordination mechanisms with other ministries.

Egypt has a big untapped potential for developing heritage-based tourism. It has six cultural properties on the UNESCO World Cultural Heritage List, one of which is on the list of endangered sites. 32 properties have also been put on the "tentative" list. Egypt ratified most of the international standards in the field of culture and developed a set of legislative instruments for the protection of its cultural heritage. However, the country does not yet count with an adopted policy to further develop the sector. This hampers the conservation of monuments as well as the development of the sector, which has negative effects on the development of tourism- and heritage-related MSMEs.

Across the economy, MSMEs represent 80% of Egypt's GDP, 75% of the private sector employment, and 99% of the non-agriculture employment. MSMEs are widely recognised as a key source of inclusive growth within the economy. Yet, the MSME policy mandate has traditionally been distributed over several institutional agencies, with a blurred separation between the functions of policy elaboration and policy implementation. Since June 2014 the Ministry of Industry, Trade and SMEs (MoITSME) holds a policy mandate over the key governmental MSME support agencies. A comprehensive national MSME strategy is currently being formulated. This new strategy will introduce a national, unified, definition for MSMEs, and clarify the institutional mandates of public entities with functions related to MSME development.

The MSME agenda can also greatly gain from regulatory changes and improved transparency in enforcement of business related regulations¹. These could partly be brought about through the Egyptian Regulatory Reform and Development Activity programme (ERRADA), tasked to champion business climate reform. ERRADA aims at identifying redundant regulations and at speeding up administrative simplification by systematically reviewing new laws and regulations; as well as at establishing a database service and an electronic registry compiling all such laws and regulations allowing more transparency and clarity to businesses. The EU was identified as a priority partner for ERRADA given its vast experience in business climate reforms in the context of the EU Regulatory Fitness and Performance (REFIT) programme. The tourism sector has been proposed as one of the pilot sectors for regulatory reform given the important dependence of this sector on multiple sectoral regulations as well as on different layers of the regulatory mechanisms of the Government. Improving the enabling environment for tourism-linked small enterprises is likely to have a leveraging effect for many other sectors of the economy.

At the specific request of the Government, the Single Support Framework (SSF) 2014-15 includes the objective to strengthen economic governance, especially to boost the transparency, predictability and fairness of the business environment to foster economic recovery, equitable growth and job creation. It also aims at reducing poverty, promoting social inclusion, and improving people's living conditions.

The proposed "Promoting Inclusive Growth in Egypt" programme is well aligned with the Commission Communication "Stronger role of the private sector in achieving inclusive and sustainable growth in developing countries" (May 2014) and the two related Council Conclusions. Furthermore, it will be aligned to the work programme on Euro-Mediterranean industrial cooperation - in particular in relation

¹ Egypt ranks 112th of 189 economies in World Bank's Doing Business Report 2015.

to the goal to improve the business climate and promote entrepreneurship and SMEs on basis of the Small Business Act (SBA) for Europe. Finally, the Programme builds on the Paris Declaration on "Heritage as a driver of Development" of the International Council of Monuments and Sites and is compliant with the UN Resolutions on Culture and development.²

1.1.2 Stakeholder analysis

The main stakeholders are the Egyptian authorities, Civil Society Organisations (CSOs), the private sector, and local communities (the final beneficiaries of this programme).

The main institutional stakeholders include the Ministry of Industry, Trade and SMEs and Ministry of Tourism (main proponents of the Programme), the Ministry of Antiquities (institution leading the protection of cultural heritage, defined as sites pre-dating 1883), the Ministry of Culture (responsible for intangible heritage as well as for modern/contemporary heritage, defined as sites post-1883), the Ministry of Endowments (owner of many Islamic buildings), the Ministry of Housing, specialised agencies providing support to MSMEs, local governorates, etc. The Authorities do not necessarily work together. In this respect, this project will contribute to a better institutional cooperation and coordination.

Civil society organisations (CSOs) play a role in local development and cultural heritage preservation and promotion, as well as in promoting MSME development. International development partners, such as the Aga Khan Foundation, UNESCO, and USAID, have been working with CSOs active in these fields. CSOs are instrumental not only in sensitising the local communities to relate and identify themselves with their own heritage, but also to foster a more inclusive local economic development.

Among private sector actors, Egypt counts with numerous architectural cabinets with a strong expertise and experience in preserving, studying and promoting heritage areas, including urban areas and archaeological sites. Sectoral or geographical Business Membership Organisation (BMOs), Chambers of Commerce and Industry, as well as Non-governmental Organisation and intermediaries providing MSME support services are also important stakeholders for the programme. To ensure that the actions remain demand-driven, it is essential that relevant private sector representatives are engaged in the formulation, monitoring, and potentially in the implementation of the Programme (through calls for proposals). CSOs and private companies will be beneficiaries of the grants distributed through the Grant Facility. Experience acquired by the USAID and UNESCO highlights an adequate absorption capacity for the implementation of the grants.

The final beneficiaries of the overall Programme will be: the Egyptian authorities, local communities and the private sector at large.

1.1.3 Priority areas for support/problem analysis

The "Sustainable Development strategy, Egypt Vision 2030" sets ambitious targets of decreasing unemployment to 5%, increasing GDP growth to 7%, and having the share of the services sector grow to 70% of the GDP against the current 46%. This

² UN Resolution 65/166 adopted by the General Assembly on Culture and development, 2010; UN Resolution 66/208 adopted by the General Assembly on Culture and development, 2011

can only be achieved by supporting the development of value adding MSMEs, an approach which requires an articulated strategy supported by efficient dialogue mechanisms. Moreover, the Vision will require addressing the absence of a conducive regulatory framework for MSMEs as well as the inefficient ecosystem for enterprise creation. Furthermore, practical solutions will be required to address the lack of coordination of business development services; weak intercompany linkages; the difficulty to access finance and the lack of innovation support.

By the time the programme is launched, it is expected that the SME Strategy currently developed by the MoITSME, will have been adopted and that it will call for capacity building support as regards implementation and intra-ministerial coordination. On the legislative reform side, this could be achieved by supporting the ERRADA programme (launched in 2007 and revived in 2012), which coordinates 11 Ministries to simplify laws and regulations affecting SMEs in particular; as well as by supporting one-stop-shops at Governorate level to enhance the capacity to implement and enforce business related laws and regulations in a transparent and consistent manner³. Business development services could be improved by supporting MoITSME's "Intalaq" initiative, launched in February 2015. This initiative will foster entrepreneurship and SME development through focal points coordinating access to the various existing Governmental support agencies.

Although the MSME fabric is expected to become the backbone of future employment, MSME representation at the level of existing public-private sector dialogue platforms needs to be strengthened. The "Idea Corridor" initiative, developed by the Euro-Mediterranean Charter coordinator in Egypt, sets up a mechanism allowing stakeholders to submit proposals to improve legislation and support services for SMEs along the lines of the 'Think Small First' SBA principle. The Idea Corridor will mobilise and support ad hoc dialogue groups and ensure on-going advocacy to achieve results for improved SBA governance and therefore must have its capacities built to provide such service.

Tourism is also expected to play a critical role in fostering the share of services in GDP. At present, Egypt's share in world tourism is barely one percent despite Egypt's unique, yet underexploited, cultural heritage. One of the first concerns Egypt is facing is the perception of security instability, which made tourism fall drastically and largely contributed to Egypt's current economic situation. Many European countries have issued travel recommendations that hindered tourists from visiting Egypt, mainly due to security concerns. Addressing this situation is a condition for tourism to develop and has been integrated into Egypt's Sustainable Development Strategy (12th pillar on foreign policy and national security).

Egypt's 2008 Tourism Strategy needs to be updated. Egypt's approach to tourism has to shift away from mass tourism and gear towards specific niches that would generate more opportunities for local value addition. There is also a need to ensure adequate coordination mechanisms among the 17 Authorities involved in culture, cultural heritage, and tourism; and to link the sector better to the rest of the economic fabric. The Authorities need to agree on the definition of joint priority plans and on

³ One-stop-shops to facilitate business registration and licensing at governorate level exist but work often ineffectively. World Bank Doing Business Report 2014 was conducted at sub-national level and revealed some good practises across such one-stop-shops and pointed to the potential for replication of these good practises.

ways to improve the management of sites. In this sense, Egypt lacks a comprehensive policy to manage, protect and promote its cultural heritage. As a side effect of tourism policies, local communities are separated from their cultural heritage. A better re-appropriation of cultural heritage by surrounding communities should be promoted.

There is furthermore a need to increase, diversify, and improve, the country's touristic offer (in terms of products) to better include local communities and provide a more complete "Egypt experience". Building on these considerations, the MoT would like to put more emphasis on a renewed cultural tourism. This requires empowering the communities and taking their needs into account in the development of the tourism development plans, as well as support initiatives aimed at strengthening local value chains and clusters, and at developing innovative approaches. Indeed, this could allow for a greater redistribution of tourism-related revenues (for instance through employment or business opportunities), which could trigger a more inclusive development and promote a stronger bond between the communities and their heritage. Developing heritage- or tourism-related MSMEs would improve the ownership of the cultural heritage by the local communities and increase social cohesion, while also ensuring a better protection of Egypt's heritage. Finally, to unlock Egypt's tourism potential, human resources working in these sectors, particularly MSME staff, need to be strengthened.

More generally, heritage- and tourism-related MSMEs, also suffer from the shortcomings that affect the entire private sector in Egypt. In particular small business creation and growth, and therefore opportunities for employment growth, is greatly hampered by heavy presence of regulations that are unfit for purpose, as well as from lack of predictability and transparency in implementation of business related laws and regulations.

2 RISKS AND ASSUMPTIONS

The following mitigating measures have been formulated for the identified risks:

| Risks | Risk level (H/M/L) | Mitigating measures |
|---|--------------------|---|
| Increased instability at country and/or regional level impacting negatively the political, social and economic conditions in which the project is implemented | H | Instability is partly rooted in the lack of social and economic development prospects. The situation should improve thanks to the commitment of the Government, the alignment of stakeholders around a development agenda and the successful Economic Development Conference organised in March 2015. The situation will be closely monitored by the EU Delegation. |

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| Change in policy after the upcoming Parliamentary elections | M | There is a broad consensus on the need for securing stability, undertaking reforms and increasing the role of SMEs to generate inclusive growth through the private sector. The Government agenda is not expected to be reversed after the Parliamentary elections due in 2015, but this will be closely monitored in the framework of the dialogue with Authorities. |
| Weak coordination between stakeholders | M | The programme will strengthen coordination in the legislative and policy reforms, dialogue and business development service fields by supporting improved national strategies and implementation mechanisms. |
| Insufficient ownership, incl involvement of the private sector | L | <p>Continuous dialogue with representatives of the concerned Ministries and Governorates during implementation: EU Delegation-led monitoring missions and high-level meetings as required.</p> <p>The support to strategies implementation will be aimed at securing a greater participation of the private sector both through the dialogue platforms and through calls for proposals co-funding projects with strong private sector involvement</p> |
| Corruption and fraud | H | <p>Overall risk for corruption and fraud in Egypt is considered high, as witnessed by low ranking of Egypt in international transparency and corruption perception rankings, high perceived corruption in population corruption surveys, a fragmented institutional framework of anti-corruption entities, incomplete legal framework and inconsistencies in judicial treatment of corruption cases. Procurement practice favours direct award. On the positive side government has adopted anti-corruption strategy and some streamlining of inspection agencies underway.</p> <p>The design of the project will mitigate exposure to global corruption risks,</p> |

| | | |
|---|--|---|
| | | through centralised implementation according to EU rules and specific financial procedures. |
| Assumptions | | |
| <ul style="list-style-type: none"> • Regional instability does not affect Egypt and national political stability is secured. • The social and economic development agenda, including support to MSMEs, cultural heritage and tourism is implemented and not reversed. • Momentum within the Government to strengthen inter-institutional co-operation as well as policy and regulatory reforms is maintained after Egypt's Economic Development Conference. • The dialogue with the private sector, notably with the representatives of MSMEs, remains a priority. • All concerned administrations will collaborate during the programme's implementation and will grant all required permissions, particularly on the Grant Facility. | | |

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The formulation phase of the new Promoting Inclusive Economic Growth in Egypt programme builds on the Paris Declaration on "Heritage as a driver of Development" of the International Council of Monuments and Sites (2011)⁴, and on the experiences gathered by the EU-funded Euromed Heritage Programmes, most particularly the Fes Declaration, which calls for the implementation of a heritage policy tied to a strategic vision that includes, in particular, public authorities' capacities building, raising citizens' awareness and the training of practitioners. The Declaration also called for policies that go beyond the conservation aspects and improve the quality of life of the people by promoting the use of heritage as a source of employment and wealth creation. Local communities will be involved in the project implementation so as to increase local ownership and sustainability, and to further promote the re-appropriation of Egypt's cultural heritage by the local communities.

The Programme also builds on the "Historic Cities" Programme implemented by the Aga Khan Foundation, which highlighted, as a main lesson learned, the need to work at the policy level and build the capacities of the National Authorities from the beginning of the project to ensure a smooth transfer of knowledge and responsibilities at the end of the project.

The Programme takes into account the experience acquired by EU Member States and other international donors such as the Agence française de Développement (AfD) - which financed a project to improve the site management of Sakkara, also with a tourism development perspective - or the UN System - which was in charge of the implementation of a Spanish-funded project to "Mobilise the Dahshour as World Heritage Site as a lever for Community Development". More particularly, the evaluation report of the UN-led Dahshour project pointed out the need of: ensuring a

⁴ http://www.international.icomos.org/Paris2011/GA2011_Declaration_de_Paris_EN_20120109.pdf.

coordination of all relevant implementing partners; exchanging ahead with the local communities (by the grant beneficiaries); adopting a particular gender-based approach and ensuring that there is a monitoring and evaluation system in place with good indicators of achievement that go beyond the activities' outputs.

A thematic evaluation on EU support to private sector development (over period 2004 - 2010 across several countries) pointed out that the EU global approach of delivering aid for the private sector through the public sector entailed missed opportunities in selecting the best implementation partners. It also stressed that the successful support initiatives combined support to macro level improvements of business enabling environment with meso and micro level support for access to business development as well as financial services. This proposal includes activities at the three levels. Besides, the Grant Facility proposed under this initiative will create opportunities for a wider set of players to participate in the project implementation.

As such, MSME dimension of the programme builds on the experience of the EU support to Industrial Modernization Center (IMC) during 2000's when one single quasi-governmental entity was entrusted with implementation of the full programme, allegedly leading to potential market distortions. Furthermore, the design of the Inclusive Growth Programme takes account of the challenging experiences faced in commencing implementation of the recent decentrally managed initiatives, including with MoITSMEs, and therefore a centralised management mode is proposed.

3.2 Complementarity, synergy and donor coordination

The EU is implementing the Med Culture Programme, a four year (2014-2018) regional programme to support South Mediterranean partner countries in the development and reform of their cultural policies. The development of cultural heritage and tourism industries is part of the mandate of the Technical Assistance financed by the programme at the regional level. Complementary actions at the bilateral level remain nevertheless a need given the enormous disparities in the needs of the different partner countries.

Other European Institutions, such as the EIB or the AfD, participated in the preparation and financing of activities involving cultural heritage as part of their urban development strategies. Most particularly, the EIB developed the Medinas 2030 Initiative and the AfD started the preparation of urban development projects with a cultural heritage dimension in Alexandria.

USAID is currently financing an Annual Programme Statement (Call for Proposals) to promote the conservation and management of cultural heritage tourism resources in Egypt. Given uncertainties related to funding availability, it is unclear whether the USAID will continue to finance this type of initiatives annually. It is proposed to build on their experience and work with a Call for Proposals model.

The lack of appropriately skilled labour, as well as out-of-date labour and competition laws, create constraints for the development of MSMEs in Egypt. Therefore skills related projects create important complementarities with this EU proposed initiative. The International Labour Organization (ILO) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) support the adoption of improved labour law provisions. The EU is currently financing the Phase II of the bilateral programme "Technical and Vocational Education and Training Reform" (TVET II). This Programme aims at improving the structure and performance of the

TVET system to better respond to Egypt's socio-economic needs, and in particular at boosting the employability of youth and increasing the country's competitiveness. TVET II has a particular emphasis on tourism, given the importance of this sector in the Egyptian economy and labour market (both internal and external) and the shortage of adequate TVET programmes.

The new EU initiative on promoting inclusive economic growth in Egypt will also have important synergies with the Trade and Domestic Market Enhancement Programme, Research and Development Programme – Phase II. It will complement the Support to Agriculture SMEs (SASME) project by supporting a wider set of economic sectors beyond agriculture, while a new EU-funded twinning will focus on strengthening the competition policy and regulatory environment as well as the capacity of the Egyptian Competition Authority. Finally, synergies will be built and complementary ensured with regional programmes focusing on improvement of business enabling environment (the ongoing "Enhancement of the Business Environment in the Southern Mediterranean" and the forthcoming "Enhancing Investment, Innovation and Growth in South Neighbourhood" programmes in particular).

Finally, the initiative will complement EU Development Finance Institution (DFI) funded SME global loans and NIF supported regional finance facilities by providing business development services to MSMEs to enhance the quality of demand for finance and by facilitating access to finance.

3.3 Cross-cutting issues

It is expected that the programme could have a positive impact on the improvement of the decision-making processes and governance of the heritage, MSME, and tourism sectors.

The project will mainstream gender considerations and promote gender equality in the implementation of the activities. As significant economic opportunities are vested in the deeper involvement of women in economic activities, the new project will pay specific attention to facilitating gender equity in the MSME sector.

Relations between CSOs, private sector bodies, and the Egyptian Authorities, are instrumental for the success of the programme. Taking into consideration that MSME development, cultural heritage and tourism are not controversial areas of cooperation, the programme could have a positive effect on the governments' cooperation with CSOs and the private sector.

An environmental impact assessment (EIA) will be carried out for each intervention under Component 2, if appropriate.

The project will also support the current Government's efforts to develop green and sustainable tourism by encouraging the tourism sector to use new and renewable energy sources, maintain the biodiversity, reduce solid and liquid waste, reduce carbon emissions, as well as to activate the environmental laws and regulations and adopt standard criteria for tourism development.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The general objective of the programme is to promote Egypt's economic recovery by improving the business environment and by capitalising on its rich cultural heritage.

The specific objectives are to

- i) facilitate the development of MSMEs in sectors with high potential for inclusive growth and contributing to decent job creation,
- ii) enhance the protection and promotion of cultural heritage for it to become a real driver of local socio-economic development.

These specific objectives will be addressed through two components as follows:

- 1) strengthening the capacity of the stakeholders to implement business climate, MSME, and cultural tourism, development strategies, and
- 2) Grant Facility Schemes that will implement projects of specific added-value by
 - i) facilitating the access of MSMEs to business development services in sectors with high potential for inclusive growth, and
 - ii) fostering local development through tourism and cultural heritage, and supporting the link between heritage and socioeconomic development.

Expected results of the project include:

For component 1:

R1 MSME-**strategy** aimed at boosting inclusive growth and contributing to decent job creation is implemented in a comprehensive way, with **regulatory** impediments to the involvement of MSMEs in economic development, including in the offering of innovative and diversified touristic experiences, are identified and related adjustments made; and **capacities** of the Egyptian Authorities to **facilitate** the access of MSMEs to business development services (BDS) are strengthened.

R2 New inclusive and sustainable Tourism and Cultural Heritage **strategies** are elaborated, adopted and implemented in a synergistic way, with **regulatory improvements** made in heritage-related legislations (particularly to align the current legislation to international standards and to allow private-sector investments); and **capacities** of the Authorities to implement the respective strategies strengthened.

For component 2:

R3 The **capacities** of the private sector and the civil society to **deliver support services** to MSMEs engaged in innovative and creative economic activities, including in cultural tourism projects are strengthened, leading to improved performance of the MSMEs who have benefited from business development services (BDS).

R4: The **link between heritage, tourism and socioeconomic development** is demonstrated and there is an increased awareness about the importance of gathering public and private investments in this sector. The re-appropriation by local communities of their heritage is increased and contributes to a better sustainability of the management of Egypt's cultural resources.

4.2 Main activities

The main activities are hereby presented per result area.

Activities to achieve the result 1 will include:

A1.1. Technical support to MoITSME in implementation of the National SME Strategy in particular by building on the governance principles of the Small Business Act of Europe, and strengthening policy monitoring capacities⁵.

A1.2. Technical support to selected one-stop-shops for MSMEs at Governorate⁶ level to enhance the consistency in implementation of business related regulations.

A1.3. Technical support to support to ERRADA to champion reforms impacting positively on MSME business environment

A1.4. Technical support to facilitate a demand driven nature of business enabling environment reforms⁷.

A1.5. Technical support to Intalaq initiative to improve the co-ordination of the public BDS instruments.

Activities to achieve the result 2 will focus on:

A2.1. Support the MoT, the MoA and the Ministry of Culture in the preparation and implementation of joint strategies conducive to: (i) an increase of cultural tourism and (ii) a greater impact of heritage in socioeconomic development⁸.

The involvement of EU MS public expertise will be sought for the implementation of the activities 1.1 – 2.1 in order to **facilitate peer-to-peer cooperation and transfer EU experience and know-how**.

Result 3 will be achieved through specific activities which will foster MSME development in sectors with high potential for inclusive growth.

Under the subcomponent 1 of the Grant Scheme, the Programme will support MSME development initiatives to foster local development, generate decent employment and foster business linkages. The themes of the related calls for proposals are expected to revolve around ‘entrepreneurship and innovation’, ‘cluster development’ and ‘value chains upgrading’ in sectors with high potential for inclusive growth. These themes will be jointly agreed with the programme beneficiaries and will, notably, take advantage of the potential of cultural heritage to exert demonstrative effect.

The grants will support the extension of already existing business development services, tailored training for entrepreneurs and business start-ups through local intermediaries, and access to services, such as management skills training, accounting and legal advice, access to technological know-how, and access to finance. The calls for proposal will also be a catalyst for greater coordination between the local stakeholders and will provide a feed-back of duplicable experience at the institutional level (supported under Component 1); this is expected to

⁵ This activity will focus on implementing the recommendations of the EU funded SME Policy Index assessment of 2013/14, conducted in the context of the Euro-Mediterranean Charter of Enterprises.

⁶ The selection of one-stop shops will be informed by the target locations of the CfPs under component 2 of the programme in order to enhance impact of the EU financing at local levels. The activities will focus on supporting adoption of best practice approaches identifies by the sub-national Doing Business Report 2014 (see footnote 3 for further reference).

⁷ This activity will build on the analysis of the SBA Policy Index assessment of 2013, in particular for dimensions 3 (public-private dialogue) and 4 (policy governance).

⁸ This activity will build on UNESCO's Culture for Development Indicators⁸. More particularly it will build on the analysis achieved for the Cultural heritage indicators developed by UNESCO under contract ENPI/2012/290-011 (The UNESCO Culture for Development Indicators suite – Egypt).

contribute to a more inclusive economic growth and the sustainable creation of decent jobs.

The grants may also support initiatives that help SME internationalise and increase their activities in other markets. This can be done by facilitating business cooperation and matchmaking activities. Synergies should be sought with other EU initiatives in this area, such as the Enterprise Europe Network offices in Egypt.

Result 4 will be achieved through Integrated Cultural Heritage projects with specific added-value in socioeconomic development, including in Tourism.

Under this Grant Scheme sub-component, the Programme will finance initiatives particularly selected on the basis of their potential to demonstrate a strong link between heritage and socioeconomic development. They will include the financing of projects with an innovative approach that will combine in a virtuous circle:

- Activities on highly visible cultural tourism sites or monuments;
- Activities focusing on improving a more balanced socioeconomic development, decent employment creation and poverty reduction through heritage-related occupations and/or tourism.

Selection criteria could include the improvement of the tourism infrastructure, the development of income-generating activities, and/or the raising of the touristic profile of the selected area. Local communities will be actively involved during the project preparation and implementation. During implementation, other stakeholders such as universities with dedicated study programmes, and particularly Egyptian students and young professionals, will also be involved to promote the creation of a new expertise in the conservation, renovation, restoration, and promotion, of cultural heritage. All actions will mainstream gender equality and promote inclusiveness.

4.3 Intervention logic

The Programme proposes an innovative approach that will combine interventions at the strategic policy level with local initiatives supporting local socioeconomic development.

Actions will include policy and regulatory reforms aiming at improving the impact of MSMEs, tourism and cultural heritage related activities on Egypt's overall development. Actions will finance innovative flagship interventions on the ground to foster inclusive growth contributing to decent job creation and local socioeconomic development.

This is the first time since the 2011 uprising that the EU engages at this scale on these sectors in Egypt, while the needs and the opportunities in the sectors in concern are substantial. In this context, the Programme will focus on financing Flagship Projects that will deliver "quick wins", high impact at local level and great visibility to the EU, thus demonstrating the added-value of the approach. The monitoring framework of the Programme will aim to capture lessons learnt and facilitate the capturing of good practise examples to inform future policy making processes on one hand, and to contribute to EU future programming on the other.

The approach aims for the actions to be complementary and enhance impact both at the national and local levels, by feeding successful practices, approaches, projects, stories, etc. into the policy decision-making processes.

This approach assumes that there will be a continuation of Egypt's commitment to improve the economic recovery and the socioeconomic development of the country, as presented under the "Sustainable Development strategy, Egypt Vision 2030". Secondly, the Programme assumes that there will be a sufficient level of cooperation between the different partners involved in the implementation of Components 1 and 2 of the project, particularly between the Egyptian authorities and the grants beneficiaries.

5 IMPLEMENTATION

5.1 Financing agreement

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

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of where financing agreement is concluded.

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

5.3 Implementation modalities

5.3.1 Grants: call for proposals "Supporting Inclusive Economic Growth through SMEs, Tourism and Cultural Heritage" (direct management)

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

The interventions will promote Egypt's socioeconomic development, particularly at the local level, capitalising on opportunities, including in the added-value of tourism and cultural heritage, to promote a more inclusive socioeconomic development as well as the wider productive participation of the MSMEs in the country's economy.

The expected results will be:

- The capacities of the private sector and the civil society to deliver support services to MSMEs engaged in innovative and creative economic activities, leading to improved performance of the MSMEs who have benefited from business development services.
- The link between heritage, tourism and socioeconomic development is demonstrated and there is an increased awareness about the importance of gathering public and private investments in this sector. The re-appropriation by local communities of their heritage is increased and contributes to a more sustainable management of Egypt's cultural resources.

At least two Calls for proposals will be launched, one per sub-component (MSMEs and Cultural Heritage).

(b) Eligibility conditions

The Calls for Proposals might be open to applicants who are:

- legal persons and
- specific types of organisations such as: non-governmental organisations and other Non-State actors, public sector operators, local authorities, international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EC Financial Regulation, or economic operators working in fields such as: tourism, MSME development service and cultural heritage development, and
- effectively established in an eligible country as defined for the European Neighbourhood Instrument : the Member States of the European Union, the partner countries benefitting from the European Neighbourhood Instrument (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Syria, Tunisia, Ukraine), the contracting parties to the Agreement on the European Economic Area (Iceland, Lichtenstein, Norway), the Developing countries and territories, as included in the list of ODA recipients published by the OECD-DAC, which are not members of the G-20 group, the overseas countries and territories covered by Council Decision 2001/822/EC, or in the former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia and Herzegovina, Montenegro or Serbia, including Kosovo. This obligation does not apply to international organizations, and
- directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 250,000 – EUR 1 million and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is **48** months.

(c) Essential selection and award criteria

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

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

(d) Maximum rate of co-financing

Due to the existing constraints of potential beneficiaries to ensure co-financing, the maximum possible rate of co-financing for grants under this call is **90%** of the eligible costs of the action.

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

The call might be published in one or two rounds during the 1st trimester of the year 1 and 2 following the adoption of the Financing Decision.

5.3.2 *Grant: direct awards (direct management)*

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

The grants will contribute to demonstrating the link between heritage and tourism or socioeconomic development. They will promote the awareness of the importance of gathering public and private investments in these sectors as well as the re-appropriation by local communities of their heritage, thereby contributing to a better sustainability of the management of Egypt's cultural resources.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to beneficiaries with good track-record to implement innovative Flagship Projects on tourism and cultural heritage. Activities would entail working on upgrading of major heritage institutions such as the Egyptian Museum, the Islamic Museum, the National Museum of Egyptian Civilisation, the Grand Egyptian Museum, or sites of great value for Humankind such as Historic / Khedivial Cairo, the Giza/Saqqara Pyramids, Luxor, Aswan or Alexandria. Given the invaluable nature of these sites and monuments, any intervention would require bodies that count with a specific added-value, technical competence, high degree of specialisation and administrative power that are able to deliver the highest level of quality and ensure the preservation of Egypt's heritage.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified on the basis of Article 190 (f) of the Rules of Applications of the Financial Regulations.

(c) Eligibility conditions

The circle of potential beneficiaries consists of EU Member States specialised bodies/agencies in the field of cultural heritage and archaeology as well as international partners, such as the Aga Khan Development Network, or Egyptian entities working in these fields or particularly mandated by the Egyptian Authorities. Capacities and the track records of the respective potential beneficiaries will be further assessed by the EU Delegation ahead of commencing the implementation of the Programme. The selection of flagship projects to be funded will be done on the basis of selection criteria emphasising the socio-economic development potential, and the ownership by surrounding communities, of the cultural heritage initiatives under consideration.

The potential beneficiaries are required to be:

- legal persons and
- specific types of organisations such as: non-governmental organisations and other Non-State actors, public sector operators, local authorities, international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EC Financial Regulation, or economic operators working in the field of cultural heritage development, and
- effectively established in an eligible country as defined for the European Neighbourhood Instrument : the Member States of the European Union, the

partner countries benefitting from the European Neighbourhood Instrument (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Syria, Tunisia, Ukraine), the contracting parties to the Agreement on the European Economic Area (Iceland, Lichtenstein, Norway), the Developing countries and territories, as included in the list of ODA recipients published by the OECD-DAC, which are not members of the G-20 group, the overseas countries and territories covered by Council Decision 2001/822/EC, or in the former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia and Herzegovina, Montenegro or Serbia, including Kosovo. This obligation does not apply to international organizations and

- directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

(d) Essential selection and award criteria

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

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

(e) Maximum rate of co-financing

Due to the existing budgetary constraints to ensure co-financing, the maximum possible rate of co-financing for grants under this call is 90% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Second Trimester of the Year 1 following the adoption of the Financing Agreement.

5.3.3 Procurement (direct management)

| Subject in generic terms | Type | Indicative number of contracts | Indicative trimester of launch of the procedure |
|---|----------|--------------------------------|---|
| Institutional Development and Capacity Building for MoITSME | Services | 1 | 1 st trimester |
| Institutional Development and Capacity Building for MoT/MoA | Services | 1 | 1 st trimester |

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased

as established in the basic act and set out in the relevant contractual documents shall apply.

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

5.5 Indicative budget

| | EU contribution (amount in EUR) | Indicative third party contribution, in currency identified |
|---|------------------------------------|--|
| <i>Component 1: the capacities to promote an inclusive economic growth are promoted ,</i> | | |
| Procurement (direct management) – Call for tenders: Institutional and Capacity Building (MSMEs) | 2 500 000 | N/A |
| Procurement (direct management) – Call for tenders: Institutional and Capacity Building (Heritage and Tourism) | 1 500 000 | N/A |
| <i>Component 2: more inclusive socioeconomic development is achieved in selected sub-sectors of the economy and/or specific locations.</i> | | |
| Grants on MSME development (direct management) | 5 000 000 | 500 000 |
| Grants on Heritage and Tourism development (direct management) | 5 000 000 | 500 000 |
| Evaluation and Audit | 500 000 | N/A |
| Communication and Visibility | 500 000 | N/A |
| Contingencies | N/A | N/A |
| Totals: | 15 000 000 | 1 000 000 |

5.6 Organisational set-up and responsibilities

The Programme will be centrally managed by the European Commission through its Delegation in Egypt. All contracts and payments are made by the Commission on behalf of the Beneficiary. In order to ensure leadership and ownership, the technical assistance teams will be located at relevant beneficiary administrations and these administrations will be consulted in all stages of programme implementation.

The programme will be governed by a Steering Committee, which will oversee and guide the overall direction and policy of the programme. It shall meet twice a year as a general principle and can be convened whenever the project's implementation requires strategic decision or changes. The project steering committee shall be

chaired by the Ministry of International Cooperation (MoIC) and made up of representatives of the following entities:

- The Ministry of Industry, Trade and SMEs;
- The Ministry of Antiquities;
- The Ministry of Tourism;
- The Ministry of Culture;
- Representative of the EU Delegation (observer).

The Steering Committee has the right to invite further members of any of the stakeholders whenever deemed appropriate, including the implementing bodies, representatives of the private sector, the Governorates benefiting from the action, as well as civil society organisations.

A Development Partners Group (DPG) on Cultural Heritage and Tourism might be created to ensure coordination with all development partners during the Programme implementation. In a similar manner, implementation of the MSME aspects of the programme will be co-ordinated with the DPG-sub group on MSMEs.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of the Programme will be a continuous process and part of the implementing partner's responsibilities / the grant beneficiaries. To this aim, the implementing partner/beneficiaries shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.8 Evaluation

Having regard to the nature of the action, a(n) mid-term and/or final and/or ex-post evaluation(s) will be carried out for this action or its components via independent consultants, contracted by the Commission.

The mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to the gathering of indicators, review the logframe and assessing project's implementation progress towards the objectives.

A final or ex-post evaluation might be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the impact and the sustainability of the Programme.

The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

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

Indicatively, 4 contracts for evaluation services shall be concluded under a framework contract during the second year (mid-term evaluation) and sixth year (final evaluation) of the implementation of the Programme.

5.9 Audit

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

Indicatively, one contract for audit services shall be concluded under a framework contract in during the sixth year of implementation of the Programme.

5.10 Communication and visibility

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

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

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

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. This Plan will detail how specific communication and visibility actions will help the Programme achieve its objectives and disseminate its results and lessons learnt. This will also include the production of reference material for distribution and visibility activities geared at reinforcing the message that each grant project will deliver through its own activities.

The grant and procurement contracts will contain a budget for the visibility of the respective actions. The Programme foresees an independent provision for the promotion of the Programme, its results, lessons-learnt and good practices. Indicatively, two contracts shall be concluded under a framework contract during the first year of implementation of the Programme.

6 PRE-CONDITIONS

N/A.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)⁹

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

| | Intervention logic | Indicators | Baselines (incl. reference year) | Targets (incl. reference year) | Sources and means of verification | Assumptions |
|---------------------------|--|--|-------------------------------------|-----------------------------------|---|--|
| Overall objective: Impact | Promote Egypt's economic recovery by improving the business environment and by capitalising on its rich cultural heritage. | GDP growth rate | 3.5% ^e (2014/15) | 6% (2019 for all) | CAPMAS | Regional and domestic stability Commitment to reforms Implementation of the Vision 2030 Commitment to SME development |
| | | Service sector share of GDP | 46% | 55% | Vision 2030 targets (intrapolated for 2019) | |
| | | Unemployment rate | 13.3 % (2014/ Q2) | 10% | CAPMAS | |
| | | Youth unemployment rate | 29% (2014 Q2) | 18% | SBA (D1,3, 4, 5, 8.2) | |
| | | Improvement of the SBA policy index | 2.6 (2013) | 3.2 | EG Tourism Satellite Account Report | |
| | | Total number of tourism arrivals in Egypt per year | 9.5 million (2014) | TBD | EG Tourism Satellite Account Report | |
| | | Increase of revenues linked to tourism in Egypt | 72\$/night/person (2012) | 85\$ | EG Tourism Satellite Account Report | |

⁹ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

| | | | | | | |
|--|--|---|--|---|--|--|
| Specific objective(s): Outcome(s) | i) facilitate the development of MSMEs in sectors with high potential for inclusive growth and decent job creation, and | SBA Policy Index on: - Entrepreneurship - SME policy making 3 - Enterprise creation - BDS - Innovation | Dim 1: 1.6 Dim 3: 3.4 Dim 4: 3.8 Dim 5: 2.8 Dim 8.2: 3.6 | 2.0 3.8 4.2 3.5 4.0 | SBA Policy Index (2013 for the baseline) | Commitment to the Vision 2030 GOE committed to coordinating reform efforts / agencies |
| | ii) enhance the protection / promotion of cultural heritage for it to become a real driver of local socio-economic development | - Master-plans for heritage sites are prepared with an embedded community development dimension | 1 (Cairo) | 6 (Word Heritage sites / number of sites of intervention) | UNESCO reports / Government information | |

| | | | | | | |
|--|---|---|-------------------------|--------------------------------------|--------------------------------------|--|
| Outputs | Review / drafting of legislation, strategies (MoA, MoT, MoC); incl. a law on heritage | Number of laws and regulations exerting a burden on SMEs revised and submitted to relevant decision-making bodies with facilitation of EU funding | 0 (2015) | 6 | GoE reporting | |
| | | Number of laws and regulations exerting a burden on the cultural heritage sector revised and submitted to relevant decision-making bodies with facilitation of EU funding | 0 (2015) | 4 | GoE reporting | |
| | | Number of relevant sector strategies revised/adopted with facilitation of EU funding | 0 (2015) | 3 (Tourism, Heritage and MSME) | GoE reporting | |
| | Public/private dialogue mechanisms to implement MSME strategy reforms in place | Number of dialogue platforms established with facilitation of EU funding | 0 (2015) | 5 | Project monitoring data | |
| | Training and capacity building of officials | Total number of officials trained on strategic needs of the beneficiaries with EU support | | | | |
| | Raising awareness on heritage and development | Number of people reached through the awareness-raising activities at community level | 0 (2015) | TBD | Project monitoring data | |
| | | Number of projects on heritage and tourism led jointly by the MoT/MoC/MoA | 0 (2015) | TBD | GoE annual progress reporting | |
| | Upgrading of heritage protection and promotion | Number of sites / monuments and surrounding communities supported, | | | Grants' monitoring and final reports | |
| | | Number of community members reached | 0 (2015). | 3 | | |
| | | Number of BDS projects supported by grants | 0 (2015) | Min 6; | Grants' monitoring and final reports | |
| | Number of enterprises benefitting from BDS support | 0 (2015) | TBD5 | Grants' monitoring and final reports | | |
| Upgrading of MSME performance through provision of BDS | | 0 (2015) | TBD (N° of enterprises) | | | |
| | Financing raised as a result of BDS delivered | | 1:4 leveraging effect | Grants' monitoring and final reports | | |
| | | 0 (2015) | | | | |
| | | 0 (2015) | | | | |