

EN

ANNEX

Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe

Exceptional Assistance Measure regarding Egypt

1. IDENTIFICATION

Action:	Enhancing cohesion in Egypt through strengthening livelihoods and building resilience amongst refugees and host communities
Action Reference:	NDICI CR 2023 / 30
Cost:	EUR 2 000 000 (European Union (EU) contribution).
Budget Line:	14 02 03 10
Duration:	Maximum 18 months. The authorising officer responsible may decide to extend this period twice by a further period of up to six months, up to a total maximum duration of 30 months, under the conditions laid down in Article 23(6) of Regulation (EU) 2021/947.
Lead service:	FPI

2. ACTION SUMMARY

The violent conflict that erupted in Sudan in April 2023 has so far forced around 5.3 million persons to flee their homes as internally displaced or as refugees and returnees to neighbouring countries. By September 2023, UNHCR had registered newly arrived refugees, asylum seekers and returnees in Ethiopia (35 600), South Sudan (260 600), Central African Republic (18 500), Chad (418 100) and Egypt (317 200). Most arrivals in Egypt have so far been women, children and elderly persons. While the national response to these new arrivals has been positive, the influx creates additional pressure on local communities. This is also highlighted in the response plans of international organisations active in the country, which identifies needs for displaced as well as host communities. During his trip to Cairo in June 2023, High Representative/Vice President Borrell expressed the gratitude of the EU to Egypt for the generosity shown towards those fleeing the conflict in Sudan and announced an immediate assistance from the EU to help Egypt “address this new wave of Sudanese refugees on Egypt’s southern border”.

The overall objective of this measure is to reduce tension and to promote peaceful co-existence between host communities and refugees fleeing conflict in Sudan. As part of the international response, the measure will provide assistance to host communities, and refugees according to the needs identified, with a particular focus on women, children and elderly persons. Due attention will be paid to protection, security and safety. Given the dynamic situation on the

ground, the measure will retain a degree of flexibility to allow it to intervene when and where opportunities for co-existence or risks of tensions appear.

3. BACKGROUND AND RATIONALE

3.1 BACKGROUND

An armed conflict between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Forces (RSF) which are rival factions of the military government of Sudan, began on 15 April 2023, with the fighting initially concentrated around the capital city of Khartoum and the Darfur region. After several cease-fire agreements were brokered between the fighting factions in late April and early May, the spiral of violence spread to other parts of the country. For more than 45 million Sudanese, the conflict has resulted in a dire economic and humanitarian crisis, and it has also further delayed a promised transition to civilian rule. Air attacks and shooting persists and neither the RSF nor the SAF are manifesting an intention to withdraw or a willingness for compromise. Meanwhile, living conditions for civilians have seriously deteriorated, civilians have been killed and wounded, while many hundreds of thousands of families are on the move.

According to UNHCR the conflict has until mid-September 2023 led to the displacement of 5.3 million people, including over 1 million fleeing to neighbouring countries. Among them some 317 200 have been seeking refuge in Egypt. Although the Sudanese refugees arrive at the southern border, they are quickly expected to move on further north. Refugees in Egypt do not live in camps but in urban settings, and are largely concentrated in Greater Cairo, Alexandria, Damietta, and several towns on the North Coast. Refugees have access to public services and facilities, including public schools and health units. However, the public services are limited and often already overwhelmed by Egyptians, especially in impoverished areas; therefore, access to these services is challenging. Recently, Egypt’s challenging economic conditions have considerably increased the vulnerability of both refugees and host community members. With many refugees lacking a stable source of income, coupled with soaring inflation, basic needs are barely covered. In view of the deteriorating socio-economic situation for refugees and host communities alike, the potential for serious tensions between the two communities has increased considerably.

3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT

Although the Sudanese are generally well-received in Egypt their arrival puts additional strain on already stretched basic services. Thus, in order to mitigate potential tensions between refugees and host population this action will provide support for vocational training and entrepreneurship to refugees and host communities alike. This constitutes an exceptional and unforeseen situation in the sense of Article 4(4) (a) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, points (l), (m) and (p) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to: (l) support for measures to ensure that the specific needs of women and children in crisis and conflict situations, including preventing their exposure to gender-based violence, are adequately met; (m) support for the rehabilitation and reintegration of the victims of armed conflict, including measures to address the specific needs of women and children, and (p) support for measures to address the potential impact of sudden population movements with relevance to the political and security situation, including measures addressing the needs of host communities.

3.3 RISKS AND ASSUMPTIONS

Risk Category	Risk Description	Rating (High-Medium-Low)	Mitigation Strategy
Economic	Exchange rate fluctuations	High	The action will closely follow up on price fluctuations as published by the Egyptian Central Bank. If significant budget revisions are needed this will be consulted with the EU Delegation.
Strategic	Lack of coordination between partners	Low	Regular contacts with key partners, including the EU Delegation. Involve key partners in steering committees and other similar fora. Promote a culture of sharing information among operators on the ground.
Political/Reputational	Restrictions in Egypt related to the reception of Sudanese refugees.	Low	EU Delegation follows the developments through regular contacts with Government.

4. OBJECTIVES

4.1 OVERALL OBJECTIVE

The overall objective of the action is to enhance stability, reduce tensions and promote social cohesion in Egypt through building resilience and providing sustainable livelihood opportunities amongst the Sudanese-refugee and Egyptian host communities alike.

4.2 SPECIFIC OBJECTIVES

- 4.2.1 Mitigate the risk of host- and Sudanese communities falling into poverty and food insecurity, thus reducing the potential for social unrest and intra-community tensions;
- 4.2.2 Improve employability of refugees, asylum seekers and Egyptian young women and men through vocational and skill building programmes;
- 4.2.3 Increase access to decent jobs and entrepreneurship opportunities that meet labour market needs, while also facilitating linkages with the private sectors.

5. ACTION COMPONENTS AND EXPECTED RESULTS

The main expected results/outcomes include:

Expected Result (1): Vocational training in employable skills contributes to mitigating tensions between refugees and host populations.

Activities (indicative):

- 5.1.1 In partnership with the Government, the private sector and NGOs, a holistic employment and skills-building support programme is designed to create linkages between economically marginalised youth among host communities/Sudanese refugees and labour market opportunities;
- 5.1.2 Traditional vocational training in identified sectors provided to refugees and Egyptian young women and men;
- 5.1.3 Online vocational training provided to refugees and Egyptian young women and men.

Expected Result (2): Promotion/facilitation of income generating activities contributes to mitigating tensions between refugees and host populations.

Activities (indicative):

- 5.2.1 Training programmes provide youth with the necessary knowledge to become entrepreneurs in activities utilising available local resources and responding to gaps in existing value chains;
- 5.2.2 Provision of small start-up grants enabling entrepreneurs to initiate their businesses;
- 5.2.3 Guidance and follow-up support provided to the new entrepreneurs.

6. IMPLEMENTATION

6.1 IMPLEMENTATION MODALITIES

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹.

6.1.1 Indirect management with a pillar assessed entity

This action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: experience from similar activities in Egypt and elsewhere, presence on the ground, ability to start actions immediately. The implementation by this entity entails implementing the entire action as described in the annex.

6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 2 000 000**. A breakdown among components is provided hereunder, and is indicative.

Indicative budget breakdown

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Component 1: Enhancing cohesion in Egypt through strengthening livelihoods and building resilience amongst refugees and host communities, composed of	2 000 000	
6.1.1. – Indirect management	2 000 000	n/a
Total	2 000 000	n/a

6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES

The action shall be implemented under indirect management. It will be devolved and sub-delegated to the **European Union Delegation in Egypt**, with the support of the Commission for the conclusion of the contracts implementing the action.

6.4 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 aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each 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

¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

(outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. 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).

6.5 EVALUATION

Having regard to the nature of the action, a final evaluation will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

6.6 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.

The financing of the audit shall be covered by another measure constituting a financing decision.

6.7 COMMUNICATION AND VISIBILITY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

The 2022 "Communicating and Raising EU Visibility: Guidance for external actions" reference document shall be used to establish the appropriate contractual obligations.

7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP

The EU Delegation will ensure that the activities under this measure will be implemented in close coordination with, and complementarity to, other actions supporting the Sudanese refugees in Egypt, notably the EU's humanitarian and development support.