



Universities UK
International

EGYPT: NEW INTERNATIONAL BRANCH CAMPUSES LAW

AN INFORMATION NOTE FOR UK UNIVERSITIES

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Executive summary:

This note first provides an overview of recent developments in the UK-Egypt relationship, including current collaboration in higher education and research. Subsequently, it summarizes the key provisions, amendments and outstanding questions regarding [Law No. 162 of 2018 on The Establishment and Organization of International Branch Campuses Within the Arab Republic of Egypt and University Institutions](#) as published in the Egyptian Official Gazette on 2 August 2018.

Audience:

Pro-Vice-Chancellors, Directors International and International Office staff with responsibility for the MENA region.

INTRODUCTION

The UK and Egypt have a strong bilateral relationship in higher education, research and innovation. Egypt is the fifth largest host country for UK transnational education and since legislation enacted in August 2018 it is possible for UK higher education institutions to establish branch campuses in the Arab Republic.

This information note is published alongside the English version of [Law No. 162 of 2018 on the Establishment and Organization of International Branch Campuses Within the Arab Republic of Egypt and University Institutions](#)

and aims to highlight the key provisions, amendments and outstanding questions to provide higher education institutions with a better understanding of opportunities in Egypt.

UUKi, December 2018.

PART 1: HIGHER EDUCATION IN EGYPT

Macro Environment

With around 100 million people, Egypt is the most populous country in the Arab world and the third most populous country in Africa after Nigeria and Ethiopia. As mortality rates decrease and birth rate and life expectancy increase, Egypt's population has grown by 46% between 1994 and 2014. Today, almost 19% of Egypt's population are between 15 and 24 years old. The rapid population growth significantly impacts limited natural resources, jobs, housing, sanitation, education and health care.¹

A volatile political, security and policy environment has restricted economic growth. Since 2016, Egypt has been on a 3-year, \$12 billion loan programme by the IMF due to persistent dollar shortages and reduced aid from Gulf allies. The loan programme required the Egyptian government to float its currency, to introduce new taxes and to cut energy subsidies which pushed inflation above 30 for most of 2017.²

Moreover, youth unemployment persists. In 2016, 30.8% of 15 to 24-year olds were unemployed. Unemployment levels are especially high among graduates with intermediate and advanced levels of education as their skills and knowledge do not fit market needs. The Egyptian government has historically been a key graduate employer, but as public-sector employment is shrinking, the government is looking to encourage more private sector employment and youth entrepreneurship.³

Egypt Vision 2030

Note

¹ <https://www.cia.gov/library/publications/the-world-factbook/geos/eg.html>

² <https://www.cia.gov/library/publications/the-world-factbook/geos/eg.html>

³ <https://education-services.britishcouncil.org/country/egypt/market>

To render the Egyptian economy more competitive, balanced and diversified, the government developed the national sustainable development strategy [Egypt Vision 2030](#). The strategy is expected to have a strong influence on public investment priorities through to 2030. The stated ambitions to diversify the Egyptian economy, to grow private sector employment and entrepreneurship, and to nurture new knowledge industries, will need to be based on excellent education, research and innovation as their foundation. Hence, the three key pillars of the 2030 [education strategy](#) have been defined as equal access, quality and competitiveness.

Specifically, the Egyptian Ministry of Higher Education and Scientific Research (MoHESR) outlined seven higher education targets to be achieved by 2030:

- 45% gross tertiary enrolment (currently 36%).
- All Egyptian higher education institutions to be accredited by NAQAAE⁴.
- International student numbers to increase by 100% (currently 70,000).
- Ten Egyptian institutions in the top 500 world rankings.
- Reduced graduate unemployment (currently estimated at 31%⁵).
- Increased graduate satisfaction with labour market opportunities.
- Growth in graduate entrepreneurship.

To contribute to these goals the MoHESR aims to expand UK-Egypt higher education collaboration. This programme of work has the direct support of the President of Egypt, and

⁴ The National Authority for Quality Assurance and Accreditation of Education (NAQAAE) is responsible for quality assurance in Egyptian higher education.

⁵ World Bank 2017 <https://data.worldbank.org/indicator/SL.UEM.ADVN.ZS?locations=EG>

incorporates the following aims specific to the UK-Egypt relationship:

- To attract at least one UK university to establish a branch campus in Egypt.
- To increase the number of UK-Egypt partnerships, helping Egyptian public and private universities to increase the quality and breadth of their provision.
- To grow research collaboration, particularly in STEM and translational research.

UK- Egypt Higher Education Collaboration

The UK and Egypt have a strong bilateral relationship supporting the development of mutually beneficial partnerships in education, research and innovation. Three bilateral initiatives have in particular provided platforms from which collaboration continues to expand:

- UK-Egypt intergovernmental MoU on research, innovation and education: Signed in 2015, this MoU included workstreams around higher education reform, technical and vocational education and training (TVET), medical education, cultural heritage and leadership.
- [Newton-Mosharafa Fund](#): The fund supports partnerships between British and Egyptian scientific research and innovation centres to find joint solutions to the challenges facing Egypt in economic development and social welfare. The five priority areas covered under the Fund are sustainable water management, renewable energy, sustainable food production, archaeology and cultural heritage, and affordable and inclusive healthcare.
- UK-Egypt bilateral MoU on international branch campuses: In January 2018, the UK's former Minister for Universities and Science, Sam Gyimah, signed an MoU on establishing branch campuses in Egypt with His Excellency Khaled Abdel-Ghaffar, Minister for Higher Education and Scientific Research of the Arab Republic of Egypt.

According to the 2015/16 Higher Education Statistics Agency Aggregate Offshore Record, Egypt is the fifth

largest host country worldwide of UK higher education transnational education, with over 19,800 Egyptian students studying for UK degrees, mostly through joint programmes (57%). This is an increase of 20% from the academic year 2014/15.

As distance learning degrees are not usually recognised by the Ministry of Higher Education for public sector employees, only 4% of the UK degrees were acquired through distance, online or flexible learning in the academic year 2015/16. However, there are signs of change as the government embraces more blended learning.

Also, co-authored research is increasing in quality and volume, bolstered by bilateral initiatives such as the match-funded Newton-Mosharafa Fund. The UK is currently Egypt's fourth largest international research collaboration partner (after Saudi Arabia, the United States and Germany):

- No. of UK-Egypt collaborations (2015-2017, less than 10 authors): 1,690
- Average field-weighted citation impact (FWCI) for collaborations with the UK: 3.81
- International average FWCI for Egypt: 1.04
- Primary subject areas: Medicine (20.6%), Physics and Astronomy (13.3%), Biochemistry, Genetics and Molecular Biology (9.5%), Engineering (8.8%), chemistry (6.4%).⁶

Yet, UK outward student mobility remains low. Only 70 UK students (UG and PG) went to study in Egypt in the academic year 2016-17.⁷

UUKi Work with Egypt

UUKi supported and facilitated system-level reform of the Egyptian higher education sector following the 2015 intergovernmental MoU in areas including university finance, autonomy, quality assurance.

Note

⁶ SciVal accessed 03 December 2018.

⁷ HESA data accessed 05 December 2018.

Since the signing of an MoU on international branch campuses in Egypt in January 2018, UUKi has worked closely with the sector and Egyptian and UK government stakeholders to identify conditions that would enable universities to establish standalone, autonomous international branch campuses in Egypt should they wish, and shape legislation accordingly.

In this context, a delegation of UK university leaders visited Cairo and Alexandria from 24 – 27 June 2018 at the invitation of H.E. Dr Khaled Abd El-Ghaffar, Egyptian Minister of Higher Education and Scientific Research to scope opportunities for enhanced collaboration. The delegation was led by UUKi and organised in partnership with the Egyptian Ministry of Higher Education and Scientific Research, the British Embassy in Cairo and the British Council in Egypt.

Shortly after the June 2018 delegation of UK universities, on Monday 16 July 2018, a law was enacted by the Egyptian Parliament regulating the establishment of foreign universities in Egypt.

PART 2: THE IBC LAW

Introduction

On 2 August 2018, [Law No. 162 of 2018 on The Establishment and Organization of International Branch Campuses Within the Arab Republic of Egypt and University Institutions](#) was published in the Egyptian Official Gazette.

The Law includes provisions that will enable international universities to:

- Establish independent, single-institution branch campuses
- Establish multi-institution branch campuses that offer programmes from a number of international providers
- Establish branch campuses in partnership with Egyptian universities to offer joint awards.

Under the new Law, IBCs would be established by Presidential decree following the recommendation of the Minister of Higher Education Affairs, which in turn will be informed by a specially appointed expert Commission, the relevant State authorities and the Cabinet. The Law also notes that IBCs established through this regulation will be private legal entities, and the international university establishing the IBC will have the power to nominate its chosen President – subject to the approval of the Minister of Higher Education Affairs.

The published regulation has four sections, each of which is summarised below:

Chapter I: General Provisions Governing the Establishment of a Branch Campus or University Institution

Chapter II: The advantages, facilities and obligations of the IBC and the University Institution

Chapter III: International Branch Campuses Affairs Council

Chapter IV: The IBC Cancellation Procedures

Chapter I: General Provisions Governing the Establishment of a Branch Campus or University Institution

The first chapter sets out the definitions of key terms and the application of the law. It clarifies the aims of IBCs, their relationship with the main university, the procedure of their establishment as well as their legal status. The articles determine the license fee and annual fees of the IBC and define the responsibilities of the Minister of Higher Education Affairs (the ‘Concerned Minister’) who serves as a liaison between the government and the IBC administration.

Article 4 enables universities to establish IBCs in collaboration with other overseas providers, while Article 5 enables the establishment of IBCs in partnership with Egyptian universities. These provisions support a useful degree of flexibility, and Article 5 was inserted at UUKi’s request.

Article 8 stresses the role of the IBC bylaws and of the Board in confirming appointments, although the Minister is involved in approving the appointment of the Chair of the Governing Body. Please note that the text of the IBC Law contains an error: it should read ‘Chair of the Governing body’, not ‘President’.

Articles 7 and 9 contain provisions that have the potential to prove sensitive for UK institutions.

- Article 7, Paragraph 2 states that ‘the IBC shall have a private legal personality and shall appoint its president [NB: should read ‘Chair of the Governing body’] after the approval of the Concerned Minister, based on the nomination of the Main University, as determined by the IBC bylaws. (...)’. UUKi recommended that the Minister’s involvement in approving the appointment of the President/Chair should be more limited, however we are satisfied that the final appointment is the decision of the IBC.
- Article 9 states that ‘the formation of the Board of Trustees shall include two representatives from the Concerned Ministry’. We recognise that the inclusion of two Board-level representatives from the Ministry, in addition to ministerial approval of President and Chair of Board of

Governors and a ministry-appointed ‘advisor’ to the IBC may represent a very high level of oversight. UUKi noted in earlier commentary that such a degree of oversight is likely to be unappealing to universities.

Finally, there are some outstanding questions by the provisions in Chapter I.

- Article 3 refers to ‘scientifically distinguished’ universities. There has been no clarification on the meaning of this designation.
- Article 11 specifies that ‘the license for the establishment of the IBC shall be issued against a fee equal to a maximum of 5% of the estimated budget approved for the establishment of such branch’. [NB: To clarify, the 5% relates to the estimated annual budget of the IBC]. UUKi advised this may be perceived as an additional tax on the establishment of an IBC and act as a disincentive, given that most IBCs are loss-making in the short-to-medium term. UUKi has requested a note on the wider tax requirements to set this in context.
- Article 12 refers to a new fund that will be established by the Law, called the *Fund for the Welfare of the Egyptian Academic Staff and their Assistants at Universities, Institutes and Research Centers affiliated to the Ministry of Higher Education and Scientific Research*. The Fund would cover the ‘health and social welfare aspects of the Egyptian Academic Staff and their assistants at universities’; however, UUKi has not received clarification as to what is meant by ‘health and welfare aspects’.
- Article 15 states that the ‘Concerned Minister shall appoint an adviser to the branch who shall be his representative for a period of two years, renewable for one time’. UUKi understands that this is established practice in Egypt and it has been presented to us as a mechanism to ensure good relations between the Ministry and the IBC. We will continue to seek clarification on the role, responsibilities and powers (if any) of this advisor.
- Article 16 states that the ‘branch shall operate within a framework of academic and institutional autonomy and freedom’. A priority for UUKi is that any legislation guarantees autonomy and academic freedom. Article 16 is not an absolute

statement. We will therefore seek clarification of what ‘within a framework’ means in practice. Furthermore, we are aiming for explicit reassurance that IBCs will be free to discharge their responsibilities under UK law, for example in relation to equalities legislation.

Chapter II: The advantages, facilities and obligations of the IBC and the University Institution

Articles 16 to 20 in Chapter II articulate the responsibilities of the authorities to guarantee the IBC’s advantages, the different kinds of educational programmes to be delivered by the IBC, and the IBC’s obligations regarding the management of its funding and their obligations towards the Egyptian authorities, the Minister and their students.

However, Article 20 contains some provisions and clauses that are potentially problematic:

- Point 5 states that ministerial approval is required for academic and senior management positions. We understand that this is unlikely to be welcomed by UK universities.
- Point 6 introduces a requirement that the ‘percentage of Egyptian students enrolled in programs for which degrees are awarded shall not be less than half of the total number of students enrolled’. Capping international student numbers at 50% may act a disincentive to some UK universities

Finally, there are some outstanding questions in Chapter II. In particular, a number of further clarifications are needed relating to Article 20.

- Point 3 states that the ‘rule of student admissions to the IBC shall be the same applied for their admission to the Main University’. It is unclear whether ‘rules’ mean ‘procedures’ or ‘criteria’. It is likely that entry requirements cannot always be ‘the same’ as there may be a degree of differentiation depending on local circumstances, especially give the

stipulation that 50% of the intake should be Egyptian nationals.

- Point 4 states that IBCs will 'provide the concerned authorities with the facilities to enable them to verify the IBC observance of the requirements of security and public order'. The potential sensitivity over sharing personal information and data of students to security services makes this an important issue requiring further guidance.
- Point 11 states that the 'IBC shall annually allocate an appropriate number of scholarships to students, academic staff and their assistants for study or training at the main university'. Clarification is needed on what 'an appropriate number' means, whether these must be full or partial scholarships, and whether numbers would need to be agreed by the Ministry on a case-by-case basis.

available to the Ministry are quite severe. The draft partially responds to concerns raised earlier that there was no indication in previous drafts about the circumstances in which these sanctions could be imposed.

- Point 3 states that the home university should provide tuition-free study at the main university or in parallel programmes in other universities. This requirement may be impossible to comply with (e.g. due to visa rules); however, it may be possible to teach-out cancelled programmes using other approaches, such as distance or blended learning.

Chapter III: International Branch Campuses Affairs Council

Chapter III defines the membership, organisational structure and decision-making processes of the IBC Affairs Council. It also articulates the Council's competencies and functions.

Article 22 sets out the functions and competencies of the Council. It is noteworthy that in response to UUKi's advice, point 1 on 'the coordination among branch campuses', appears to have been amended to remove reference to monitoring academic performance and outcomes.

Chapter IV: The IBC Cancellation Procedures

Chapter IV determines the cancellation procedures of the IBC which apply in case of violating the provisions of the Egyptian laws, the decision rules of the IBC establishments or the decisions of the Council.

Some provisions and clauses in Article 24 have been highlighted by UUKi as potentially problematic.

- Point 1 states potential sanctions available to the Ministry in case of a violation 'of the provisions of the Egyptian law or the decision or rules of the IBC establishment or the decisions of the Council'. We note that the potential sanctions

PART 3: CONTACT DETAILS

Please find below the contact details for the British Embassy in Cairo as well as British Council Egypt. Their teams are happy to provide you with more information about the operating environment and opportunities relating to, but not exclusively, IBCs.

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