



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Egypt**

Egypt

Programme for Country Partnership

PCP Annual Report **2019**

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PCP EGYPT AT A GLANCE

STATUS	<p>Programming phase: initiated in 2019 Implementation phase: expected to start in 2020 Expected completion date: 2024</p>
MAIN NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP	<p>Egypt's Sustainable Development Strategy, Vision 2030, Industry and Trade Development Strategy 2016-2020</p>
FOCUS AREAS/SECTORS	<ul style="list-style-type: none"> • Industrial policy and governance • Investment promotion • Green industry • Smart cities and sustainable industrial parks • Value chains • Mainstreaming Industry 4.0 <p>The sectoral priorities of the PCP include: food, textiles and leather, furniture and handicrafts, chemicals, and electronics</p>
MAIN PARTICIPATING MINISTRIES, AUTHORITIES, AND BUSINESS REPRESENTATION BODIES	<p>Prime Minister's Office Ministry of Trade and Industry Ministry of Finance Ministry of Housing and Urban Communities Ministry of Environment Ministry of International Cooperation Ministry of Planning and Economic Development Ministry of Foreign Affairs Ministry of Agriculture and Land Reclamation Ministry of Local Development Ministry of Communication & Information Technology Ministry of Public Business Sector Micro, Small and Medium Enterprises Development Agency (MSMEDA) General Authority for the Suez Canal Economic Zone General Authority for Investment Administrative Control Authority Federation of Egyptian Industries Alexandria Business Association Egyptian Junior Businessmen Association</p>



PCP EGYPT AT A GLANCE

KEY DEVELOPMENT PARTNERS	<p>Financial institutions: Afreximbank, European Bank for Reconstruction and Development, International Finance Corporation, International Fund for Agricultural Development, World Bank</p> <p>Bilateral/multilateral partners: Canada, China, European Union, Italy, Switzerland, Slovenia</p> <p>United Nations: UN Resident Coordinator in Egypt, Food and Agriculture Organization, International Labour Organization, United Nations Development Programme, United Nations Human Settlements Programme, UN Women</p>
UNIDO PROJECTS WITH FUNDING SECURED¹ (COMPLETED AND ONGOING)	US\$ 12,568,754 (ongoing projects to be integrated into the PCP) (see <i>Annex 1</i>)
TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE)	N/A
TOTAL PCP VOLUME³	N/A

¹ **Funding secured:** The total budget (net of programme support costs) under signed agreements for UNIDO programmes and projects.

² **Funding leveraged:** Financial contributions allocated by public or private partners towards objectives pursued in a PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

³ **Total PCP volume:** UNIDO's portfolio with funding secured plus investments leveraged.

1. EXECUTIVE SUMMARY

In October 2018, the Executive Board of UNIDO approved the development of the Programme for Country Partnership (PCP) for Egypt. In December 2018, the Director General of UNIDO met with the President of Egypt, Abdel Fattah Al-Sisi, as well as the Prime Minister, Mostafa Madbouly, and other national stakeholders during an official visit to the country, during which the Government reaffirmed its full commitment to this new phase of collaboration with UNIDO. At this occasion, meetings were also held with representatives from key national ministries, the private sector, financial institutions, the donor community and other development partners, to explore partnerships as part of the PCP.

The programming phase of the PCP was launched in early 2019 in close collaboration with the Government of Egypt. Collaboration with the UN Country Team was initiated from the onset, with the strong support and engagement of the UN Resident Coordinator (UNRC) in Egypt. The PCP is expected to contribute to an upscaling of joint and integrated UN operations in the country, and an increase of UNIDO's portfolio within the ongoing UN Partnership Development Framework for Egypt.

In the course of July 2019, the UNIDO Representative in Egypt, jointly with the UNRC, met with the Prime Minister of Egypt to discuss the next steps towards the realization of the PCP. The PCP inter-ministerial national coordination body (NCB) was established and held several meetings in the course of 2019. The NCB reports to the Prime Minister, and is composed of representatives from all relevant ministries, national authorities and the business sector.

A country diagnostic was conducted to define the priority areas of the PCP and guide the formulation of a comprehensive programme document and related technical interventions. The results of the diagnostic will support the development of Egypt's industrial roadmap for the period 2020-2025. The diagnostic will be finalized early 2020.

Tentative priority areas for the PCP Egypt were identified in close consultation with national counterparts and other partners: (i) Industrial policy and governance; (ii) Investment promotion; (iii) Green industry; (iv) Smart cities and sustainable industrial parks; (v) Value chains; and (vi) Industry 4.0.

In December 2019, the Director General again met with the President of Egypt to discuss the PCP. They agreed to expedite the programming phase and move the PCP into implementation in early 2020.

The NCB is expected to validate the findings of the country diagnostic in early 2020. This will guide the development of a comprehensive programme document, which is expected to be signed by UNIDO and the Government of Egypt within the first quarter of 2020. Closely with national stakeholders, UNIDO's PCP team will formulate detailed technical interventions within PCP priority areas, in parallel to ongoing resource and partnership mobilization efforts.

2. INTRODUCTION

2.1. PCP EGYPT: ALIGNMENT WITH NATIONAL POLICIES AND STRATEGIES



Egypt Vision 2030, Economic Development Pillar “By 2030, the Egyptian economy is a balanced, knowledge-based, competitive, diversified, market economy, characterized by a stable macroeconomic environment, capable of achieving sustainable inclusive growth. An active global player responding to international developments, maximizing value added, generating decent and productive jobs, and a real GDP per capita reaching high-middle income countries level”.



Ministry of Trade & Industry
وزارة التجارة والصناعة

Industry and Trade Development Strategy 2016-2020 vision: “Industrial development to be the engine of sustainable and inclusive economic development in Egypt, which meet domestic demand and enhance exports growth, for Egypt to become a key player in the global economy and capable of adjusting to international developments”.



Programme for Country Partnership Egypt to promote Inclusive and Sustainable Industrial Development in Egypt.

The Programme for Country Partnership (PCP) will support Egypt in advancing inclusive and sustainable industrial development in line with its national policies and development strategies. The PCP will help the Government of Egypt to achieve the goals of its Vision 2030, which aims at developing a competitive, balanced and diversified economy, based on innovation and knowledge, inclusiveness, and a collaborative eco-system. The PCP will support the goals of the national Industry and Trade Development Strategy 2016-2020, which aims at increasing the share of manufacturing value added from 18% to 21% of the gross domestic product. Furthermore, the priority sectors of the PCP for Egypt are fully in line with the Industry and Trade Development Strategy 2016-2020.

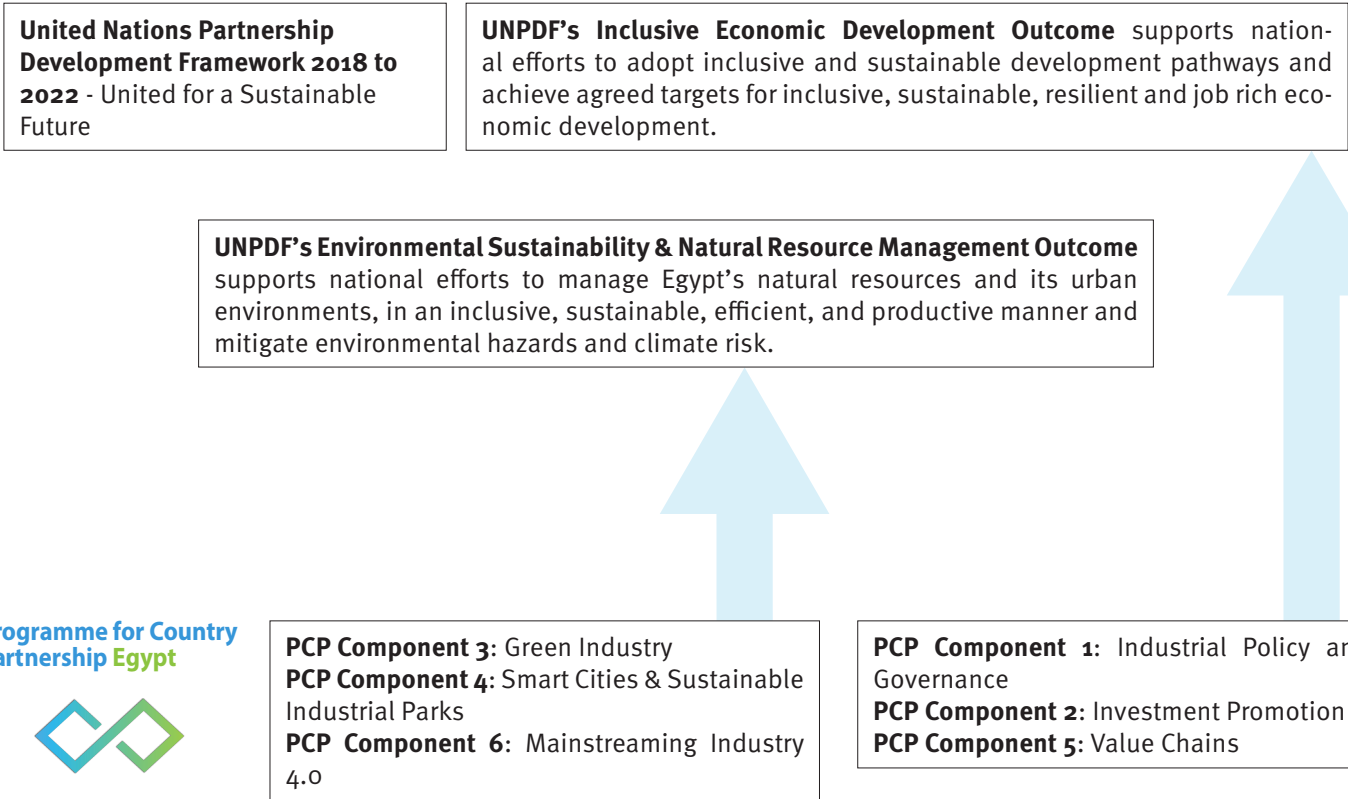
Tentative priority areas for the PCP Egypt were identified in close consultation with national counterparts and other partners, and building on the results of the country diagnostic conducted by UNIDO in the course of 2019.

The six priority areas were identified as: (i) Industrial policy and governance; (ii) Investment promotion; (iii) Green industry; (iv) Smart cities and sustainable industrial parks; (v) Value chains; and (vi) Industry 4.0. Egypt’s regional integration will form a cross-cutting element of the PCP. The sectoral priorities of the PCP include: food, textiles and leather, furniture and handicrafts, chemicals, and electronics.

Closely with the national stakeholders, UNIDO PCP team will formulate detailed technical interventions within PCP priority areas, in parallel to ongoing resource and partnership mobilization efforts. The PCP programme document is expected to be finalized and signed by the Government and the UNIDO Executive Board in the first quarter of 2020.

3. ALIGNMENT WITH AND CONTRIBUTION TO UNPDF

The PCP for Egypt supports the achievement of the UN Partnership Development Framework (UNPDF) covering the period 2018 to 2022. Its focus areas contribute particularly to two outcomes of the UNPDF, which are “Inclusive economic development” and “Environmental sustainability and natural resource management”.



4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

Prime Minister has issued a decree officially establishing the High-Level National Steering Committee of the PCP, chaired by the Minister of Trade and Industry. The Committee shall report periodically to the Prime Minister on the PCP plans, operations and results.

The Committee includes representation from: the Ministry of Finance; the Ministry of Foreign Affairs; the Ministry of Environment; the Ministry of International Cooperation; the Ministry of Planning and Economic Development; and the General Authority for the Suez Canal Economic Zone.

National Coordination Body

High-Level National Steering Committee

Minister of Trade and Industry – Chair

Members: (additional ones to be considered)

- Ministry of Energy and Renewable Energy
- Ministry of Foreign affairs
- Ministry of Education and Technical Education
- Ministry of Higher Education
- Ministry of Planning and Economic Development
- Ministry of International Cooperation
- Ministry of Finance
- Ministry of Environment
- Ministry of Communication and Information Technology
- Ministry of Agriculture and Land Reclamation
- General Authority for the Suez Canal Economic Zone

A PCP Committee composed of Senior Officials from relevant Ministries held its first meeting in August 2019. It highlighted the importance of the PCP for advancing inclusive and sustainable industrial development in Egypt and discussed the development of a national roadmap for industrial development. The second meeting, held in September 2019, focused on the country diagnostic, the PCP's focus areas of intervention, and the overall timetable for the PCP.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

The PCP has engaged the United Nations development system, donors, financial institutions and the private sector from the onset of programming. In September 2019, the UN Resident Coordinator in Egypt hosted a consultation meeting with financial institutions, jointly with the UNIDO PCP team.

The meeting served to introduce the PCP Egypt to the financial community and highlight potential cooperation opportunities, namely to high-level representatives of Afreximbank, the European Bank for Reconstruction and Development, the International Fund for Agricultural Development, and the World Bank Group. The participants expressed interest in collaborating through the PCP.

In September and October of 2019, consultations were held with various United Nations entities and development partners, to take stock of the ongoing interventions in the country and identify potential synergies. In June 2019, UNIDO organized a national consultation workshop that brought together government institutions, the private sector and academia to discuss cooperation opportunities. On the occasion of the Director General's mission to Egypt in December 2019, the President of the Federation of Egyptian Industries also indicated a strong interest in participating in the PCP.

In terms of resource mobilization, funding has already been secured for several UNIDO technical projects to be implemented within framework of the PCP Egypt, as per below:

PCP COMPONENT 3: GREEN INDUSTRY

- **Industrial motors energy efficiency programme** (Funding: USD 2,799,664)
- **Inclusive green growth in Egypt** (Funding: USD 4,493,908)

PCP COMPONENT 4: SMART CITIES AND SUSTAINABLE INDUSTRIAL PARKS

- **Global eco-industrial parks programme - Egypt:** Country level intervention (Funding: Regional - to be determined)

PCP COMPONENT 5: VALUE CHAINS

- **Inclusive and sustainable development of the tomato value chain in Egypt** (Funding: USD 2,200,916.86)
- **Women's economic empowerment for inclusive and sustainable growth** (Funding: USD 2,641,963)

4.3. RESULTS OF PCP ADVISORY SERVICES

A country diagnostic was conducted to define the priority areas of the PCP and guide the formulation of a comprehensive programme document and related technical interventions.

The diagnostic was organized along three main parts. The first part analyzed Egypt's industrial development on the basis of four areas, namely industrial performance, policies, governance, and capabilities. The second, looked at Egypt's industrial roadmap for the period 2020-2025. The third part provided recommendations to facilitate the NCB's decision on the focus areas of the PCP and the technical interventions to be developed.

4.4. TECHNICAL COOPERATION RESULTS

PCP Egypt is still in the programming phase and new technical interventions will be developed in line with the final programme document. Nonetheless, UNIDO is already implementing several projects in the country in line with the identified priority areas of the PCP. These projects will be integrated into the programme (i.e. PCP components 3, 4, and 5).



PCP EGYPT FOCUS AREAS AND COMPONENTS

PILLARS OF THE INDUSTRIAL BLUEPRINT

- Whole of government approach
- Trade to Value-added manufacturing
- 4IR readiness
- Vertical with horizontal
- Clean production
- Zones to regional value-chains

1. INDUSTRIAL POLICY AND GOVERNANCE

2. SECTORIAL FOCUS	FOOD	TEXTILE AND LEATHER	FURNITURE AND HANDICRAFTS	CHEMICALS AND PLASTIC	ELECTRONICS

3. MAINSTREAMING THE 4TH INDUSTRIAL REVOLUTION

4. INVESTMENT PROMOTION

5. GREEN INDUSTRY

6. REGIONAL VALUE CHAINS, INDUSTRIAL ZONES, SMART CITIES AND REGIONAL INCLUSIVENESS



Moving from focus areas to PCP Components

1. INDUSTRIAL POLICY AND GOVERNANCE

2. INVESTMENT PROMOTION

3. GREEN INDUSTRY

REGIONAL INCLUSIVENESS

4. SMART CITIES AND SUSTAINABLE INDUSTRIAL PARKS

5. VALUE CHAINS

6. MAINSTREAMING INDUSTRY 4.0

4.4.1 PCP COMPONENT 3: GREEN INDUSTRY

UNIDO has started two projects that will contribute to the PCP's component on green industry. The project "Industrial motors energy efficiency programme", which is funded by the Global Environment Facility, will help to increase usage of energy efficient motors in industry through a range of measures in the areas of policy, financing, awareness-raising and technical assistance.

Another project, "Inclusive green growth in Egypt" will contribute to the Government of Egypt's efforts to boost growth, productivity and job creation, while at the same time safeguarding the environment. The project will focus on two governorates and selected clusters and value chains related to sectors contributing to the development of the green economy, i.e. sustainable agriculture and food production, waste management, and sustainable energy, and support micro, small and medium enterprises.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
160007	Industrial motors energy efficiency programme	GEF	2,799,664
170146	Inclusive green growth in Egypt	Switzerland	4,493,908
Total estimated ongoing contribution to Component 3			US\$ 7,293,572

4.4.2 PCP COMPONENT 4: SMART CITIES AND SUSTAINABLE INDUSTRIAL PARKS

The country level intervention of the "Global eco-industrial park programme" in Egypt will focus on enhancing the policy framework for eco-industrial parks and identifying related opportunities for enterprises, among other activities.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
190088	Global eco-industrial parks programme - Egypt: Country level Intervention	Switzerland	Regional - to be determined
Total estimated ongoing contribution to Component 4			to be determined

4.4.3 PCP COMPONENT 5: VALUE CHAINS

UNIDO has initiated two projects in the PCP's component on sectoral value chains. One of the projects will support the inclusive and sustainable development of the tomato value chain by increasing value addition and supporting skills development through the setting up of a pilot training and services center, thereby also contributing to job creation. The other project will focus on women's economic empowerment in selected value chains (agri-business, creative industries, energy, tourism, and information technology).

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
170251	Inclusive and sustainable development of the tomato value chain in Egypt	Slovenia & Italy	2,200,916
150385	Women economic empowerment for inclusive and sustainable growth	Canada	2,641,963
Total estimated ongoing contribution to Component 5			USD 4,842,879

5. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2020

The finalization and signature of the PCP Egypt programme document by UNIDO and the Government of Egypt is expected within the first quarter of 2020, in view of starting implementation in the second or third quarter of 2020.

6. ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

ERP ID	PCP component # or cross-cutting	Ongoing project / sub-programme title	Donor	Funding (USD)
190029	Cross-cutting: Programming and coordination	Programme for Country Partnership in Egypt	Partnership Trust Fund- China	432,303
160007	Component 3: Green industry	Industrial motors energy efficiency programme	GEF	2,799,664
170146	Component 3: Green industry	Inclusive green growth in Egypt	Switzerland	4,493,908
190088	Component 4: Smart cities and Sustainable Industrial Parks	Global eco-industrial parks programme - Egypt: Country level intervention	Switzerland	Regional Project - to be determined
170251	Component 5: Value chains	Inclusive and sustainable development of the tomato value chain in Egypt	Slovenia & Italy	2,200,916
150385	Component 5: Value chains	Women's economic empowerment for inclusive and sustainable growth	Canada	2,641,963
PCP total				USD 12,568,754

7. ANNEX 2: PCP EGYPT IN THE NEWS

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UNIDO Director General and Egypt's President Sisi confirm support for Programme for Country Partnership



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Egypt's PM holds talks with UNIDO Representative on developing Industry



UNIDO director-general praises Egypt's economic reforms

Doaa A.Moneim , Wednesday 28 Aug 2019



Egypt's Minister of Trade and Industry Amr Nassar (R) and Minister of Investment Sahar Nasr (L) during their meeting with director-general of the UNIDO Li Yong (photo courtesy of Ministry of Investment and Economic Planning)

الرئيسية الرأي حول العالم إنفوجراف شاهد

سياسة اقتصاد رياضة منوعات مجتمع فن تكنولوجيا سياحة



مدير منظمة "اليونيدو" يؤكد حرصه على تعزيز التعاون تنموي مع مصر

١٠:١٨ م بتوقيت أبوظبي 2018/12/12 الأربعاء



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FOR MORE INFORMATION, PLEASE CONTACT >

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