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# Programme for Country Partnership **Egypt**

## 12th Arab-Austrian Economic Forum

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## OUTLINE

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## Introduction

The PCP is UNIDO's innovative model for accelerating inclusive and sustainable industrial development in Member States.

it is a model that facilitates the mobilization of partners and resources to achieve larger development impact.

### KEY FEATURES OF THE PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)





## PCP Egypt Programming Phase



- The importance of implementing PCP Egypt was stressed during the meeting of His Excellency President Abdel Fattah El-Sisi with Mr. Li Yong, Director General of UNIDO in December 2018.
- In December 2019, the President of Egypt met with the Director General of UNIDO again to discuss the developments of the PCP, define its priorities, and emphasize the acceleration of the pace of implementation.
- The PCP diagnostic study and programming phase were completed during the period of May 2019 – March 2020 and reviewed by the national teams formed by the MoTI and MSMEDA.
- The PCP document was signed in April 2021 by Mr. Li Yong, Director General of UNIDO, and Dr. Mostafa Madbouly, Prime Minister of Egypt.



## PCP Relevance to National Priorities



### Egypt Vision 2030

**Objective 3:** Egypt aims to achieve knowledge-based economic growth, digital transformation, increasing the resilience and competitiveness of the economy, **increasing employment** rates and decent employment opportunities, improving the business **environment** and promoting a culture of entrepreneurship, as well as achieving **financial inclusion** and inclusion of the environmental and **social dimension** in economic development.



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 meets domestic demand and **enhance export growth**, for Egypt to become a key player in the global economy and capable of adjusting to international developments”.

### MSMEs and Entrepreneurship National Strategy (2020-2025)

**Vision** “To **develop SMEs and entrepreneurship** to be the engine of economic and social transformation in Egypt.”.



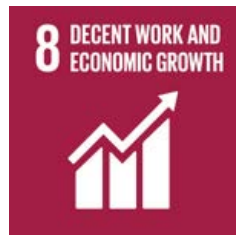


## PCP Relevance to International Context

UNPDF 2018-2022

**Outcome 1 (Inclusive Economic Development):** supports national efforts to **adopt inclusive and sustainable development pathways** and achieve agreed targets for inclusive, sustainable, resilient and job rich economic development.

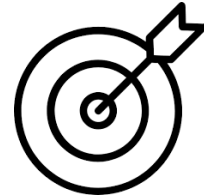
**Outcome 3 (Environmental Sustainability & Natural Resource Management):** support national efforts to manage Egypt's natural resources, and its urban environment, in an inclusive, sustainable and productive manner to mitigate environmental hazards and foster a **greener economy and society**.





## PCP Egypt Objectives

**Objective:** To contribute to improving **economic, social and environmental performances** of the **Egyptian manufacturing sector**, in line with national priorities and SDG 9.



- Increased share (%) of the manufacturing value added in GDP;
- Declined (%) in greenhouse gas emissions from the energy sector;
- Carbon intensity (%) reduced;
- Reduced (%) of industrial waste;
- Higher proportion (%) of the added-value of medium and high technology industries in the total value added
- Increased manufacturing value added per capita;
- Increased manufacturing employment as a proportion (%) of total employment;
- Increased proportion (%) of small-scale industries in total industry value added.



## PCP Egypt Components







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## Component I: Industrial Policy and Governance

**Outcome:** Improved policy framework to enhance productivity and competitiveness of the manufacturing sector

**Outputs:**

- Support to enhance governance and coordination provided
- Decision Support and Coordination Unit established
- Monitoring and Evaluation (M&E) System established
- Capacities of the Decision Support and Coordination Unit and other addressed institutions staff developed
- **Supported the development of an Industrial Strategy**
- **Supported the development of an Industrial Policy**



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## Component 2: Investment Promotion

**Outcome:** Improved investment promotion services to increase investor confidence in Egypt

### Outputs:

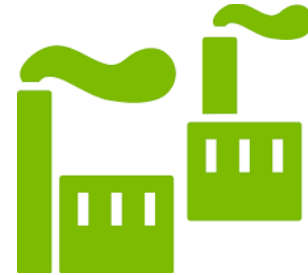
- Egyptian investment promotion institutions' **capacities** enhanced for industrial FDI attraction and retention
- Linkages between FDIs, large public enterprises and local SMEs facilitated
- **ITPO Egypt established** with the purpose of supporting Egypt's integration in Africa and Arab countries



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## Component 3: Green Industry



**Outcome:** Increased productivity and **reduced negative environmental impact** in the Egyptian manufacturing sector

### **Outputs:**

- Green growth strategies developed for SME business models
- Industrial sector framework improved for applying energy efficiency in motors
- Supported ODS phasing out of Residential Air-Conditioning
- Circular Economy and Resource Efficiency promoted among SMEs
- Renewable energy and energy efficiency promoted among SMEs
- Environmentally sustainable degradable plastics developed
- Innovation in the plastic value chain enhanced



## Component 4: Smart Cities and Sustainable Industrial Parks



**Outcome: Increased competitiveness, innovation and sustainability** in smart cities and sustainable industrial parks in Egypt

### Outputs:

- **Developed policy instruments and regulatory reforms for Sustainable Industrial Parks**
- **Capacity of industrial parks staff developed on the eco-park model**
- Cleantech Innovation incubator and accelerator established in Sustainable Industrial Parks
- The cities' competitiveness and environmental sustainability assisted by low-carbon and climate-smart technology infrastructure investments
- The municipality's creditworthiness is supported through the development of a climate-smart capital investment plan for low-carbon investments
- Integrated smart and low-carbon city infrastructure supported
- Improved linkages between Sustainable Industrial Parks and urban and peri-urban areas



## Component 5: Value Chains



**Outcome:** Improved performance and competitiveness of selected value chains in Egypt

### Outputs:

- Support to SMEs provided to significantly improve their competitiveness and performance
- Supported food safety and food trade competitiveness in Egypt
- Supported the empowerment of socio-economic performance and sustainability of selected priority agro-industrial value chains in Egypt
- A national packaging service center (PSC) is set up and operational
- Supported the competitiveness and access to markets opportunities of the handicrafts value chain
- Supported the socio-economic performance and sustainability of the leather value chains in Egypt
- Supported the competitiveness and sustainability of the textile sector in local and international markets
- The production of quality furniture is diversified, and design and production are strengthened
- Women-led entrepreneurship in selected value chains is facilitated





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## PCP Key Achievements



### Policy Support

- **Prepared the ISID Roadmap (2020-2024)**
- Developed a policy paper on enhancing Egypt's participation in global and regional value chains



### COVID-19 Response

- Webinar on Egypt readiness to Industry 4.0
- Multi-stakeholder strategic foresight exercise.
- Webinar on the disruptions to GVC and industrial policy
- **Industrial Performance Index**
- **COVID-19 guidelines for the manufacturing sector**
- **Roadmap for the PPE supply chain**



### Technical Cooperation

- **15 Ongoing Projects**, with a total budget of **USD 36 Million**
- **Target EUR 172 Million**



## PCP Key Achievements – List of ongoing TC projects



### Green Industry Component

- Solar Energy for Industrial Process Heat
- Industrial Motors Energy Efficiency
- Inclusive green growth in Egypt
- The circular economy practices on single-use plastic value chain
- SWITCH-MED
- Montreal Protocol projects



### Smart Cities and Sustainable Industrial Parks Component

- Greening Hurghada
- Global Eco-Industrial Parks



### Value Chain Component

- The tomato value chain in Egypt
- Women economic empowerment
- The Egyptian Cotton Project
- Employment for youth in Egypt





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**THANK YOU**

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