



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country  
Partnership **Egypt**



# EGYPT

PROGRAMME FOR  
COUNTRY PARTNERSHIP (PCP)  
ANNUAL REPORT 2021





# SUSTAINABLE DEVELOPMENT GOALS





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# THE PCP AT A GLANCE



COUNTRY

**EGYPT**

STATUS

- Date of approval of the development of the PCP by the UNIDO Executive Board: October 2018
- Programming: Initiated in 2019
- **Implementation: April 2021- ongoing**
- Expected completion date: December 2025

PRINCIPLE NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP

- Egypt Sustainable Development Strategy, Vision 2030
- Industry and Trade Development Strategy 2016-2020
- Roadmap for Inclusive and Sustainable Industrial Development (ISID) 2020-2024
- MSMEs and Entrepreneurship National Strategy (2020-2025)

FOCUS SECTORS/ AREAS

- Industrial policy and governance
- Investment promotion
- Green industry
- Smart cities and sustainable parks
- Value chains
- Mainstreaming Industry 4.0

The sectoral priorities of the PCP include: food, textiles and leather, furniture and handicrafts, chemicals, and electronics

MAIN PARTICIPATING MINISTRIES

- 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 (MPED)
- Ministry of Foreign Affairs (MoFA)
- 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



<p><b>KEY DEVELOPMENT PARTNERS</b></p>	<ul style="list-style-type: none"> <li>• <b>Financial institutions:</b> African Development Bank, Afreximbank, European Bank for Reconstruction and Development, International Finance Corporation, International Fund for Agricultural Development, World Bank, International Islamic Trade Finance Corporation</li> <li>• <b>Bilateral/multilateral partners:</b> Canada, China, European Union, Italy, Switzerland, Slovenia, Global Environment Facility, Montreal Protocol.</li> <li>• <b>UN entities:</b> UN Resident Coordinator in Egypt, Food and Agriculture Organization, International Labour Organization, United Nations Development Programme, United Nations Human Settlements Programme, UN Women, International Trade Centre</li> <li>• <b>Business sector:</b> Alexandria Business Association; Egyptian Junior Businessmen Association; Federation of Egyptian Industries, National Bank of Egypt, Export Development Bank, Siemens, Huawei, EFG Hermes.</li> <li>• <b>Other partners:</b> Organisation for Economic Co-operation and Development</li> </ul>
<p><b>UNIDO PROJECTS WITH FUNDING SECURED<sup>1</sup></b> <i>(COMPLETED AND ONGOING)</i></p>	<ul style="list-style-type: none"> <li>• Total number of projects: 17</li> <li>• Total funding: \$ 36,999,777</li> <li>• Total expenditures to end of current reporting period: \$ 17,280,059</li> <li>• Total balance available: \$ 19,719,718</li> </ul>
<p><b>TOTAL INVESTMENTS LEVERAGED<sup>2</sup></b> <i>(CUMULATIVE)</i></p>	<p>\$ 165,000</p>
<p><b>TOTAL PCP VOLUME</b></p>	<p>\$ 37,164,777</p>

<sup>1</sup> **Funding secured:** The total budget (net, i.e. excluding programme support costs) under signed agreements for UNIDO programmes and projects, indicated in US\$ amounts

<sup>2</sup> **Funding leveraged:** These include public or private resources, in cash or in-kind, allocated by public or private partners towards the objectives of the PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP, and based on a verbal or written commitment. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

# 1. EXECUTIVE SUMMARY

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In April 2021, the Government of Egypt, represented by the Prime Minister, Mostafa Madbouly, and UNIDO signed the PCP Egypt programme document, officially marking the start of implementation. The Egyptian Government emphasized the participatory efforts to make the PCP a national platform for integrating all industrial development projects, programmes and initiatives in cooperation with all development partners.

The PCP is aligned with the Government of Egypt's priorities. It will contribute to Egypt's Vision 2030, the Industry and Trade Development Strategy, and the MSMEs and Entrepreneurship National Strategy for 2020-2025. Additionally, PCP Egypt contributes directly to two outcomes of the Egypt UNPDF 2018-2022: Inclusive Economic Development and Environmental Sustainability and Natural Resource Management.

In March 2020, the Prime Minister issued a decree officially establishing the High-Level National Steering Committee of the PCP, chaired by the Minister of Trade and Industry. The committee convened its first meeting on 27 October 2020 and endorsed the PCP programme document. Four working groups of the national coordination body were formed focusing on: i) Resource mobilization; ii) Industrial policy, investment promotion and sustainable industrial parks; and iv) Green industry, value chain and Industry 4.0.

Partnerships have been strengthened with different national and international stakeholders. This included collaboration with the Industrial Modernization Center (IMC), the Central Bank of Egypt (CBE), the European Union (EU), the African Development Bank (AfDB), the African Export-Import Bank (Afreximbank), the Government of Canada, and Siemens. In addition, efforts were made to develop joint programmes with other UN entities, such as ILO, UNDP, UN Habitat and FAO, under the leadership of the Resident Coordinator's Office (RCO) in Egypt.

The PCP portfolio is expanding in the country. The budget grew by 84% from \$20 million (8 projects) to \$36.9 million in 2021 (17 projects). The budget of the PCP component on Green Industry is the largest, which equals \$27.6 million, followed by the component on value chains (\$7 million), then the component on sustainable industrial parks (\$1.8 million).

In 2021, the PCP technical cooperation framework has recorded the following achievements, among others:

## COMPONENT I: INDUSTRIAL POLICY AND GOVERNANCE

- In collaboration with the AfDB, conducted a policy paper on "Egypt's participation in global and regional value chains and post COVID-19 industrial recovery".
- In partnership with the EU (TIGARA), started the process of establishing the Decision Support Unit at the Ministry of Trade and Industry.
- Launched the report of Strategic Foresight Exercise on the Manufacturing Sector in Egypt, in cooperation with the UNRC Egypt and the International Trade Center (ITC).
- In partnership with the OECD, UNIDO contributed to the Production Transformation and Policy Review (PTPR).

## COMPONENT III: GREEN INDUSTRY

- 28 governmental, 83 intermediary institutions, 30 MSMEs and more than 800 people gained awareness and knowledge on possible risks from climate change, environmental degradation, natural hazards, and environmental hazards of burning sugarcane residues, as well as resource efficiency and cleaner production practices, green/low carbon technologies and circular economy.
- Provided technical assistance to 17 companies on **green/low carbon technologies**.
- Provided training to 205 professionals at "User-level" and 82 trainees at "Expert-level" on **green economy/ low carbon emission practices**.



- Supported 35 companies on **adopting green and circular economy measures**.
- 6 industrial facilities had completed SWH system designs, National Renewable Energy Authority Laboratory calibrated, Installation of Solar Water Heaters and collectors at NREA's labs completed.
- Started a conversion project supporting five manufacturers of residential air-conditioning units in order to phase out 1,189.78 MT (65.44 ODP tonnes) of HCFC-22.
- Finalized mapping survey of the waste in the Egyptian textile sector, and organized a training on better practices for chemical management and wastewater treatment according to ZDHC guidelines, concluded in the SwitchMed/MED TEST III project in Egypt.

## COMPONENT VI: SMART CITIES AND SUSTAINABLE INDUSTRIAL PARKS

- Signed the project agreement of the Global Eco-Industrial Parks (EIP) Programme - Egypt: Country level intervention, funded by the Government of Switzerland.
- Started the process of drafting the project document of the Green Hurghada project to be funded from the GEF.

## COMPONENT V: VALUE CHAIN

- Provided business clinics to women and men entrepreneurs who participated in the Al-Bazar Exhibition in March 2021, and Turathna Exhibition in October 2021.
- About 7,000 cotton growers (small producers) outreached in Kafr el Sheikh and Damietta Governorates. 3,628 cotton growers were trained on BCI principles and undertook the BCI license for the season 2020 and 2021.
- 815 workers received training on improved picking practices to reduce contamination of cotton (70% women).
- Provided ToT to 34 field facilitators and cotton specialists on sustainable practices and application of BCI.
- Supported 605 students and teachers in agricultural and industrial secondary schools.
- Improved skills of 85 technicians and workers of textile manufacturers.
- 36 young designers trained on sustainable fashion design and produced 4 capsule collections.
- 2 local cotton traders qualified to become BCI implementing partners.
- 17 firms participated to the ZDHC (Zero Discharge of Hazardous Chemical) to the basic and advance course.
- 4 companies embarked on the production of recycled cotton yarns and textiles.
- 175 companies received training on sustainability certifications for textile, market trends in sustainability (traders, ginners, spinners, weavers, Textile Holding Company).
- Provided customised support to 25 companies to grow in different sectors (Sustainable Agriculture & Food Production (SA&FP), textiles, waste management, engineering, renewable energy, handicrafts, digital technology, paper, plastics, leather, chemicals and furniture).
- Delivered a capacity-building programme to **10 institutional stakeholders** to promote local economic development. Analysis of monitoring and evaluation (M&E) data reveals that more than 70% of the institutions have already started to develop action plans to improve service delivery that target youth and youth-led businesses.
- The National Contest for Terroir Food Products in Egypt officially launched by the Minister of Trade and Industry to be organized in March 2022; 700 products are registered in the [Contest Website](#).

## COMPONENT VI: MAINSTREAMING INDUSTRY 4.0

- Initiated collaboration with Siemens to promote future industrial skills in Egypt. Siemens confirmed its in-kind contributions in support of the "PCP Egypt: Industry 4.0 Component":
  - 30 classroom licenses of DI SW software solutions per university to a total of three universities in Egypt free of charge.
  - The DI SW classroom software licenses will include the following Siemens software solutions: NX CAD – Mechanical Design – NX CAM – Manufacturing – NX CAE – Simulation – NX AM – Additive Manufacturing – Solid Edge – Mainstream CAD – Tecnomatix for Robotic – Tecnomatix for Material Flow Simulation – Simcenter FloEFD – CFD.
  - Signed MoU between Siemens and the IT Industry Development Agency (ITIDA) to establish Egypt first Industry 4.0 Innovation Center (IIC) in the New Administrative Capital of Egypt.

## 2. INTRODUCTION

The Programme for Country Partnership (PCP) is UNIDO's flagship programme to support countries in achieving their long-term ISID goals. It is founded on a multi-stakeholder partnership to ensure synergy between different interventions and maximize impact. PCP interventions aim to unlock public and private investment in selected priority industrial sectors and areas. The PCP delivers an integrated service package by combining UNIDO's advisory and normative services, technical assistance and convening function. Each PCP is tailored to country needs, aligned with the national development agenda and owned by the host government.

In October 2018, the Executive Board of UNIDO approved the development of the Programme for Country Partnership (PCP) for Egypt, the second PCP in the Arab region after Morocco.

During his two official visits to Egypt in 2018 and 2019, the Director General of UNIDO met with the President of Egypt, Abdel Fattah Al-Sisi, as well as the Prime Minister, Mostafa Kemal Madbouly, and the the Minister of Trade and Industry, to discuss the development of the PCP in the country. At these occasions, meetings were also held with the Minister of Finance, the Minister of Planning, the Minister of Foreign Affairs, the Minister of Investment and International Cooperation, the Minister of the Public Business Sector, the Chairman of the Suez Canal Authority, as well as with representatives at the highest level from the Ministry of Environment, the private sector, financial institutions, the donor community and other development partners to consolidate and expand partnerships.

During these meetings, the Government reaffirmed its full commitment to the ownership of the PCP to support Egypt's national development agenda and efforts to achieve SDGs. The programming phase of the PCP was initiated 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. Notably, in 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.



CAIRO, 28 April 2021 - Mostafa Madbouly, Prime Minister of the Arab Republic of Egypt, and Li Yong, Director General of UNIDO sign the PCP Egypt document, officially marking the start of the implementation phase.





The PCP has the following six main components: i) Industrial policy and governance; ii) Investment promotion; iii) Green industry; iv) Smart cities and sustainable industrial parks; v) Value chains; and vi) Mainstreaming Industry 4.0. The sectoral priorities of the PCP include chemicals, electronics, textiles, furniture and handicrafts, leather, and food industries.

In March 2020, the Prime Minister issued a decree officially establishing the High-Level National Steering Committee of the PCP, chaired by the Minister of Trade and Industry. The Committee reports periodically to the Prime Minister on the PCP's plans, operations and results. Four working groups of the national coordination body were formed focusing on: i) Resource mobilization; ii) Industrial policy, investment promotion and sustainable industrial parks; and iv) Green industry, value chain and Industry 4.0.

In April 2021, Mostafa Madbouly, the Prime Minister and Li Yong, Director General of UNIDO, signed the PCP document with a five-year duration. The PCP will support Egypt in advancing ISID in line with its national policies and development strategies, including the Government of Egypt's Vision 2030, which aims to develop a competitive, balanced and diversified economy, based on innovation and knowledge, inclusiveness, and a collaborative eco-system. The programme will support the implementation of the national Industry and Trade Development Strategy, which seeks to increase the share of manufacturing value added from 18% to 21% of the gross domestic product. Additionally, the PCP will contribute to the implementation of the Micro, Small and Medium Enterprises (MSMEs) and Entrepreneurship National Strategy 2020-2025, which seeks to enhance the competitiveness of MSMEs and entrepreneurs.

### 3. ALIGNMENT WITH AND CONTRIBUTION TO UNSDCF

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The UNPDF 2018-2022 in Egypt includes four outcomes:

- **Inclusive Economic Development:** It helps national efforts to adopt inclusive and sustainable development pathways and achieve agreed targets for inclusive, sustainable, resilient and job rich economic development;
- **Social Justice:** It supports in regulating population growth and assure sustainable access of all people in Egypt to public services notably quality, inclusive, and rights-based social protection, health, nutrition and education services;
- **Environmental Sustainability and Natural Resource Management:** It assists in managing Egypt's natural resources and its urban environments, in an inclusive, sustainable, efficient, and productive manner and mitigate environmental hazards and climate risk;
- **Women's Empowerment:** It supports national efforts that aim to ensure women are fully contributing to Egypt's development and all women and girl's rights are respected, protected and responded to with no discrimination.

The PCP responds to the UNPDF through its six components. The PCP will link the manufacturing sector more closely with growth of value-added exports and transform some imports into local manufacturing opportunities. Moreover, it will leverage targeted investment promotion to ensure that Egypt benefits from all dimensions of the Fourth Industrial Revolution, namely digital factories, skills transformation, and the circular economy. UNIDO, through the PCP in Egypt, contributes directly to three outcomes of the UNPDF.

The below table outlines the alignment of the PCP components to the UNPDF Egypt 2018-2022 outcomes.

## PCP EGYPT CONTRIBUTION TO UNPDF 2018-2022

PCP COMPONENTS	UNPDF 2018-2022 OUTCOMES			
	OUTCOME 1 Inclusive Economic Development	OUTCOME 2 Social Justice	OUTCOME 3 Environmental Sustainability and Natural Resource Management	OUTCOME 4 Women's Empowerment
COMPONENT I Industrial Policy and Governance				
COMPONENT II Investment Promotion				
COMPONENT III Green Industry				
COMPONENT IV Smart Cities & Sustainable Parks				
COMPONENT V Value Chains				
COMPONENT VI Mainstreaming Industry 4.0				

In addition, the UNIDO Country Diagnostic conducted within the framework of the PCP will contribute to the preparation of the Common Country Analysis (CCA) of the new UNSDCF in Egypt. The PCP Egypt Diagnostic includes a clear roadmap for inclusive and sustainable industrial development in Egypt, from which the CCA report could build evidence-based analysis and policy recommendations. Moreover, the PCP is building synergies between all UN agencies to work together on strategic issues related to the industrial sector in Egypt.

## 4 PROGRAMME-LEVEL RESULTS

### 4.1 COORDINATION AND GOVERNANCE

The High-Level National Steering Committee of the PCP Egypt is chaired by the Minister of Trade and Industry and 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.



The main functions of the Committee:

- The Committee is in charge of facilitating the implementation of the PCP Egypt;
- Ensure the monitoring and control of all PCP Egypt programmes and projects, and identifying the mechanisms likely to contribute to their financing;
- Regularly informing and updating the High-Level National Steering Committee and the stakeholders about the progress of PCP Egypt;
- Contribute to the coordination between the different PCP Egypt stakeholders, to identify the appropriate adjustments, able to optimize the results of the PCP Egypt and to propose potential partnerships to be put forth in the Programme;
- Establish a National Industrial Observatory to monitor industry trends (conduct research, surveys and industry benchmarking studies);
- Identify and mobilize funding for the implementation of the PCP components, including international financial institutions, international cooperation and the business sector;
- Communicate to financial partners and donors the components of the PCP Egypt, ensuring their alignment with the areas of intervention of these donors;
- Identify the main national funding opportunities to contribute to financing the PCP Egypt;
- Create a platform for information sharing and better coordination for ISID;
- Organize regular Public-Private dialogue industrial development issues;
- Structure, coordinate and optimize the intervention of PCP funding sources; and
- Establish, where appropriate, specific ad-hoc working groups to address particular themes.

The National Steering Committee convened its first meeting on 27 October 2020 and endorsed the PCP programme document. Four working groups of the national coordination body were formed focusing on: i) Resource mobilization; ii) Industrial policy, investment promotion and sustainable industrial parks; and iv) Green industry, value chain and Industry 4.0.

## 4.2 PARTNERSHIPS AND RESOURCE MOBILIZATION

Partnerships have been strengthened with different national and international institutions. There are ongoing discussions to cooperate and fund PCP projects as follows:

- Received initial confirmation from the Industrial Modernization Center (IMC) to fund the establishment of the ITPO Egypt (expected funds: \$100,000).
- Received letter of interest from the Central Bank of Egypt (CBE) to fund a project as part of the investment component (expected funds: \$5 million).
- Siemens confirmed its in-kind contribution to the Industry 4.0 component, which includes training and capacity-building on advanced technologies.
- Ongoing discussions with the EU on a trust fund agreement amounting to EUR 10 million for the industrial policy and governance and value chain components. This is in the framework of the EU TIGARA programme (a concept note is submitted).
- Ongoing discussions with the Canadian Embassy to fund various projects as part of the green industry component (three concept notes are submitted).
- Coordination with the AfDB, the Afreximbank and ITFC to build partnership in implementing the PCP.

Total new funds in 2021 is \$17 million from different donors including Japan, Switzerland, GEF, and the Montreal Protocol.

Several pipeline projects are being explored as follows:

- Promoting decent jobs and growth in high-growth and priority value chains in Egypt (with ILO).
- Supporting sustainable urbanization as a driver for balanced development in Egypt (with FAO, UNDP and UN Habitat).
- Catalyzing private investments for climate-smart agriculture and food systems (with FAO).

- Driving the transition to net zero industries in Egypt.
- Support climate smart water management skills and youth employability in Egypt.
- Fostering industrial investments and supply chain localization in Egypt.
- Effective trade policies for export-driven industrialization post COVID-19.

## 4.3 RESULTS OF PCP ADVISORY SERVICES

In collaboration with the AfDB, UNIDO developed a policy paper on “Egypt’s participation in global and regional value chains in times of the COVID-19 pandemic”. The study focuses on what industrial policy can do to mitigate the impacts and further support Egyptian industry’s participation in global and regional value chains. The study was finalized in 2021 and its results were validated with all relevant stakeholders.

In partnership with the OECD, UNIDO contributed to the Production Transformation and Policy Review (PTPR) of Egypt. UNIDO supported the situational analysis of the agro-industry section and its policy recommendations.

UNIDO organized a webinar on “Industry 4.0 in Egypt: enhancing the readiness for the adoption of Industry 4.0” in June 2021 that discussed challenges and development trends on introducing Industry 4.0 to the agro-industry and textile sectors. The webinar benefited from the participation of Rania Al-Mashat, Egypt’s Minister of International Cooperation, Nevin Gamea, Minister of Trade and Industry, and Amr Mahfouz, Chief Executive Officer, Information Technology Industry Development Agency and Assistant Minister of Communications and Information Technology.

## 4.4 TECHNICAL COOPERATION RESULTS

### 4.4.1 COMPONENT 1: INDUSTRIAL POLICY AND GOVERNANCE

This component aims at improving the policy framework to enhance productivity and competitiveness of the manufacturing sector. Various activities have been conducted in partnerships with different stakeholders as follows:

#### Egypt’s participation in global and regional value chains and post COVID-19 industrial recovery

**Objective:** This work involves preparing a policy agenda for resilient economic growth and long-term job creation, using public investment where it contributes to integrated value chain development and building systematic competitiveness, and placing high priority to diversification, innovation, digitalization, higher value-added and South-South trade. This also includes identifying new or existing areas that present opportunities for increased and targeted investment to facilitate GVC/RVC integration or consolidation.

#### Key achievements in 2021:

- Conducted a survey with firms in three manufacturing sectors (agro-industry, pharmaceuticals, and electronics) to assess impacts of COVID-19 on their businesses.
- Finalized policy recommendations, subsequently validated with national stakeholders.

#### EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access – Governance Support

**Objective:** Improve the competitiveness and efficiency of the private sector, and its access to both international and domestic markets to promote job creation, sustainable inclusive economic growth, industry modernization and products innovation, and revitalize trade partnerships.



#### Key achievements in 2021:

- Started the process of establishing the Decision Support Unit at the Ministry of Trade and Industry.

### Strategic Foresight Exercise on the Manufacturing Sector in Egypt

**Objective:** Explore different plausible futures that could arise, and the opportunities and challenges for the manufacturing sector in Egypt after COVID-19.

#### Key achievements in 2021:

- Launched a policy report on the “Strategic Foresight Exercise on the Manufacturing Sector in Egypt” and presented to the Ministry of Planning and Economic Development and the Ministry of Trade and Industry.

#### Funding for PCP Component 1 – Industrial Policy and Governance (leveraged funding from various stakeholders)

Ongoing project / sub-programme title	Donor	(US\$)
Egypt’s participation in global and regional value chains and post COVID-19 industrial recovery	AfDB	75,000
EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access – Governance Support	EU	50,000
Strategic Foresight Exercise on the Manufacturing Sector in Egypt	RCO and ITC	40,000
	<b>Sub-total:</b>	<b>165,000</b>

Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access ( <i>Policy and Institutional Support Component</i> )	EU	4,000,000
Effective trade policies for export-driven industrialization post COVID-19	ITFC	500,000
	<b>Sub-total:</b>	<b>4,500,000</b>

### 4.4.2 COMPONENT 3: GREEN INDUSTRY

The green industry component aims at increasing productivity and reducing negative environmental impacts in the Egyptian manufacturing sector. The projects of this component contribute to building an integrated framework to enable the green transition of Egypt’s manufacturing sector and adapt to the circular economy model linking environmental policy with skills, innovation and technology enablers. This component includes the following projects:

#### Inclusive Green Growth in Egypt (IGGE)

- Objective:** Support the transition to an inclusive, green, and circular economy by promoting market system changes to create a more favorable environment for green Micro, Small, and Medium Enterprises (MSMEs), and the workforce in the Luxor and Qena governorates.

#### Key achievements in 2021:

- 17 governmental and intermediary institutions, 5 MSMEs and 29 people (17% women), gained awareness and knowledge on possible risks from **climate change, environmental degradation or natural hazards** which may affect Luxor and Qena governorates.

- 26 governmental institutions, 83 intermediary institutions, 9 MSMEs and 610 people, gained awareness and knowledge on environmental hazards of burning sugarcane residues, business opportunities for **valorizing sugarcane residues and by-products**, and established **connections** with recycling equipment providers, MSMEDA and the Agricultural Directorates in Luxor and Qena.
- 27 governmental and intermediary institutions and 276 people (9% women, 17% youth) from districts/villages in Luxor and Qena under **Hayah Karima initiative**, gained awareness and knowledge on the importance of **bio-fertilizers** as an environmentally-friendly and effective alternative to chemical fertilizers, and established **connections** with bio-fertilizers firms. As a result, two Cairo-based bio-fertilizer companies have expressed their interest in collaborating with the project to develop on-farm demonstration plots for bio-fertilization in the target governorates.
- 10 MSMEs gained awareness and knowledge on **food safety** latest technical regulations, methods, standards and compliance requirements, as well as financial and non-financial support through the Chamber of Food Industries (CFI) and the National Bank of Egypt.
- 16 governmental and intermediary institutions, 23 MSMEs and 52 people (21% women, 4% youth), gained awareness and knowledge on **priority occupational profiles, needed skills and competences** in the green economy.
- 18 governmental and intermediary institutions and 33 people (39% women), gained new **skills on the main elements, strategies and practices of circular economy and the circular bio economy**, and the possible **menu of policies** which Egypt can use to promote transition to a more circular economy and. Moreover, three intermediary institutions (IMC, IDA and CFI) and 61 people (44% women), gained new **skills on circular economy as trainers** and on the integration of Circular economy strategies and practices in their **service offering for green industries**.
- Two intermediary institutions (IMC, IDA) gained new skills on **resource efficiency and cleaner production practices** in industry through the Transfer of Environmentally Sound Technologies (TEST) methodology.

### The Egyptian Programme for Promoting Industrial Motor Efficiency-IMEEP

**Objective:** Reduce GHG emissions by facilitating and supporting market penetration of highly energy efficient motor systems in the industrial sector of Egypt.

#### Key achievements in 2021:

- **Policy measures and strategies supported on green and circular economy:** A working group is established including governmental and non-governmental representation to follow-on the recommendations with policymakers. Two working group meetings were conducted, and a baseline assessment report was developed, as well as market sizing analysis and stakeholder engagement communication plan.
- **Green/low carbon technologies supported:** Initiation of technical assistance to 17 companies through development of case studies.
- **Stakeholders sensitized on green economy/ low carbon emission practices:** MSO, CASO and PSO trainings conducted for consultants and factory representatives. Total of 205 participants trained on “User-level” and 82 trainees on “Expert level”.





- **Companies/beneficiaries using/adopting green and circular economy measures and systems:** 35 companies registered within the project, and 21 case studies of CASO/MSO being handled.

### Solar Heating for Industrial Process Project-SHIP

**Objective:** Develop the market environment for the diffusion and local manufacturing of solar energy systems for industrial process heat.

#### Key achievements in 2021:

- **Green/low carbon technologies supported:** Technological support provided by completing 237 walk-throughs and submitting 43 detailed thermal energy plans, and 6 industrial facilities had completed SWH system designs, the National Renewable Energy Authority Laboratory calibrated, Installation of Solar Water Heaters and collectors at NREA's labs completed.
- **Stakeholders sensitized on green economy/low carbon emission practices:** 19 trained from the banking sector, 200 trained on solar thermal equipment installation and servicing for technicians, 80 business owners trained for solar energy businesses
- **Companies /beneficiaries using/adopting green and circular economy measures and systems:** 53 suppliers/service providers/startups provided with business development training, 67 companies (106 participants) trained on the tools and equipment and the improvements required to upgrade their practices to ensure quality manufacturing of components and systems, 5 NREA experts trained on SWH Laboratory Upgrade, and 9 engineers from IMC and ENPCPC trained.

### Montreal Protocol Projects

**Objective:** Phase out ODS and ensure compliance with the ODS reduction targets.

#### Key achievements in 2021:

- Master training centres were equipped by UNIDO to train on good practices of recovery and recycling of controlled substances and handling flammable refrigerants in refrigeration and air-conditioning servicing techniques.
- A mobile vocational training centre, a truck trailer equipped as a RAC VT workshop, was also selected to be upgraded by UNIDO to train on good practices. This mobile training centre will achieve smooth access for remote areas to hold training sessions, as it would be flexible to execute training in different locations.
- Started a conversion project supporting five manufacturers of residential air-conditioning units in order to phase out 1,189.78 MT (65.44 ODP tonnes) of HCFC-22.

### Switch- Med II

**Objective:** Demonstrate and build local capacities for the implementation of safer chemical management practices that can protect consumers, workers and the natural environment and increase environmental responsibility in the textile and garment sector.

#### Key achievements in 2021:

- Finalized the textile waste mapping study.
- Organized training on better practices for chemical management and wastewater treatment according to ZDHC guidelines concluded in the SwitchMed/MED TEST III project in Egypt.
- Organized a webinar on better chemical and wastewater management launched for Egypt's textile industry.

### Funding for PCP Component 3 – Green Industry

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	4,495,180
180228	Switch- Med II	EU	1,000,000
120073	Utilizing Solar Energy for Industrial Process Heat in Egyptian Industry	GEF	6,500,000
190152	Supporting the Promotion of Circular Economy Practices on Single-use Plastic Value Chain	Japan	2,849,560
140400	HCFC phase-out management plan (stage II) (air-conditioning sector)	Montreal Protocol	765,561
170206	HCFC phase-out management plan (stage II) (Air-conditioning service sector)	Montreal Protocol	1,530,000
200006	EGYPT HPMP stage II 2nd tranche, residential air-conditioning manufacturing sector	Montreal Protocol	7,502,410
200080	Catalyzing private investments for a green and competitive Egyptian economy	UN Joint SDG Fund	186,916
<b>Sub-total:</b>			<b>27,629,291</b>

Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
Driving the transition to net zero industries in Egypt	Canada	8,000,000
Catalyzing private investments for climate-smart agriculture and food systems	Canada	8,000,000
Support climate smart water management skills and youth employability in Egypt	TBD	4,000,000
<b>Sub-total:</b>		<b>20,000,000</b>

### 4.4.3 COMPONENT 4: SMART CITIES AND SUSTAINABLE INDUSTRIAL PARKS

This Component aims at increasing competitiveness, innovation and sustainability in smart cities and sustainable industrial parks in Egypt.

#### Global Eco-Industrial Parks (EIP) Programme - Egypt: Country level intervention

**Objective:** Demonstrate the viability and benefits of Eco-Industrial Park approaches in scaling up resource productivity and improving economic, environmental and social performances of businesses and thereby contributing to inclusive and sustainable industrial development in Egypt.





#### Key achievements in 2021:

- Signed the project agreement with the Ministry of Trade and Industry.
- Obtained project national approvals.
- Defined industrial zones that will benefit from the project.

#### Funding for PCP Component 4 – Smart Cities and Sustainable Industrial Parks

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
190088	Global Eco-Industrial Parks Programme - Egypt: Country Level Intervention	Switzerland	1,695,992
180313	Greening Hurghada	GEF	150,000
<b>Sub-total:</b>			<b>1,845,992</b>

#### 4.4.4 COMPONENT 5: VALUE CHAINS

Value chains constitute important opportunities for Egypt to be part of the global economy, captivate knowledge and technology, and add value to its products. This Component aims at improving performance and competitiveness of selected value chains in Egypt. Five projects have been developed to achieve this PCP component.

#### Inclusive and sustainable development of the tomato value chain in Egypt

**Objective:** Support the development of an inclusive and sustainable tomato value chain in Egypt by increasing value-addition and enhancing the technical capacities of youth, thereby enhancing their employability and job/business opportunities.

#### Key achievements in 2021:

- Established the project steering committee by a ministerial decree.
- Organized the kick-off meeting and endorsed the project inception phase report.
- Held the first meeting of the project steering committee.
- Organized a series of awareness raising workshops on tomato cultivation.
- Started the process of establishing the Tomato Center of Excellence.

#### Women economic empowerment for inclusive and sustainable growth

**Objective:** Increase women's effective economic participation and empowerment within the context of sustainable development.

#### Key achievements in 2021:

- Finalized the project work plan and designed the project communication strategy.
- Launched the mapping of two targeted value chains.
- Provided capacity-building to national stakeholders on M&E.
- Provided Business Clinics to women and men entrepreneurs who participated in the Turathna Exhibition in October 2021.

## The Egyptian Cotton Project

**Objective:** Enhance the sustainability, inclusiveness and value addition of the long staple and extra long staple Egyptian cotton value chain, by improving the economic, social and environmental performance of cotton growers and cotton processors, and strengthening support institutions.

### Key achievements in 2021:

About 7,000 cotton growers (small producers) outreached in the Kafr el Sheikh and Damietta Governorates. 3,628 cotton growers were trained on BCI principles and underwent the BCI license for the seasons 2020 and 2021.

- 815 workers received field training on improved picking practices to reduce contamination of cotton (70% women).
- Provided ToT to 34 field facilitators and cotton specialists on sustainable practices and application of BCI.
- Supported 605 students and teachers in agricultural and industrial secondary schools.
- Improved skills of 85 technicians and workers of textile manufacturers.
- 36 young designers trained on sustainable fashion design and produced 4 capsule collections.
- 2 local cotton traders qualified to become BCI implementing partners.
- 17 firms participated to the ZDHC (Zero Discharge of Hazardous Chemical) to the basic and advance course.
- 4 companies embarked on the production of recycled cotton yarns and textile.
- 175 companies received training on sustainability certifications for textile, market trends in sustainability (traders, ginners, spinners, weavers, Textile Holding Company).

## Employment for Youth in Egypt: Providing a Reason to Stay

**Objective:** Improving economic security of young women and men in the Nile Delta is achieved by the end of the programme, particularly targeting vulnerable groups who are at risk of irregular migration.

### Key achievements in 2021:

- Small businesses, in identified promising sectors, are supported to become more inclusive of economically vulnerable young women and men through implementing the following activities:
  - Provided customised support to 25 companies to grow in different sectors (Sustainable Agriculture & Food Production (SA&FP), textiles, waste management, engineering, renewable energy, handicrafts, digital technology, paper, plastics, leather, chemicals and furniture).
  - Delivered a capacity-building programme to 10 institutional stakeholders to promote local economic





development. Analysis of monitoring and evaluation (M&E) data reveals that more than 70% of the institutions have already started to develop action plans to improve service delivery that target youth and youth-led businesses.

- Conducted a diagnostic assessment of the capacity, constraints and potential of the pottery cluster in Grace village. Based on its findings, a strategic roadmap and action plan has been prepared and is currently undergoing a validation process.
  - Commenced support to promoting entrepreneurial horizons among youth (800 youth) in the target communities. A service provider, Enroot, has been contracted to conduct awareness-raising sessions to orient youth towards real and valid opportunities in promising sectors in their local communities. The aim is to support young people to view entrepreneurial initiatives—be it economic, social or cultural—as valuable opportunities for income-generation and/or meaningful participation in their local communities.
- Sustainable environment solutions and green businesses are promoted among youth, through raising awareness of the economic and social benefits of circular economy in communities and support/guide to 400 youth-led initiatives. The following activities were executed:
    - Raise awareness of 200 youth in areas of climate change, risks, and adaptation.
    - Request for a proposal launched for hydroponics awareness sessions and technical skills training for 200 youth.
    - Online material and courses translated into Arabic and available on the climate science website.

### The National Contest for Terroir Food Products in Egypt

**Objective:** Display the country's finest terroir products and promote a typical brand image towards consumers, national and international purchasing organizations and media, so as to boost marketing and exports.

#### Key achievements in 2021:

- The National Contest for Terroir Food Products in Egypt officially launched by the Minister of Trade and Industry to be organized in March 2022; 700 products are registered in the [Contest Website](#).
- Conducted several TV interviews to promote the Contest in Egypt.
- Held meeting of the Operational Committee which resulted in defining committee's roles, arranging resource mobilization and identifying the date and venue of the Contest.

#### FUNDING FOR PCP COMPONENT 5 – Value Chains

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
170251	Inclusive and sustainable development of the tomato value chain in Egypt	Slovenia & Italy	2,241,799
150385	Women economic empowerment for inclusive and sustainable growth	Canada	2,641,963
160068	The Egyptian Cotton Project	ITFC & Italy	1,528,929
170034	Employment for Youth in Egypt: Providing a reason to stay	UNFTHS	579,500
N/A	National Contest for Terroir Food Products	SECO and national institutions	100,000
<b>Sub-total:</b>			<b>7,092,191</b>

Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access (Value Chain Component)	EU	4,000,000
The Egyptian Cotton Project – Phase II	ITFC, Italy	1,500,000
<b>Sub-total:</b>		<b>5,500,000</b>

#### 4.4.5 COMPONENT 6; MAINSTREAMING INDUSTRY 4.0

This Component aims at increased integration of Industry 4.0 technologies in key industrial sectors to enhance manufacturing contribution to national economic, environmental and social development.

##### Collaboration with Siemens to mainstream Industry 4.0 in Egypt

**Objective:** Raise awareness of Industry 4.0 and showcase benefits of automation and digitalization.

##### Key achievements in 2021:

- Initiated collaboration with Siemens to promote future industrial skills in Egypt. Siemens confirmed its in-kind contributions in support of the “PCP Egypt: Industry 4.0 Component”:
  - 30 classroom licenses of DI SW software solutions per university to a total of three universities in Egypt free of charge.
  - The DI SW classroom software licenses will include the following Siemens software solutions: NX CAD – Mechanical Design – NX CAM – Manufacturing – NX CAE – Simulation – NX AM – Additive Manufacturing – Solid Edge – Mainstream CAD – Tecnomatix for Robotic – Tecnomatix for Material Flow Simulation – Simcenter FloEFD – CFD.
  - Each classroom license will be valid for a period of 5 years during which free software upgrades are available to each university along with access to the Siemens Xcelerator Academy online platform for each student.
  - The provision of the software to these universities will be free of charge as part of the investment in local know-how and capabilities as well as familiarizing future Egyptian engineers with the technology of Industry 4.0.
  - Signed MoU between Siemens and the IT Industry Development Agency (ITIDA) to establish Egypt’s first Industry 4.0 Innovation Center (IIC) in the New Administrative Capital of Egypt.

## 5. RESPONSE TO COVID-19

- In collaboration with the AfDB, UNIDO finalized the policy paper on Egypt participation in global and regional value chains in times of the COVID-19 pandemic.
- Provided business clinics to start-ups and entrepreneurs who participated in Al-Bazar Exhibition from 11-20 March 2021 and Turathna Exhibition in October 2021. Through the business clinics, UNIDO offered one-to-one consultation sessions to entrepreneurs for speed recovery from the crisis.
- Delivered a capacity-building programme to the Micro, Small and Medium Enterprises Development Agency (MSMEDA) on marketing and branding services to help improving their support offered to MSMEs after COVID-19.
- Participated in the International Cooperation Forum (ICF) organized by the Ministry of International Cooperation.



## 6. COMMUNICATION

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Different communication tools were used in 2021 to advocate for SDG 9 and respond to COVID-19. A wide range of social media campaigns has been conducted on UNIDO [FACEBOOK](#), [LINKEDIN](#); and [TWITTER](#). During 2021, Egypt PCP communication activities resulted in reaching 39,100 persons on Facebook and 6,000 people on LinkedIn. Additionally, all UNIDO ongoing projects used their social media platforms to promote their success stories and achieved outcomes. The following are their Facebook pages: [The Egyptian Cotton Project](#); [IGGE](#); [SHIP](#); and [MOTORS](#). More than 30 TV and newspapers interviews were conducted to raise awareness of PCP Egypt. Furthermore, in the framework of the UN Media4SDG taskforce coordinated by UNIC, UNIDO Egypt contributed to four sessions to raise awareness about PCP Egypt and its relevance to SDG 5; SDG 8; SDG 9; SDG 12; and SDG 17.

## 7. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2022

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- Organizing meetings of the NCB and its working groups.
- Continuing the implementation of the PCP projects under green industry component; smart cities and sustainable industrial parks component and value chains components.
- Coordinating with the MoTI to establish the Decision Support and Coordination Unit at the MoTI.
- Following up with funds mobilizing with partners such as the EU, Canada, and ITFC for PCP implementation.

## ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

ERP ID	PCP component or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
190029	Cross-cutting: Programming and coordination	Programme for Country Partnership in Egypt	Partnership Trust Fund- China	432,303
160007	Green Industry	Industrial Motors Energy Efficiency Programme	GEF	2,799,664
170146	Green Industry	Inclusive green growth in Egypt	Switzerland	4,495,180
180228	Green Industry	Switch- Med II	EU	1,000,000
120073	Green Industry	Utilizing Solar Energy for Industrial Process Heat in Egyptian Industry	GEF	6,500,000
190152	Green Industry	Supporting the Promotion of Circular Economy Practices on Single-use Plastic Value Chain	Regular Programme of Technical Cooperation, Japan	2,849,560
140400	Green Industry	HCFC phase-out management plan (stage II) (air-conditioning sector)	Montreal Protocol	765,561
170206	Green Industry	HCFC phase-out management plan (stage II) (Air-conditioning service sector)	Montreal Protocol	1,530,000
200006	Green Industry	EGYPT HPMP stage II 2nd tranche, residential air-conditioning manufacturing sector	Montreal Protocol	7,502,410
200080	Component 3: Green Industry	Catalyzing private investments for a green and competitive Egyptian economy	UN Joint SDG Fund	186,916
190088	Smart Cities and Sustainable Industrial Parks	Global Eco-Industrial Parks Programme - Egypt: Country Level Intervention	Switzerland	1,695,992
180313	Smart Cities and Sustainable Industrial Parks	Greening Hurghada	GEF	150,000
170251	Value Chain	Inclusive and sustainable development of the tomato value chain in Egypt	Slovenia & Italy	2,241,799
150385	Value Chain	Women economic empowerment for inclusive and sustainable growth	Canada	2,641,963
160068	Value Chain	The Egyptian Cotton Project	ITFC & Italy	1,528,929
170034	Value Chain	Employment for Youth in Egypt: Providing a reason to stay	UNFTHS	579,500
NA	Value Chain	National Contest for Terroir Food Products	SECO and national institutions	100,000
			<b>PCP total:</b>	<b>36,999,777</b>



Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access ( Policy& Institutional Support Component; Value Chains Component)	EU	8,000,000
Effective trade policies for export-driven industrialization post COVID-19	ITFC	500,000
The Egyptian Cotton Project – Phase II	ITFC & Italy	1,500,000
Driving the transition to net zero industries in Egypt	Canada	8,000,000
Catalyzing private investments for climate-smart agriculture and food systems	Canada	8,000,000
Support climate smart water management skills and youth employability in Egypt	Canada	4,000,000
	<b>Sub-total:</b>	<b>30,000,000</b>

## ANNEX 2: INVESTMENTS LEVERAGED BY THE PCP, INCLUDING FORECAST FOR 2022

Component	Title	Donor	Funding (US\$)
<b>Investments leveraged in 2021</b>			
<b>COMPONENT 1: Industrial Policy and Governance</b>	Egypt's participation in global and regional value chains and post COVID-19 industrial recovery	AfDB	75,000
<b>COMPONENT 1: Industrial Policy and Governance</b>	EU TIGARA: EU Support to Trade, Industry, Growth and Rapid Market Access – Governance Support	EU	50,000
<b>COMPONENT 1: Industrial Policy and Governance</b>	Strategic Foresight Exercise on the Manufacturing Sector in Egypt	RCO and ITC	40,000
		<b>Sub-total:</b>	<b>165,000</b>
<b>Investments expected to be leveraged in 2022</b>			
<b>COMPONENT 1: Industrial Policy and Governance</b>	Capacity building on industrial policy	AfDB and Afreximbank	100,000
<b>COMPONENT 6: Main-streaming Industry 4.0</b>	Establishing Industry 4.0 Innovation Center	Siemens	200,000
<b>COMPONENT 6: Main-streaming Industry 4.0</b>	Capacity building on Industry 4.0	Siemens	50,000
		<b>Sub-total:</b>	<b>350,000</b>

For more information, please scan the QR Code to [access the PCP Egypt UNIDO website.](#)



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