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ANNEX

**Multi-Annual Indicative Programme
European Union – Egypt
2021-2027**

1. The overall lines of the EU international cooperation in the partner country/region

1.1. Basis for programming

The overall framework for cooperation between the European Union (EU) and Egypt is the **Association Agreement** signed in 2001 and in force since 2004.

Within this framework, the EU engagement with Egypt has been constructive and has resulted in high-level visits, Association Council and Committee meetings, and the establishment of formal Energy and Migration Dialogues.

While all elements of the Association Agreement remain in effect, the **EU-Egypt Partnership Priorities** set the jointly defined priorities between the EU and Egypt notably through promoting the human dimension, stronger regional and sub-regional (South-South) cooperation, deepening the political dialogue on democracy and human rights, and with a cross-cutting focus on youth and women. The post-2020 Partnership Priorities aim to address common challenges facing the EU and Egypt, to promote joint interests and to guarantee long-term stability and sustainable development on both sides of the Mediterranean, as part of the revised European Neighbourhood Policy¹, the New Agenda for the Mediterranean², and its Economic and Investment Plan for the Southern Neighbours³. They are also consistent with the EU Trade Policy Review⁴, the external dimension of the European Green Deal⁵ and other EU initiatives to promote the realisation of sustainable development eg. the Council Conclusions on Water in the EU's External Action⁶. Particular attention is given to alleviating the adverse socio-economic impact of the COVID-19 pandemic, and to reinforcing cooperation in support of Egypt's Sustainable Development Strategy "Egypt Vision 2030", including a green, digital, resilient and just recovery, and a shared commitment to the universal values of democracy, the rule of law and respect for human rights. The Partnership Priorities cover three main areas of cooperation: 'Sustainable Modern Economy and Social Development', 'Foreign Policy', and 'Enhancing Stability'. The Partnership Priorities also foresee that the EU and Egypt will work closely to provide shared common practical proposals in order to assist Egypt in increasing its competitiveness and market transparency, strengthening the existing trade and investment relationship and ensuring that the trade and competition provisions of the EU-Egypt Association Agreement are respected in full and that the Agreement is implemented in a manner that enables it to reach its full potential.

Egypt has shown resilience in implementing its economic reform agenda over the last decade and entered the pandemic in a relatively strong position in 2020. An immediate policy response has helped the economy to withstand the worst repercussions and maintain a positive growth profile. Mitigating the socio-economic fallout of the pandemic, however, has forced the authorities to re-focus their resources to short-term stabilisation policies, entailing a setback in Egypt's efforts to move on from stabilisation towards a more sustainable and inclusive pathway, leaving no one behind, as initially foreseen in the Sustainable Development Strategy "Egypt Vision 2030".

¹ JOIN(2015) 50 final

² JOIN(2021) 2 final

³ SWD(2021) 23 final

⁴ COM(2021) 66 final

⁵ COM(2019) 640

⁶ Council Conclusions 14108/21

A second phase of structural reforms was launched early 2021, with the adoption of the “National Structural Reforms Programme” aiming at achieving a well-balanced, green and inclusive growth, as well as the update of Egypt’s Sustainable Development Strategy “Vision 2030”. The latter aims at an alignment with the Sustainable Development Goals and enhances the response to critical challenges facing the country - among which are water scarcity, high population growth and adapting to sanitary, environmental and socio-economic shocks.

The updated version of Egypt’s Vision 2030 unfolds in four guiding principles: (i) putting the citizen at the core and center of development, (ii) guaranteeing equity and accessibility for all, (iii) resilience and adaptation, (iv) sustainability. These principles are considered the overarching umbrella that guides the implementation of the six national strategic goals: 1) to improve Egyptians’ quality of life; 2) to raise their living standards; 3) achieving social justice and equality; 4) reaching a competitive and diversified knowledge economy within an integrated and sustainable environmental system; 5) a well-developed infrastructure and 6) enhanced governance and partnerships. The Strategy identifies seven enablers: data availability, financing, digital transformation, technology and innovation, legislative environment, supportive cultural values and population growth management. The update of Egypt’s Sustainable Development Strategy enhances the efforts undertaken to accelerate progress towards sustainable development, in particular through the localisation of the Sustainable Development Goals in the 27 Governorates of Egypt to address spatial inequalities and disparities through targeted approaches.

All actions taken under this programming exercise shall comply with EU legislation, in particular EU restrictive measures (sanctions) adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.⁷

1.2. Status of joint programming

Building on the lessons learned from previous joint analysis and joint response, the EU and its Member States share the vision that Joint Programming and its implementation in Egypt shall be flexible, inclusive and driven at country level towards an efficient and impactful cooperation partnership. In 2021, the European Union and Member States present in Egypt adopted a ‘policy first approach’ to cooperation and policy dialogue in support of transformative and conducive policy reform.

Joint Programming in Egypt for the period 2021-2027 revolves around a Joint Analysis and Joint Response, outlining thematic and sector visions, mapping resources and agreeing on a division of labour for working better together in the targeted priority areas of Gender, Connected Economy and Societies, the Green Transition, Sustainable Financing for Development and Migration.

Since 2020, **Team Europe approach** has provided the framework for a coordinated COVID-19 response in Egypt. In response to the immediate health crisis and the resulting socio-economic and sanitary needs the EU, Member States’ Development Agencies and European Financial Institutions have mobilised up to EUR 1.8 billion to help mitigate the impact of the pandemic.

Adopting a Team Europe approach to implement the Flagship projects identified jointly with the Government of Egypt in the Economic and Investment Plan for the Southern Neighbours, the Joint Response includes joint implementation through significant investments from the European Union, European Investment Bank, European Bank for Reconstruction and

⁷ Document 12012E/TXT

Development, EU Member States and their Agencies and Financial Institutions. These are reflected under two Team Europe initiatives, enhancing the EU's capacity to work better together as a team and delivering on joint and transformational objectives in priority sectors. These Team Europe initiatives, agreed with Egypt, are detailed in section 2 of this document.

The Joint Response also features enhanced capacity for coordination, a joint approach to strategic communication, and a policy dialogue on the EU in Egypt.

1.3. Priority areas of the EU's cooperation with the partner country/region

The priorities for cooperation through financial assistance, outlined in this Multi-Annual Indicative Programme for the period 2021-2027, are as follows:

Priority 1: Green and sustainable development

Priority 2: Human development, economic resilience and prosperity building through green and digital transition

Priority 3: Social Cohesion, Modern and Democratic State

These priorities result from extensive consultations conducted with the Government of Egypt since 2019, private sector, civil society, EU Member States and European Financing Institutions, as well as international organisations and likeminded countries or agencies.

In addition to **bilateral cooperation** a dedicated programming document will cover issues of **regional cooperation**. The regional Multiannual Indicative Programme (MIP) will align to the priorities identified in the new Agenda for the Mediterranean and its Economic and Investment Plan, building on previous cooperation and complementing bilateral interventions; it proposes measures to mitigate the long-term impact of the pandemic and tap into opportunities for regional cooperation and integration. Regional cooperation also allows to address overarching themes where there is a comparative advantage to tackle them through a cross-border perspective (e.g. environmental issues and climate change); working in sensitive areas where regional cooperation may constitute the most efficient action (e.g. support to civil society and human rights); and testing innovative approaches prior to implementation at the country level. Themes for the regional MIP include: i) Human development, good governance, and rule of law; ii) Strengthening resilience, building prosperity and seizing the digital transformation; iii) Peace and Security; iv) the Green Transition; and v) Support to the main drivers of regional integration. On security cooperation, interventions under the regional MIP will be defined in complementarity and close coordination with interventions covered under the thematic programme on Peace, Stability and Conflict Prevention, which would cover interventions with notably a global or trans-regional dimension.

A dedicated programming document for a multi-country Migration Programme for the Southern Neighbourhood will cover relevant bilateral and regional cooperation interventions, namely 1) Providing protection to forcibly displaced persons, including asylum seekers, refugees, Internally Displaced Persons (IDPs), and other persons in need, including migrants in vulnerable situations; 2) Strengthening, asylum and migration governance and management, as well as preventing irregular migration; 3) Fostering return, readmission and sustainable reintegration, as well as 4) Supporting a comprehensive approach to legal migration and mobility.

The priorities in this MIP also capitalise on the **lessons learned** from the implementation of the European Neighbourhood Instrument for the period 2014-2020, the use of the European Fund for Sustainable Development (EFSD) in Egypt, as well as the **existing agreements** and dialogues between the EU and Egypt, in particular the 2018-2022 Memorandum of

Understanding on Energy, the EU-Egypt Dialogue on Water, the Economic Dialogue and the Terms of Reference of the Migration Dialogue.

1.4. Justification and context

The EU and Egypt have long, historic ties and shared interests in the region and beyond. The political situation in the country remained stable in the last period, while Egypt continues to face social, economic and security challenges. Some efforts have been noted in the pursuit of human rights, such as the freedom of religion, women's rights and socio-economic rights, while restrictions do persist on fundamental rights and freedoms. Widening the space for consultation and cooperation with Civil Society Organisations (CSO) would significantly contribute to Egypt's sustainable development process in this regard.

Egypt witnessed strong overall economic growth rates over the last years, though they have slowed down as a result of the pandemic. This growth has been accompanied in 2020 by the first decline in poverty rates in almost two decades. The percentage of the Egyptian population below the national poverty line declined from 32.5% in FY2017/2018 to 29.7% in FY2019/2020, with the proportion of population in extreme poverty also dropping from 6.2% to 4.5% during the same years.

Public spending on access to basic services grew from 13.6% as a percentage of total government spending in 2018 to 29.8% in 2020 while public spending on health and education grew respectively from 4.9% to 6.1% and from 8.8% to 10.1%. While the COVID-19 pandemic is expected to slow down the progress in reducing poverty rates in the short term, reversal risks have been mitigated by the scaling up of social protection programmes and safety nets, to achieve substantial coverage of the most vulnerable and prevent the most in need from sliding into poverty. Egypt has sought to ensure that the "Leave No One Behind" target remains at the top of its agenda, especially during the COVID-19 pandemic, by implementing a cautious and balanced socio-economic response plan combining sanitary, protection and economic stimulus measures.

The population of Egypt increased to reach 102.5 million people in 2020/2021 from 97 million in 2017/2018, with 62% of the population below the age of 29. With this growth rate, the population is projected to reach 180 million by 2052, putting Egypt amongst the top nine largest populations in the world by then. In addition, and in spite of progress in reducing the urban/rural economic divide, regional inequalities still persist, with household income and household expenditure growing more in urban than rural areas. In order to address these challenges, social justice and equality, emphasising equal opportunities for all, remains a key pillar of Egypt's Sustainable Development Strategy, with a specific focus dedicated to supporting local areas and less advantaged groups most in need. Against this backdrop, specific attention shall be given to food security, agricultural output and water consumption. The demographic challenge can only be tackled by implementing a family planning policy – such as the initiative launched of "two (children per family) is enough". Demographics coupled with food security and water use are likely to remain the greatest challenges for Egypt in the coming years.

Egypt's successful economic stabilisation has been put to the test by the COVID-19 crisis. In response to a low-growth/high-debt situation with increasing balance-of-payments pressure in the mid-2010s, Egypt embarked on a comprehensive home-grown reform agenda in 2016. Thanks to bold macro policy measures including currency floatation, subsidy reforms and fiscal consolidation alongside a strengthened social safety net, real GDP growth gained momentum while the fiscal and current account deficits narrowed. Foreign exchange reserves recovered while consumer price inflation and unemployment declined. Just when the government was

well on track to move the economy from stabilisation towards a more sustainable and inclusive growth path, the COVID-19 pandemic threw Egypt back into stabilisation mode.

The government responded swiftly to mitigate the pandemic's short-term fallout. Egypt's real GDP growth profile has held up well, thanks in part to Egypt's more solid starting position. For FY20/21 as a whole, growth was 3.3% (IMF 2021). However, labour participation rates have declined in recent years, as employment growth has not kept pace with population growth. The fall in women's participation in the workforce has been particularly pronounced, suggesting that women have been bearing the brunt of the crisis while the recovery has largely been driven by a rise in employment among men.

Egypt has made significant progress in indicators relating to women empowerment and gender equality over the past decade, supported by umbrella reform strategies and civil society. Despite ongoing efforts to address gender inequality institutionally, challenges of both a social and economic nature remain - in particular combating female genital mutilation, ensuring higher participation of women in the formal sector and higher literacy rates, and enhancing participation of women in the judiciary.

Ensuring water security through the efficient management of limited water resources in partnership with the private sector and civil society, comes at a critical time of increasing needs driven by a growing population, intensive agricultural activity, regional tensions over water resources, and the impact of climate change. In spite of a persistent water deficit, noticeable progress has been made in access to drinking water (from 90% to 97% in 2020), access to sanitation (from 50% in 2015 to 70.6% in 2019) and the proportion of treated wastewater (from 50% in 2015 to 68.7% in 2019).

In the wake of the adoption of its "Integrated Sustainable Energy Strategy" in 2015, Egypt has reached a surplus in energy allowing it to become a regional exporter of power with access to electricity at near universal level (99.7% in 2019). In addition to increasing the overall capacity of electricity generation, Egypt is also prioritising renewable energy, with a target of reaching 20% by 2022 and 42% by 2035.

In spite of these positive indicators, the pandemic risks further delaying structural reforms. The COVID-19 shock shifted the government's focus back to macro stabilisation efforts. The renewed International Monetary Fund (IMF) programme which ended in 2021 included a limited structural component to keep up momentum and further develop competition and governance reforms. Going forward, redoubled efforts will be needed to broaden and deepen the structural agenda to achieve a more sustainable and inclusive pathway. Despite improvements in general unemployment rates since 2017, high youth unemployment still persists, with 27% of the youth reportedly not being in education, training or employment. The informal sector also poses another major challenge to the economy, accounting for 55.3% of total employment in 2020.

The EU is committed to supporting Egypt's new reform agenda and in particular to help the country meet its demographic challenge by increased investment in a young and skilled labour force. Moving Egypt on a robust path towards more sustainable and inclusive growth calls for making the trade and investment environment more conducive to non-oil private sector development, capitalising on the pandemic's positive side effects in fast-tracking the digital transition, focusing on regulatory convergence and pursuing the opportunities of greening the recovery. Supporting trade and investment facilitation initiatives, including the implementation and modernisation of the trade and investment provisions of the existing Association Agreement will be key to further enhance Egypt's integration into global value chains and create new opportunities for sustainable development.

The priorities for cooperation are also aligned with the targets and indicators outlined in the Sustainable Development Strategy “Egypt Vision 2030” and national policies, such as the National Population Strategy, the Financial Inclusion Strategy, the National Strategy for the Empowerment of Egyptian Women, Science, Technology and Innovation Strategy (STI) and the commitments towards Green transition and the Decent life (Haya Karima) initiative.

As foreseen in the Sustainable Development Strategy “Egypt’s Vision 2030”, private sector and civil society are important potent contributors to the implementation of the reform agenda in support of a modern, democratic state and the sustainable development process underway in Egypt. The priorities outlined in the Multi-Annual Indicative Programme 2021-2027 will involve the private sector and civil society in contributing effectively to the economic, political and social development process in compliance with the Egyptian Constitution and the respective national legislation, including the NGO law and its bylaws. EU-Egypt cooperation will in particular capitalise on successful initiatives implemented with the private sector and civil society to mitigate the socio-economic impact of the pandemic, contribute to alleviating poverty and creating decent economic opportunities, improve equitable access to basic services and enhance the business climate, as well as advancing science, technology and innovation in key priority areas including energy, water, agro-Food and health.

The priorities identified and possible sectors of cooperation are complementary to other relevant instruments and regional programmes of the Commission, in particular Interreg NEXT MED 2021-2027, Horizon Europe, PRIMA, Erasmus +, the Asylum and Integration Fund (AMF), the Integrated Border Management Fund (IBMF) and Euro-Mediterranean programmes in the security, migration, governance, climate action and economic integration sectors. They also reflect policy engagements in the context of both EU-Africa High level Policy Dialogue (HLPD) and the Union for the Mediterranean (UfM)⁸.

1.5. Duration of the MIP and option for synchronisation

The MIP will have a duration of seven years (2021-2027). It will be subject to a mid-term review and possibly ad-hoc reviews, as needed. The EU-Egypt Partnership Priorities set the jointly defined priorities between the EU and Egypt. Existing Partnership Priorities have been extended⁹ and frame the Multiannual Indicative Programme for Egypt pursuant to Articles 19(1) and 14(3)(c) of the Regulation (EU) 2021/947. Once revised Partnership Priorities are adopted by the Association Council, the multiannual indicative programme will be reviewed and amended as necessary in accordance with Article 16(3) of the Regulation (EU) 2021/947.

A mid-term review in 2024 would allow to take into account the review of the targets achieved towards the Sustainable Development Strategy, as foreseen in the medium-term Egyptian Sustainable Development Plan 2018-2022, and to adjust the EU’s support accordingly.

2. EU support per priority area and proposals for Team Europe Initiatives

Overall, the priorities of this MIP will contribute to **eradicate poverty, leaving no one behind** (SDG1). They will be guided by the EU’s gender action plan (GAP III)¹⁰ so as to scale up support to **eliminate all forms of discrimination against women and girls** (SDG 5) across all sectors of intervention. And they will support a **green transition**, to implement the 2030

⁸ <https://ufmsecretariat.org/>

⁹ Recommendation of the Association Council UE-EG 2803/21

¹⁰ EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women’s empowerment in EU external action – JOIN(2020) 17

Agenda and the Paris Climate Change Agreement through coordinated and coherent action that promotes resilience, reduces resource consumption and protects biodiversity, reduces climate risk, and contributes to greenhouse gas emissions reduction (SDG 13).

Facilitation of **safe, orderly, regular and responsible migration and mobility** (SDG10.7) will remain a cross-sector priority and will be addressed in the framework of the EU-Egypt Migration Dialogue. Cooperation between Egypt and the EU on migration will be strengthened by the implementation of the external dimension of the new Pact on Migration and Asylum¹¹ adopted by the European Commission in 2020. Bilateral support will contribute to the implementation of those migration priorities by addressing root causes of irregular migration in Egypt and forced displacement, where clear links can be established, and integrate other areas in line with the main priority areas of the external dimension of the New Pact. Whether interventions related to migration will be covered by regional or bilateral programmes will depend on the most appropriate dimension (the regional one will be privileged where a transnational approach is most suitable).

Gender equality and women's empowerment will be targeted and mainstreamed to reach 85% of the EU cooperation programmes, focusing on promoting financial inclusion for women, increasing participation of women in the labour force and in the formal economy, and preventing violence against women and girls.

Interventions supported under the priorities outlined hereafter shall be guided by the principles and objectives set out in the Paris Agreement and the Addis Ababa Action Agenda and should contribute to achieving the Sustainable Development Goals. Particular attention should be paid to interlinkages between the SDGs and to integrated interventions that can create common benefits and meet multiple objectives in a coherent way without undermining other objectives.

2.1. Priority area 1: Green and sustainable development

The impacts of climate change and environmental degradation on livelihood, health, agriculture and security are already visible in Egypt. Cooperation on climate resilience and adaptation by investing in preventive measures, research and innovation capacities, and reinforcing cooperation on disaster risk management should be enhanced. In order to assist Egypt in meeting its obligations under the Paris Agreement and its Nationally Determined Contributions, the EU will provide support to set and meet Greenhouse Gas (GHG) reduction targets, support the decarbonisation of the economy, energy efficiency and enhance resilience and adaptation capabilities with the following specific objectives, for which multi-stakeholders participatory methodologies, citizen engagement and private sector partnerships shall be enhanced. Bearing in mind the disproportionate impact climate change and environmental degradation has on women and girls, emphasis shall be placed on mainstreaming gender in all interventions. The EU and Egypt will continue to cooperate in the diversification of energy sources and the energy transition towards climate neutrality.

2.1.1 Specific objectives related to the priority area

SO1.1 -To support climate and environment action, diversification of energy sources and the energy transition towards climate neutrality.

The EU and Egypt will support **Climate Governance and Environment Protection (DAC 410)** to give a clear direction and multi-sectorial strategies to build resilience to shocks and harness opportunities for a low carbon and climate resilient economy (SDG13), in particular by supporting resource efficiency, sustainable production and consumption, improved solid waste

¹¹ COM(2020) 609 final

management, pollution reduction and promoting biodiversity and the preservation and restoration of ecosystems (SDG14 and SDG15).

Access to affordable, reliable, sustainable and modern energy is pivotal to tackle climate change while ending poverty and boosting shared prosperity. To this end the EU will further facilitate private investments in **Renewable Energy (DAC 232)**, including the deployment of sustainable energy sources including green hydrogen, enhancing energy efficiency and the upgrade of the system integration plans which are expected to play an increasingly vital role in supporting the country to develop modern and secure energy systems (SDG7).

SO1.2 -To support integrated water and natural resources management and promote sustainable food systems

Water is an indispensable resource for all economic activities and linked with energy needs and food security (water-energy-food nexus). It is also key to sustain ecosystems and the services they provide. The promotion of water use efficiency, water recycling and reuse in the business/domestic community and the recapture of resources from the treatment of wastewater (nutrients for agriculture, water for irrigation, and energy for communities) are also of great relevance for a climate resilient and circular economy approach, and for the protection of marine ecosystems (pollution prevention at source).

In light of the compounded effects of water scarcity and high population growth faced by Egypt, the EU will support an integrated approach in the sectors of **Agriculture (DAC 311)** and **Water Supply and Sanitation (DAC 140)**. Support to efficient use of water resources combined with sustainable agricultural and aquaculture practices, including the promotion of biodiversity, are instrumental for the achievement of **SDG1 (Eradicate Poverty, Leaving No-one Behind)** and **SDG2 (Pursue an end to hunger)**. Supporting enhanced resilience of the sector to the impacts of climate change will also be pursued.

SO1.3 – To promote sustainable growth and climate resilient investments.

The EU will support the promotion of **green investments and green finance** to attract private sector investors. A key priority will be to improve the policy and investment climate, in view of pursuing alignment with the Paris Agreement and addressing urgent threats. Regulatory and financial incentives and measures will also be critical to harness investments and make the transition to low-emission circular economies possible. Local and international green investments will also contribute to positioning Egypt as a strategic link to global and African trade.

In particular, the EU will support the Egyptian government in pursuing strategies to develop resilient and sustainable cities, achieving spatial justice notably by increasing **public-transit, communication and energy** networks, improve the management of urban mobility, and enhance public engagement and accessibility (SDG9). By doing so, Egypt will be able to provide access to sustainable, low-emission, interconnected and secure mobility and transport networks, through safe, affordable, accessible and **clean Transport systems (DAC 210)** while improving safety, notably by expanding public transport, with specific emphasis on leaving no one behind, and in particular women, children, persons with disabilities and older persons. In this respect, Egypt can benefit from its ongoing involvement in the Regional Transport Action Plan within the framework of the Union for the Mediterranean (UfM) as well as Global Gateway initiatives such as the Cairo-Khartoum-Juba-Kampala Strategic Corridor. All investment in infrastructure will be climate proofed. Nature-based solutions and the use of green infrastructure will be investigated and promoted.

2.1.2 Expected results per specific objective

SO1.1 -To support climate and environment action, diversification of energy sources and the energy transition towards climate neutrality.

- Enhanced climate and environmental governance and an improved link with public finances and fiscal initiatives; extensive monitoring, reporting and verification of targets to build resilience to shocks, enhance adaptation including disaster risk prevention, and harness opportunities for a low carbon and climate resilient economy.
- Shift to Circular Economy and sustainable production and consumption; improved solid waste management, pollution reduction and resource efficiency.
- Increased area of marine, terrestrial and freshwater ecosystems protected and/or sustainably managed, including promotion and preservation of biodiversity in urban settings.
- Enhanced access to affordable, reliable, low-emissions and modern energy, including: reduced carbon intensity of the energy mix; expansion of renewable energy covering – among others renewable hydrogen, accelerated energy efficiency improvements, increased electrification of energy services, and enhanced system integration for the development of modern, secure energy systems.

SO1.2 -To support integrated water resources management and promote sustainable food systems.

- Increased integrated use of water resources management promoting eco-friendly solutions, and demand oriented water supply and sanitation in a water-energy-food ecosystem nexus, enhancing resilience of the sector to the impacts of climate change.
- More efficient infrastructure promoting sustainable systems of drinking water supply and sanitation supported to increase water availability and reuse, enhance resilience of the sector to the impacts of climate change, as well as the reduction of pollution.
- Enhanced regulatory environment and capacities to manage and operate efficient demand driven systems, including transition towards private sector engagement, sustainable finance and smart Water Governance, including water digitalisation.

SO1.3 – To promote sustainable growth and climate resilient investments.

- Improved business climate for sustainable investments.
- Increased share of local and international green investments fostering real job opportunities and contributing to economic growth.
- Improved, safe and sustainable public transport network.
- Sustainable urban development policies are implemented in support of cities' low-carbon transition, enhanced resilience and adaptation to climate change.

2.1.3 Indicators (including baseline and targets), per expected result

Indicators are outlined in Annex 1 – Intervention logic.

2.1.4 Possible use of blending and guarantees for investment under EFSD+

A large part of Priority 1 shall be implemented through blending and guarantees mixed with complementary technical assistance (prefeasibility studies, technical assistance linked to investments, etc.). Strategic Environmental Assessments and Environmental and Climate Impact Assessments will be essential in greening and climate-proofing investments.

2.2. Priority area 2: Human development, economic resilience, and prosperity building through green and digital transition

Building on the priority of supporting resilient, inclusive and connected economies that work for the people, the EU and Egypt will promote an economic transformation that creates decent jobs and opportunities for all, in particular to meet the specific needs of youth, women and girls. The EU will promote and incentivise research and innovation as an integral enablers of human development and economic resilience; as well as green and digital transition.

2.2.1 Specific objectives related to the priority area

SO2.1 To strengthen socio-economic resilience for inclusive growth and decent job creation

The EU will promote socio-economic resilience to support Egypt in pursuing its sustainable growth path and post pandemic recovery. Investing in a greener, fairer and more inclusive recovery will help tackle the unemployment crisis. Support to **Business, Micro and Small and Medium Enterprises (SME) (DAC 350)** in selected sectors, to accelerate employment growth, ensuring a higher rate of women and youth participation and integrating the informal sector into the economy will be the primary focus of the EU to support Egypt in addressing longstanding challenges.

The EU, governmental and non-governmental partners, and financial institutions, will work together to promote improved economic governance and a more amenable business environment, contribute to scaling-up private and public investments, and address the MSME financing gap (SDG8). Emphasis will be placed on sustainable production methods and the promotion of green and circular economy models.

The EU will also support Egypt to enhance the potential of its rich and diverse **cultural heritage** and natural sites as drivers of sustainable and inclusive local socio-economic development with a focus on **sustainable tourism**, in partnership with cultural operators and private sector industries, and complementary to EU-Egypt cultural diplomacy.

SO2.2 To support a human centric digital transition in Egypt to foster sustainable, connected and inclusive economies.

The EU will support Egypt's efforts to seize the Digital Transition, boost innovative digital solutions for Egypt's public and private sector and further reduce the current digital divide, to empower people, especially women and persons in vulnerable and marginalised situation. The EU will accompany Egypt in its **digital transformation** process enshrined in the Digital Egypt Strategy and the Egypt Vision 2030 thus contributing to the achievement of SDG 9 (Increased Connectivity) and SDG 16 (effective institutions).

Complementary support may also include value chain development, knowledge transfer, **trade facilitation and investment (DAC 330)** including towards regional hubs, to support incubation programmes to stimulate the growth of start-ups and innovative early-stage companies across industrial fields in the agriculture, food, ICT, water, energy, garments, pharmaceuticals or other sectors (with possible cooperation on vaccine production), with an emphasis on the pursuit of green and circular economy models.

Priority will be given to greening value chains that will offer the possibility of a “double-win” – diversifying exports and promoting economies that are less carbon-intensive.

SO2.3 To improve people's quality of life, providing them with opportunities for human development.

EU support will focus on concrete interventions to meet the specific needs of youth, particularly young women and girls, by increasing quality employment and entrepreneurship opportunities supported by effective policies in **education and vocational training (DAC 110)**. Support will aim at matching the adequacy of education outcomes with labour market needs and requirements bearing particular attention to the green and digital transformation taking place. Egypt has made progress in extending access to basic education and in closing gender gaps in enrolment; however, public education suffers from scarcity of resources and the lack of quality infrastructure, particularly in view of the demographic growth, and inadequacy of curricula and learning outcomes.

The EU will continue to support inclusive lifelong learning and equitable quality education (SDG4), focusing both on education as a social right and on human capital. It will also focus on skills development for an inclusive and modern economy, including digital skills, through continued support to Egypt's reform efforts in general education and Technical and Vocational Education and Training (TVET). This will be undertaken in a non-exclusive territorial approach (across all Governorates of Egypt); in full consistency with Egypt's ambition to develop the skills of the youth in order to increase their employability, thus contributing to the socio-economic development of the country and its green and circular transition. The EU will continue promoting Erasmus + in Egypt in all its components.

2.2.2 Expected Results per Specific Objectives

SO2.1 To strengthen socio-economic resilience, for inclusive growth and decent job creation

- Improved access and use of financial services by micro, small, and medium-sized enterprises (MSMEs) benefitting in particular youth, women and persons from less advantaged groups, including persons living with disabilities.
- Increased number of decent employment opportunities created in particular for youth, women and persons from less advantaged groups, in the formal economy.
- Enhanced promotion of sustainable cultural tourism as an alternative to mass tourism, yielding local economic development, access to finance and social inclusion.

SO2.2 To support a human centric digital transition in Egypt to foster sustainable, connected and inclusive economies

- An improved human centric digital regulatory framework and secure, resilient and affordable digital connectivity and infrastructure, enhancing global access and protecting people's privacy and integrity; supporting citizen centred e-Government, e-services to citizens, businesses, SMEs/start-ups especially in the digital sector and public administration, with specific emphasis on women, persons from less advantaged groups, the elderly, persons living with disabilities and those living in rural areas; facilitating job creation and contributing to the sustainability of newly created firms.
- Enhanced digital literacy and digital skills for citizens at large and the Egyptian workforce, in particular amongst persons from less advantaged groups and those living in rural areas.
- Enhanced value chains and innovative start-ups through access to finance and knowledge transfer (in various fields such as agriculture, food, water, energy, garments, ICT and pharmaceuticals), including sustainable, green production and investment, having positive effects on local and international digital trade and market share.

SO2.3 To improve people's quality of life, providing them with opportunities for human development

- Improved skills for green jobs and circular economy through supporting quality education/ TVET oriented towards market demands, including digital skills with specific emphasis on youth and persons from less advantaged groups.
- A national strategic framework for digitalisation and digital online learning are developed (Egyptian Knowledge Bank).
- Enhanced skills and livelihood opportunities allow residents of informal settlements or less advantaged persons to improve their income and labour market participation.

2.2.3 Indicators (including baseline and targets), per expected result

Indicators are outlined in Annex 1 – Intervention logic.

2.2.4. Possible use of blending and guarantees for investment under EFSD+

A large part of Priority 2 can be implemented through blending and guarantees mixed with complementary technical assistance, particularly for the digital investments and the schemes to facilitate access to finance for SMEs. Strategic Environmental Assessments and Environmental and Climate Impact Assessments will be essential in greening and climate-proofing investments.

2.3. Priority area 3: Social cohesion, Modern and Democratic State

The EU remains committed to supporting, in line with the 2014 Egyptian Constitution, Egypt's process towards increased democratic governance, structural reform and political, social and economic stabilisation, with a view to addressing Egypt's social and demographic challenges in line with the national population strategy and Egypt's Sustainable Development Strategy. Meaningful engagement with local civil society will be sought in all priority areas and policy dialogues. Such engagement will involve granting improved access to information, consulting civil society on specific policies or programmes, ensuring their active participation and involvement in policy dialogue and/or implementation, and strengthening CSOs' capacities through support interventions. The EU will therefore continue to work with Government and Civil Society (DAC 151) with the following specific objectives.

2.3.1. Specific objectives related to the priority area

SO.3.1. To promote and protect the values of democracy, human rights, fundamental freedoms

The EU will cooperate with Egypt bilaterally and in global or regional programmes and fora to support the provision of **fair justice, including access to legal assistance (SDG 16)**, as well as to **enhance democratic institutions' constitutional functions including through promoting high quality statistics**.

Supporting and protecting the **rights of persons in vulnerable situations, child rights**, rights of persons with disabilities (PwDs)¹² and the fight **against discrimination** will continue to be priorities in line with the EU Action Plan on Human Rights and Democracy 2021-2024¹³ aiming

¹² In these contexts, attention will be paid to the measures and approach envisaged in the relevant sections of the recently adopted strategic frameworks, i.e. the "EU strategy on the rights of the child" and the "Strategy for the Rights of Persons with Disabilities 2021-30".

¹³ https://eeas.europa.eu/sites/default/files/eu_action_plan_on_human_rights_and_democracy_2020-2024.pdf

at reducing inequality of outcomes and promoting **equal opportunities for all (SDG10)**. The EU and Egypt will therefore continue to promote the universal values of human rights for all, including the support for enabling **space for civil society (SDG16)**.

SO.3.2. To accelerate efforts to achieve gender equality and women and girls' empowerment.

In line with the EU strategic orientations on gender issues, key areas of engagement may include: ensuring freedom from all forms of sexual and gender-based violence; promoting reproductive health and rights; strengthening economic and social rights and the empowerment of girls and women; advancing equal participation and leadership; implementing the women, peace and security agenda; and addressing challenges and harnessing the opportunities offered by the green transition and the digital transformation.

In line with the National Strategy for Women Empowerment (2030), the EU and Egypt will therefore cooperate to support the achievement of SDG5 'Achieve gender equality and empower all women and girls' as well as other relevant SDGs that would support the integration of women's empowerment into aspects of sustainable and inclusive development. Particularly, the EU and Egypt will cooperate to support the elimination of violence against women and girls, socioeconomic empowerment of women, reproductive rights and health, and advancing women's participation and leadership.

SO3.3. To contribute to decent and healthy lives, through access to basic services and social inclusion

In a context of persistent income disparities, and aggravation of vulnerabilities in the wake of the COVID-19 pandemic, the EU will accompany Egypt's reforms in the fields of **social protection (DAC 160)** and **healthcare coverage (DAC 122)**, and in particular towards the roll out of the Universal Health Insurance, planned to reach a national coverage by 2032 (SDG3).

Assistance will help address the demographic challenge, and include support to the National Population Strategy in its multiple dimensions. Support will be provided to the implementation of an integrated social protection system and selected contributory and non-contributory interventions, in order to reduce socio-economic gaps and enhance the resilience of the less advantaged groups, thus complementing the Government's cash-transfer schemes Takaful and Karama or graduating programmes such as Forsa.

As Egypt is facing high population growth and density, coupled with unprecedented urban expansion, **community and urban development** will remain a priority multi-dimensional sector of the EU cooperation programmes, with specific focus on participatory approaches and social inclusion. Further interventions in rural development will help mitigate pressure for migration into urban centres.

2.3.2 Expected Results per Specific Objectives

SO.3.1. To promote and protect the values of democracy, human rights, fundamental freedoms.

- Enhanced processes for public institutions to be more efficient, effective, transparent and accountable in their service delivery to citizens including access to justice.
- More effective contribution from civil society to national, regional and/or international policy making spheres and processes, in particular in relation to civic participation, in sustainable development and in reducing inequalities.
- Continued promotion and protection of democracy, freedom of speech and of the universal values of human rights for all and fundamental freedoms, leaving no one behind, including women's rights, the rights of the child and the rights of persons with disabilities.

SO.3.2. To accelerate efforts to achieve gender equality and women and girls' empowerment.

- Strengthened legal, policy and operational frameworks to eliminate violence against women and girls.
- Increased access for women to leadership and senior governmental and non-governmental positions.

SO3.3. To contribute to decent and healthy lives, through access to basic services and social inclusion

- Strengthened social protection framework in the fields of social insurance, healthcare, pension and unemployment benefits, with a particular focus on women, in particular mothers, children, youth and persons from less advantaged groups and areas;
- Extended rollout of the universal health coverage including sexual and reproductive health and reproductive rights and enhanced capacities of primary healthcare centres
- Enhanced access to essential socio-economic services and infrastructure for persons from less advantaged groups, including children, youth, women, girls, the elderly, persons with disabilities, with a focus on underserved, informal less advantaged urban and rural areas.

2.3.3. Indicators (including baseline and targets), per expected result

Indicators are outlined in Annex 1 – Intervention logic.

2.3.4. Possible use of blending and guarantees for investment under EFSD+

Discussions are currently ongoing between the EU and European Financing Institutions (EFIs) to explore new opportunities in support of financial inclusion, urban and social infrastructure upgrading through different modalities combining grants, loans and guarantees. Strategic Environmental Assessments and Environmental and Climate Impact Assessments will be essential in greening and climate-proofing investments.

2.4. Proposals of country/multi-country/regional Team Europe Initiatives (TEI)

The EU's indicative contribution to those two TEIs is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the European Union and its Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

2.4.1. Team Europe Initiative Climate Change Mitigation and Adaptation through Connected Economy and Society in Egypt

Egypt has a **high potential for spearheading the digital transformation** in the Middle East and North Africa region. While more than 91% of the population has access to a mobile phone, internet access and connectivity remain key challenges to broaden the scope for a digital society. The country also displays an **ambitious vision to expand and integrate its transport networks** to meet growing mobility and economic connectivity needs. Egypt's plans to modernise the sector include the renewal of urban transport networks and the overhauling of maritime, land, and river transport systems.

The energy sector is fundamental to the green transition and the creation of green growth and jobs, optimising the potential and use of energy sources, diversifying further the energy mix through renewable energy and energy efficiency, strengthening governance and setting environmentally-friendly development pathways. In accordance with the ambition of the European Green Deal and the EU – Egypt Memoranda of Understanding on Strategic cooperation in Energy¹⁴, the EU is committed to further support Egypt’s efforts in this respect.

In addition, Egypt's role is growing as an important regional gas and electricity producer and transit country. Key areas of cooperation between the EU and Egypt in this respect include efforts towards establishing a Renewable Energy Hub in the East Mediterranean region, ongoing cooperation in the framework of the East Med Gas Forum and the implementation of regional energy interventions.

In this context, the EU, Member States and European Financing Institutions will seek:

- 1) To support the Government of Egypt in shaping a human-centric, equitable, inclusive and citizen-oriented digital transformation. Pillar 1: Connected Digital Society.
- 2) To offer the utmost transformative impact on the country by modernising and digitalising all transport modalities. Pillar 2: Sustainable Mobility and Connectivity.
- 3) To help Egypt achieve its energy transition, while also supporting Egypt’s sustainable energy connections inside the country and in the region. Pillar 3: Energy Connectivity.

Using a combination of policy instruments and implementation modalities (grants, innovative private sector financing, e.g. venture capital and private equity investments, blending of grants and loans, twinning, and technical assistance) towards the following areas of intervention:

Under Pillar I: Connected Digital Society, the TEI will seek to enhance Governance, policy and regulatory frameworks; developing infrastructure and supporting universal access to enhanced, affordable and secure networks; digital literacy, skills and entrepreneurship; digital services; and shall mainstream the **gender perspective** in all interventions.

Under Pillar II: Sustainable Mobility and Connectivity, the TEI will seek to support an integrated multi-modal mobility system including interventions that link and provide interconnectivity between ports, logistics complexes, railways, metro, bus stations, and airports; sustainable and smart mobility in addition to encouraging mobility networks characterised by automation, smart traffic management systems and enabled by digitalisation; enabling private sector involvement in the area; incorporating digitalisation components in all investments where applicable as a key enabler to alleviating traffic constraints, enhancing safety of transportation modes, as well as promoting sustainability and efficiency; mainstreaming the gender perspective into all investments in transport by providing safety, security, reliability, and affordability, in particular for women.

Under Pillar III: Energy Connectivity, the TEI will seek to support new strategic technologies and value chains around renewable energy sources; measures that further boost the development of renewable energy in the country such as the development of a new Wind Atlas in Egypt; production, trade, and transport of clean gases e.g. renewable hydrogen and its downstream products, biogas, biomethane as well as decarbonised gases; batteries and modern storage technologies; greater digitalisation of the energy system(s); increased electrification of the economy as a consequence of energy transition; cross-border power-grid interconnections and new “grid communities”; changing dynamics in the financial and investment landscape;

¹⁴ https://ec.europa.eu/energy/sites/ener/files/documents/eu-egypt_mou.pdf

mainstreaming the **gender perspective** into all investments in energy: women's employment, women's participation in innovation and research projects, etc.

2.4.2. Team Europe Initiative Climate Change Adaptation through Integrated Water and Food Security

With this Team Europe Initiative, the European Union, Member States and European Financing Institutions will be at the forefront of combatting climate change, environmental protection and sustainable food systems. Furthermore, the TEI aims at integrating the key regulatory and people-to-people dimensions to provide an effective socio-economic response to the COVID-19 pandemic's impact.

The **Egypt National Water Resources Plan 2037** is built around 4 pillars: Enhance Freshwater Availability; Improve Water Quality; Enhance Management of Water Use; Improve the Enabling Environment. Water represents an essential component of nearly all the adaptation and mitigation strategies under the **Paris Agreement**. It is identified as priority for most of the **Nationally Determined Contribution's (NDC)** adaptation actions and is directly or indirectly related to all other priority areas. Climate change will exacerbate water scarcity, flooding and sea level rise. There is also a link to climate change mitigation, as water infrastructure is a large (and often inefficient) consumer of energy.

Agriculture represents the main source of income for about 55% of the rural population (56% of Egypt's population).

The government has established a **Sustainable Agriculture Development Strategy (SADS) for 2030**. This aims to modernise Egyptian agriculture to achieve food security and improve living standards of the rural population by making efficient use of available natural resources.

Using multiple tools and implementation modalities, including grants, innovative private sector financing (e.g. venture capital and private equity fund investments by European Investment Bank (EIB) and other EFIs), blending of grants and loans, twinning, and technical assistance, possible areas of intervention for this Team Europe Initiative are as follows:

- 1) **Management of natural resources** following the four Pillars of the National Water Resources Plan of Egypt 2037:
 - Enhance **Freshwater Availability**, including interventions in the following sub-sectors: Desalination, Rainwater Harvesting and Flood Management.
 - Improve **Water Quality**, including interventions in the following sub-sectors: Expanding the coverage of Wastewater, Drain Rehabilitation, Enhance Waste Collection and Improve Sludge Management.
 - Enhance **Management of Water Use**, including interventions in the following areas: Modernisation of Irrigation Networks (in relation to sustainable food systems) Improve Potable Water Utility Management, Reduce Non-Revenue Water and Enhance Water Efficiency.
 - Improve the **Enabling Environment**, including: Capacity building; Modernisation of the Water Management Framework; Improving the Investment Climate (legislative environment to support more dynamic Private Sector Participation).
- 2) **Fostering strategic policy dialogue** and creating a conducive environment for water sector reform.
- 3) **Raising awareness of the general public**, as well as, advocating for water reforms within decision making circles.

- 4) Supporting the Egyptian Government in its implementation of the **Sustainable Agriculture Development Strategy (SADS) for 2030**.
- 5) Improve the **livelihood of the rural communities** by providing support to the smallholder farmers, their families, their co-operatives/associations like the Water User Associations.
- 6) Supporting the **socio-economic development of rural areas** especially by mitigating water scarcity, providing efficient agricultural extension services, improving livestock wealth, and exploring new and innovative solutions for generating income, notably for rural women.
- 7) **Protecting the natural resources** of the cultivated areas by supporting integrated farming and pest management as well as agricultural practices that reduce greenhouse gas emissions and are adapted to climate change.

The following key priorities will be promoted and mainstreamed as cross-cutting through the TEI: Strengthening **access to education and training** in the rural areas; **gender equality, women and girls empowerment, youth** economic opportunities; **digitalisation** by ensuring a digitalised package within all investment interventions. **Resource Efficiency** shall be promoted through encouraging enhanced resource management via introduction of efficiency indicators and tools.

3. Support measures/actions

3.1. Civil society

Working strategically with civil society, including social partners and private sector, will be carried out in all the steps of the programming cycle, namely programming, identification and formulation, implementation monitoring and evaluation.

An analysis of the context will shape a multi-dimensional approach over the three priority areas with the intention of widening the cooperation with CSOs both in terms of number and in geographical scope. This shall be achieved via different channels such as direct cooperation with the government, International Organisations, EU MS Implementing Agencies as well as directly with CSOs. The main objective will be to promote an enabling environment for civil society engagement in policy dialogue, governance and monitoring of state reforms and actions.

In addition to the mainstreamed support under the three priority areas, a specific financial provision for targeted support to civil society is foreseen. More specifically, the interventions supported under this specific allocation will aim at promoting an enabling environment for civil society engagement in policy dialogue and governance, at promoting a structured participation of civil society in policy dialogue with the national authorities, and at developing the capacities of civil society. Regular consultation processes will be carried out to fine tune the approach and open a space of dialogue to broaden the civic space, promote networking, knowledge-sharing, communication, evidence-based advocacy and monitoring.

At all stages of the processes cross cutting issues such as gender equality, women and girls empowerment, digitalisation and human rights shall be embedded and reporting mechanisms envisaged.

Synergies shall be ensured with regional programmes addressing civil society organisations which shall complement interventions supported by bilateral and thematic programmes.

3.2. Cooperation facility

Capitalising on past experience under the three “Support to the Association Agreement Programmes” implemented in Egypt, a cooperation facility will be set up with the following objectives:

- Supporting capacity development and institutional building, including through technical assistance and exchange of public expertise, such as TAIEX and Twinning. In particular, technical assistance and capacity building measures will support Egypt's public administration reform and enhance its regulatory framework notably in areas where there is a lack of implementation of the Association Agreement such as the competitions and subsidies commitments.
- The cooperation facility would also support EU cooperation with Egypt in the fight against corruption, improved transparency and accountability, public financial management, including subsidies control and transparency, and procurement to support accountable and transparent institutions (SDG16) and strengthen domestic and other revenue mobilisation, public expenditure management increased efficiency and effectiveness of public expenditure in partner countries (SDG17).
- Supporting policy dialogues: events, conferences, studies, fellowships, exchange platforms to support sector dialogues leading to policy reforms and engagement with governments and other stakeholders.
- Financing pre-feasibility studies for blending operations or other infrastructure interventions.
- Financing communication including strategic communication on EU political objectives and visibility actions on EU cooperation as well as the fight against disinformation.
- Enhancing public diplomacy through specific interventions to promote EU policies as well as engagement with target audiences and partners, such as youth, academics, influencers (e.g. media, think tanks, and business community), civil society and cultural actors. This would enhance the understanding of the EU and its actions, support the implementation of the EU policy priorities in Egypt and, ultimately, facilitate future cooperation across policy areas.
- Supporting Joint Programming / Team Europe coordination at country level.
- Interventions may also support the participation of the country in EU Programmes and cooperation with EU Agencies, where relevant.
- Supporting the preparation, implementation and evaluation of the EU's cooperation, including via technical assistance.

Such a facility is not considered as a sector and can therefore be programmed in addition to the three priority areas. It may not be used neither for financing small interventions in additional areas, nor for interventions related to cross cutting issues.

4. Financial overview

Although the duration of this MIP is seven years, the indicative allocations laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders.

<i>Priority 1: Green transition and sustainable development</i>	<i>EUR 108 M</i>	<i>45% of total</i>
<i>Priority 2: Human development, economic resilience, prosperity building through green and digital transitions</i>	<i>EUR 60 M</i>	<i>25% of total</i>
<i>Priority 3: Social Cohesion, Modern and Democratic State</i>	<i>EUR 48 M</i>	<i>20% of total</i>
<i>Support measures</i>	<i>EUR 24 M</i>	<i>10% of total</i>
<i>TOTAL for initial period 2021-2024</i>	<i>EUR 240 M</i>	

Attachment 1. Intervention framework

Priority area 1: Green and sustainable development		
Specific objective 1.1: To support climate and environment action, diversification of energy sources and the energy transition towards climate neutrality		
Expected Results	Indicators	Baseline & targets
a) Enhanced climate and environmental governance, its link with public finances and fiscal initiatives, and monitoring, reporting and verification of targets to build resilience to shocks, enhance adaptation including disaster risk prevention, and harness opportunities for a low carbon and climate resilient economy.	a1) Greenhouse Gas (GHG) emissions avoided (tones CO2eq) with EU support a2) Number of Climate change, Environment protection or disaster reduction strategies supported by EU per year at national and subnational levels (Governorates, cities) in Egypt	a1) Baseline = 0 ; Target = 0.8 million tCO2e for the period (2021-2027) a2) Baseline = 0 ; Target = 3 Strategy per year
b) Shift to Circular Economy and sustainable production and consumption, improved solid waste management, pollution reduction and resource efficiency	b1) Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices per year with EU support b2) Number of “green Jobs” supported/ sustained per year with EU support b3) Number of solid waste management systems: a) developed/strengthened, b) under implementation with EU support	b1) Baseline = 0; Target = 150 per year b2) Baseline = 0; Target = 500 per year b3) Baseline = 0; Target = 3
c) Increased area of marine, terrestrial and freshwater ecosystems protected and/or sustainably managed, including promotion and preservation of biodiversity in urban settings	c1) Area of marine, terrestrial and freshwater ecosystems, including areas used for agriculture and in urban settings, protected and/or sustainably managed (ha) per year with EU support	c1) Baseline = 0; Target = 50 ha per year
d) Enhanced access to affordable, reliable, low-emissions and modern energy, including: reduced	d1) Number of people with access to electricity with EU support per year through: a)	d1) Baseline = 0; Target = 100,000 per year

<p>carbon intensity of the energy mix; expansion of renewable energy covering – among others renewable hydrogen, accelerated energy efficiency improvements, increased electrification of energy services, and enhanced system integration for the development of modern, secure energy systems</p>	<p>new access, b) improved access</p> <p>d2) Percentage of fuel mix for electricity production</p> <p>d3) Carbon intensity of energy production (CO₂ emission per unit of value added /million tons) – contribution of energy sector to overall Greenhouse Gas (GHG) emissions avoided or reduced (tonnes CO₂eq/ per year) with EU support per year</p> <p>d4) Renewable energy generation capacity installed (MW) with EU support including at water supply – wastewater utility sites – to pilot climate neutral energy generation from large public land areas</p>	<p>d2) Reductions from¹⁵:</p> <ul style="list-style-type: none"> - Oil and Gas: 91% - Hydroelectricity: 8% - Solar and Wind: 1% (2018) <p>to:</p> <ul style="list-style-type: none"> - Oil and Gas: 27% - Hydroelectricity: 5% - Solar: 16% - Wind: 14% - Biogas (from sewage) - Coal: 29% - Nuclear: 9% (2030) <p>d3) Baseline = 0; Target = 500,000 tCO₂ per year</p> <p>d4) Baseline = 240 MW (Gulf of El Zayt with EU support); Target = Additional 250 MW (Gulf of Suez EU support)</p>
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Specific objective 1.2: To support integrated water and natural resources management and promote sustainable food systems		
Expected Results	Indicators	Baseline & targets
<p>a) Increased use of integrated water resources management promoting eco-friendly solutions and demand-oriented water supply & sanitation in a water-energy-food ecosystem nexus, enhancing resilience of the sector to the impacts of climate change</p>	<p>a1) Areas of terrestrial and freshwater ecosystems under (a) protection, (b) sustainable management with EU support (km²)</p> <p>a2) Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha)</p> <p>a3) Agricultural productivity in terms of</p>	<p>a1) (a) Baseline = 0; Target = 100 km²; (b) Baseline = 0; Target = 100 km²</p> <p>a2) Baseline = 0; Target = 15,000 ha for the period (2021-2027)</p> <p>a3) Baseline = 0; Target = 30%</p>

	<ul style="list-style-type: none"> - water productivity (economic value per unit of water used) - water losses (cbm/ ha) - production of essential food crops per acre <p>a4) Number of small landholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land</p>	<p>a4) Baseline = 0; Target =40.000 for the period (2021-2027)</p>
<p>b) More efficient infrastructure promoting sustainable systems of drinking water supply & sanitation supported to increase water availability and reuse, assuring water quality standards and reduction of pollution, while enhancing resilience of the sector to the impacts of climate change</p>	<p>b1) Number of people with access to improved drinking water and sanitation facility with EU support/ per year, including</p> <ul style="list-style-type: none"> - % poor - % sex disaggregated <p>b2) Number of efficient, sustainable and resilient water supply and sanitation systems a) developed b) under implementation in domestic, municipal and industrial sectors in terms of:</p> <ul style="list-style-type: none"> - water losses, unaccounted-for water (UFW), cbm/ year - cost recovery of utilities (cbm/ Euros per year) <p>b3) Number of Public and private Sanitation systems a) developed/improved, or b) under implementation with EU support for domestic, commercial/ industrial users in terms of:</p> <ul style="list-style-type: none"> - untreated effluents eliminated (m3/d) - water quality (% days compliant with Egyptian effluent discharge regulations) 	<p>b1) Baseline = 0; Target = 150 000 per year</p> <p>b2) Baseline = 0; Target = 2</p> <p>(water losses reducing from 3 billion cbm to 2.5 billion cbm)</p> <p>b3) Baseline = 0; Target = 2</p>
<p>c) Enhanced regulatory environment and capacities</p>	<p>c1) Regulatory environment of Water</p>	<p>c1) Baseline = 0;</p>

<p>to manage and operate efficient demand driven systems, including transition towards private sector engagement, sustainable finance and smart Water Governance, including water digitalisation</p>	<p>Governance (number of regulations a) developed/improved, b) under implementation per year)</p> <p>c2) Financial Governance and sustainability in the water sector through:</p> <ul style="list-style-type: none"> • amount of subsidies (EGP/ Euros) • cost recovery of utilities (% coverage of annual operational expenses) • number of public expenditure and procurement contracts delegated to local levels <p>c3) Number of digitalisation schemes in the water sector (micro irrigation systems, number of water companies which have digitalized customer registration, billing and payments services with EU support)</p>	<p>Target = Water Act is approved by Parliament ; NWRP 2037 is approved by Cabinet ; Water User Associations Law is approved and WUA possesses legal entity; Integrated Water Resources & Management plans mandated at local level</p> <p>c2) Baseline = 0;</p> <p>Target = Increase (detail TBD at later stage)</p> <p>c3) Baseline = 0;</p> <p>Target = 2</p>
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Specific objective 1.3: To promote sustainable growth and climate resilient investments		
Expected Results	Indicators	Baseline & targets
<p>a) Improved business climate for sustainable investments</p>	<p>a1) Number of public policies to strengthen investment climate developed/ revised and/ or under implementation with EU support</p>	<p>a1) Baseline = 0; Target = 2 for the period (2021-2027)</p>

	<p>a2) Scoring by IFIs/investors enhanced with EU support</p> <p>a3) Number of beneficiaries with access to financial services with EU support per year: a) firms, b) all financial services), (c) people (digital financial services)</p> <p>a4) Amount and share of EU funded external assistance contributing to strengthening investment climate (EURF 3.5) Eg. Guidelines for sustainable investment established</p>	<p>a2) Baseline = 0 Target = TBD at a later stage</p> <p>a3) Baseline = 0; Target = 50 000 per year</p> <p>a4) Baseline = 0; Target = 60%</p>
<p>b) Increased share of local and international green investments fostering real job opportunities and contributing to economic national product growth</p>	<p>b1) Leverage of investments and multiplier effect achieved</p> <p>b2) Number of green jobs supported/ sustained by the EU</p>	<p>b1) Baseline = 0 ; Target = Increased (detail TBD at later stage)</p> <p>b2) Baseline = 0; Target = 100,000 for the period (2021-2027)</p>
<p>c) Improved, safe and sustainable public transport network</p>	<p>c1) Total length of transport infrastructure supported by the EU (kms): a) roads; b) railways; c) waterways</p> <p>c2) Number of Climate proofed, more energy efficient and resilient transport and traffic management systems a) developed/revised b) under implementation with EU support</p> <p>c3) Greenhouse Gas (GHG) emissions avoided (tonnes CO₂eq) in the sector with EU support per year</p>	<p>c1) Baseline = 0; Target = 1000 km for the period (2021-2027)</p> <p>c2) Baseline = 0; Target = 2 for the period (2021-2027)</p> <p>c3) Baseline = 0; Target = 0.6 million tCO₂e</p>

d) Sustainable urban development policies are implemented in support of cities' low-carbon transition, enhanced resilience and adaptation to climate change	d1) Number of integrated urban and peri-urban sustainable development plans adopted (including Green spaces, waste management and recycling actions, etc.) with EU support	d1) Baseline = 0; Target = 20 for the period (2021-2027)
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Priority area 2: Human development, economic resilience, and prosperity building through green and digital transition

S.O.2.1 – To strengthen socio-economic resilience, for inclusive growth and decent job creation

Expected Results	Indicators	Baseline & targets
<p>a) Improved access and use of financial services by micro, small, and medium-sized enterprises (MSMEs) benefitting in particular youth, women and persons from less advantaged groups, including persons living with disabilities.</p>	<p>a1) Number of micro-, small- and medium-sized enterprises (MSMEs) strengthened, formalised or created, including through access to financial services, with EU support</p> <p>a2) Number of (a) jobs, (b) green jobs supported/sustained by the EU</p> <p>a3) Amount of finance and investment leveraged for small businesses and MSMEs with EU support</p>	<p>a1) Baseline = 0; Target = 150 per year</p> <p>a2) a) Baseline= 0; Target = 100 000 for the period (2021-2027)</p> <p>b) Baseline = 0; Target = 80 000 for the period (2021-2027)</p> <p>a3) Baseline = 0; Target = TBD at later stage</p>
<p>b) Increased number of decent employment opportunities created in particular for youth, women and persons from less advantaged groups, in the formal economy</p>	<p>b1) Number of jobs supported/ sustained with EU support, disaggregated by age and sex</p> <p>b2) Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (a) all</p>	<p>b1) Baseline = 0; Target = 200,000 [40% female; 30% below 30 year old]</p> <p>b2): a) Baseline = 0; Target = 100.000 for the period (2021-2027) ; b) Baseline = 0; Target = 1.000 per</p>

	VET/skills development, (b) only VET/skills development for digitalisation (disaggregated by age, sex and economic status)	year [Female 40% - Adults (> 30 y.o.) 60%, Young (< 30 y.o.) 40% - Low income 100%]
c) Enhanced promotion of sustainable cultural tourism as an alternative to mass tourism, yielding local economic development, access to finance and social inclusion	<p>c1) Number of sustainable cultural tourism strategies or action plans (alternatives to mass tourism) developed/ implemented with EU support complementary to EU cultural diplomacy activities</p> <p>c2) Number of Site management plans around sustainable cultural tourism sites with a local economic development and social inclusion dimension prepared with EU support</p>	<p>c1) Baseline = 0; Target = One (1) plan for the period (2021-2027);</p> <p>c2) Baseline = 0; Target = 3 plans for the period (2021-2027);</p>
SO2.2 To support a human centric digital transition in Egypt to foster sustainable, connected and inclusive economies		
Expected Results	Indicators	Baseline & targets
a) Improved human centric digital regulatory framework and secure, resilient and affordable digital connectivity and infrastructure, enhancing global access and protecting people's privacy and integrity; supporting citizen centred e-Government, e-services to citizens, businesses,	<p>a1) Number of public policies/plans promoting digitalisation a) developed/ revised, and/or b) under implementation with EU support</p> <p>a2) Number of people with access to Internet with EU support (disaggregated by sex, geographic region,</p>	<p>a1) Baseline= 0; Target = 1</p> <p>a2) Baseline = 0; Target = 100,000 for the period (2021-2027) [to be disaggregated at a later stage]</p>

<p>SMEs/start-ups especially in the digital sector and public administration, with specific emphasis on women, persons from less advantaged groups, the elderly, persons living with disabilities and those living in rural areas; facilitating job creation and contributing to sustainability of newly created firms.</p>	<p>urban/rural, age group, and type of connection)</p> <p>a3) Number of people supported by the EU with enhanced access to digital government services</p> <p>a4) Number of beneficiaries with access to financial services with EU support(digital financial services)</p>	<p>a3) Baseline = 0; Target = 100 000 for the period (2021 – 2027)</p> <p>a4) Baseline = 0; Target = 100 000 for the period (2021-2027)</p>
<p>b) Enhanced digital literacy and digital skills for citizens at large and the Egyptian workforce, in particular amongst persons from less advantaged groups and those living in rural areas.</p>	<p>b1) Number of beneficiaries with access to financial services with EU support(digital financial services)</p> <p>b2) Number of public servants who have benefited from institution or workplace based VET/skills for digitalisation through interventions supported by the EU:</p>	<p>b1) Baseline= 0; Target= 100,000 for the period (2021-2027)</p> <p>b2) Baseline= 0; Target= 5000 for the period (2021-2027)</p>
<p>c) Enhanced value chains and innovative start-ups through access to finance and knowledge transfer (in various fields such as agriculture, food, water, energy, garments, ICT and pharmaceuticals), including sustainable, green production and investment, having positive effects on local and international digital trade and market share</p>	<p>c1) Number of start-ups and innovative early-stage and green companies supported by EU across sectors (agriculture, food, water, energy, garments, pharmaceuticals, ICT etc.)</p> <p>c2) contribution to GDP by digital entrepreneurship and digital trade (EGP/ Euros/ year)</p> <p>c3) Exports of value-added products and services to the international markets thanks to EU support in</p>	<p>c1) Baseline = 0; Target= 100 per year</p> <p>c2) Baseline = 0; Target = 20%</p> <p>c3) Baseline = 0; Target = TBD at later stage</p>

	digital transformation and diffusion.	
SO2.3 To improve people's quality of life, providing them with opportunities for human development		
Expected Results	Indicators	Baseline & targets
a) Improved skills for green jobs and circular economy through supporting quality education/ TVET oriented towards market demands, including digital skills with specific emphasis on youth and persons from less advantaged groups	<p>a1) Number of quality standards and accreditation of skills in the education system enhanced per year with EU support</p> <p>a2) Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (a) all VET/skills development, (b) only VET/skills development for digitalisation; disaggregated by sex</p>	<p>a1) Baseline = 0; Target = 3 per year</p> <p>a2) Baseline = 0; Target = a) 100.000 for the period (2021-2027); b)1.000 per year</p> <p>[Female 40% - Adults (> 30 y.o.) 60%, Young (< 30 y.o.) 40% - Low income 100%].</p>
b) National strategic framework for digitalisation and digital online learning are developed (Egyptian Knowledge Bank	b1) Number of National strategic framework for digitalisation and online learning related policies a) developed/revised b) under implementation with EU support	b1) a) Baseline = 0; Target = One (1) framework ;
c) Enhanced skills and livelihood opportunities allow residents of informal settlements or less advantaged to improve their income and labour market participation	<p>c1) Number of decent work and livelihood opportunities supported by the EU offered per year in informal or less advantaged areas</p> <p>c2) Number of youth (disaggregated by age and sex) benefiting from activities to enhance their social and environmental</p>	<p>c1) Baseline = 0; Target = ca. 500 jobs per year</p> <p>c2) Baseline = 0; Target = 1.000 per year</p>

	entrepreneurship skills per year	
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Priority area 3: Social cohesion, modern and democratic state		
SO.3.1. To promote and protect the values of democracy, human rights, fundamental freedoms		
Expected Results	Indicators	Baseline & targets
<p>a) Enhanced processes for public institutions to be more efficient, effective, transparent and accountable in their service delivery to citizens including access to justice</p>	<p>a1) Government Effectiveness score (as measured by the World Bank Worldwide Governance indicators (-2.5 weak; 2.5 strong) enhanced with EU support including:</p> <ul style="list-style-type: none"> - Government efficiency score (SDS) - Number of citizens per government employee score (SDS) <p>a2) Transparency and efficient Government institutions, enhanced with EU support, including</p> <ul style="list-style-type: none"> - Transparency in policy-making (baseline and targets identified in the SDS) - Open Government score (0 weak; 1 strong) <p>a3) Number of government policies developed or revised with civil society organisation participation through EU support</p>	<p>a1) Baseline (2020) = -0.55; Target (2027) = Increase</p> <p>a2) Baseline (2021) = 0.22; Target (2027) = 0.35</p> <p>a3) Baseline: TBD; Target (2027): increase</p>
<p>b) More effective contribution from civil society to national, regional and/or international policy making spheres & processes, in particular in relation to civic participation, in sustainable development and in reducing inequalities.</p>	<p>b1) Rule of Law estimate (as measured by the World Bank Worldwide Governance indicators) enhanced – with EU support (-2.5 weak; 2.5 strong)</p> <p>b2) Regulatory enforcement (score) as measured by the World Justice Project (0 weak-1 strong) enhanced with EU support</p> <p>b3) Corruption perception index (out of 100) enhanced with EU support including</p> <ul style="list-style-type: none"> - Irregular payments and bribes (SDS) 	<p>b1) Baseline (2020) = - 0.36; Target = increase</p> <p>b2) baseline (2021) = 0.36; Target (2027) = Increase</p>

	<p>- Favouritism in government decision making process (score) (0 worst-100 best (SDS))</p> <p>b4) Country score according to the CIVICUS Monitor</p>	<p>b3) Baseline (2020) = 3.3; Target (2027) = increase</p> <p>b4) Baseline (2021) = closed; Target (2027) = upgrade</p>
<p>c) Continued promotion, and protection of democracy, freedom of speech and of the universal values of human rights for all and fundamental freedoms, leaving no one behind, including the rights of the child and the rights of persons with disabilities</p>	<p>c1) Voice and Accountability score as measured by the World Bank Worldwide Governance indicators (2.5 weak; 2.5 strong) enhanced with EU support</p> <p>c2) Number of independent CSOs involved in monitoring and supporting the realisation of SDS Vision 2030 - enhanced with EU support per year (SDS)</p> <p>c3) Number and quality of consultation / coordination mechanisms established where CSOs/ DPOs are engaged with central / local authorities, the private sector, the media, etc. - enhanced with EU support per year</p> <p>c4) Number of interventions (of govt/CS) supported by EU per year, for promoting and protecting human rights and social inclusion, guided by the principles of leaving no one behind</p> <p>c5) Number of EU initiatives empowering and responding to the needs of children and youth and PwDs for protection, support and inclusion</p> <p>c6) Number of people directly benefiting from legal aid interventions in support to human rights supported by the EU, disaggregated by sex</p> <p>c7) Number of public policies for the protection and promotion of Human Rights a) developed/ revised, b) under</p>	<p>c1) Baseline (2020) = -1.49; Target (2027) = increase</p> <p>c2) Baseline = 0; Target = 30 per year</p> <p>c3) Baseline = 0; Target = 4 per year</p> <p>c4) Baseline = 0; Target = 20 per year</p> <p>c5) Baseline = 0; Target = 2 for the period (2021-2027)</p> <p>c6) Baseline = 0; Target = 10000 for the period (2021-2027)</p> <p>c7) a) Baseline = 0; Target = 1 NCHR action plan</p>

	<p>implementation with EU support (eg. “the new Supreme Standing Committee for Human Rights” to become operational and fulfil its mandate)</p> <p>c8) Number of public policies promoting social inclusion a) developed/ revised, and/or b) under implementation with EU support</p>	<p>b) 1 support to UPR review for the period (2021-2027)</p> <p>c8) Baseline = 0; Target = 1 under implementation with EU support (2021-2027)</p>
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Specific objective 3.2: To accelerate efforts to achieve gender equality and women and girls’ empowerment		
Expected Results	Indicators	Baseline & targets
a) Strengthened legal, policy and operational frameworks to eliminate violence against women and girls.	<p>a1) Number of interventions under EU funding contributing to legislation, policy and / or operational measures addressing the elimination of violence against women and girls (VAW/G)</p> <p>a2) Number of women and girls who benefited from EU related interventions</p>	<p>a1) Baseline = 0; Target = one (1) flagship on gender for the period (2021-2027)</p> <p>a2) Baseline = 0; Target = 25 million women and girls for the period (2021-2027)</p>
b) Increased access for women to leadership and senior governmental and non-governmental positions.	<p>b1) Number of EU funded interventions contributing to legislation, policy and / or operational measures to strengthen socioeconomic empowerment of women and girls, and number of women and girls who benefited</p> <p>b2) Number of EU funded interventions contributing to women’s increased access to leadership and senior posts as well as to decision-making processes in different spheres</p>	<p>b1) Baseline = 0; Target = one (1) flagship on gender for the period (2021-2027)</p> <p>b2) Baseline = 0; Target = 8 interventions for the period (2021-2027)</p>

	b3) Percentage of women at decision-making levels in <ul style="list-style-type: none"> - political and public sphere: - Executive branch (Ministers) - Parliament - Women in senior public posts 	b3) Baseline (2020) = 30%; Target (2027) = 40%
c) Increased access for women to education and employment	c1) Number of beneficiaries receiving EU-funded vocational education and training (VET) or entrepreneurial training, with increased knowledge and/or skills, disaggregated by sex, age group, migration status, sector	c1) Baseline = TBD; Target = TBD

Specific objective 3.3: To contribute to decent and healthy lives, through access to basic services and social inclusion

Expected Results	Indicators	Baseline & targets
a) Strengthened social protection framework in the fields of social insurance, healthcare, pension, and unemployment benefits, with a particular focus on women in particular mothers, children, youth and persons from less advantaged groups and areas	a1) Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality, disaggregated by sex	a1) Baseline = 0; Target = 7.000.000 [female 40%] for the period (2021-2027)
	a2) Amount and share of EU funded external assistance to Egypt directed towards supporting Human Development	a2) Baseline = 0; Target = 25% for the period (2021-2027)
b) Extended rollout of the universal health coverage including sexual and reproductive health and reproductive rights and enhanced capacities of primary healthcare centres.	b1) Number of women having access to reproductive health and family planning information and services per year with EU support	b1) Baseline = 0; Target = 10 million for the period (2021-2027)
	b2) Number of women of reproductive age accessing modern contraception methods with EU support	b2) Baseline = 0; Target = 1.500.000 for the period (2021-2027)
	b3) Increase in numbers of doctors, nurses, midwives per citizen	b3) Baseline = 0; Target = 20% for the period (2021-2027)
c) Enhanced access to essential socio-economic services and infrastructure for persons from less advantaged groups,	c1) Number of people of informal/less advantaged areas, especially benefiting from EU support per year for delivery of safe, sustainable, basic socio-economic	c1) Baseline = 0; Target = 700.000 per year [40% female; 50% below 30 year old; 10% persons with disability]

<p>including children, youth, women, girls, the elderly, persons with disabilities, with a focus on underserved, informal less advantaged urban and rural areas.</p>	<p>services including safe water and sanitation, and access to infrastructure, disaggregated by age, sex, Persons with Disability</p> <p>c2) Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition-related interventions supported by the EU / per year</p> <p>c3) Number of CSOs and administrative bodies covered by EU support per year to strengthen capacities to deliver quality, safe, and sustainable basic socio-economic services and access to infrastructure</p>	<p>c2) Baseline = 0; Target = 1.300 per year</p> <p>c3) Baseline = 0; Target =500 for the period (2021-2027)</p>
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