



INTEGRATED SDG INSIGHTS EGYPT

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: EGYPT

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

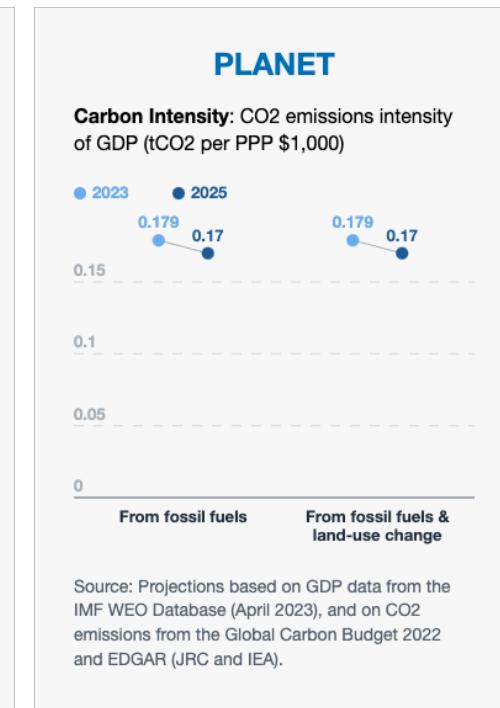
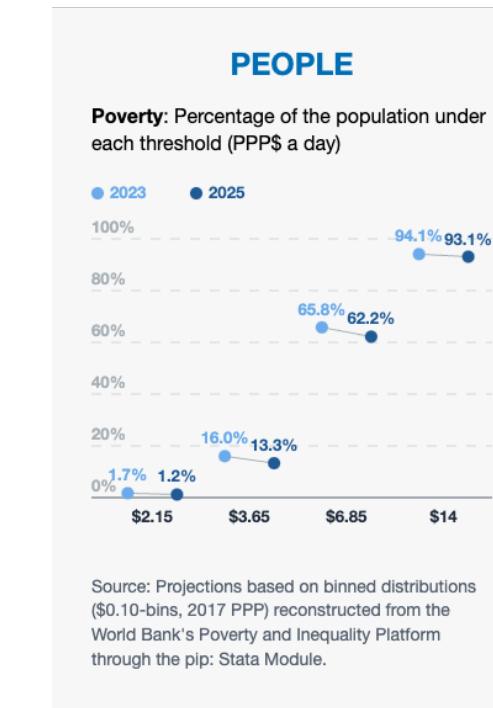
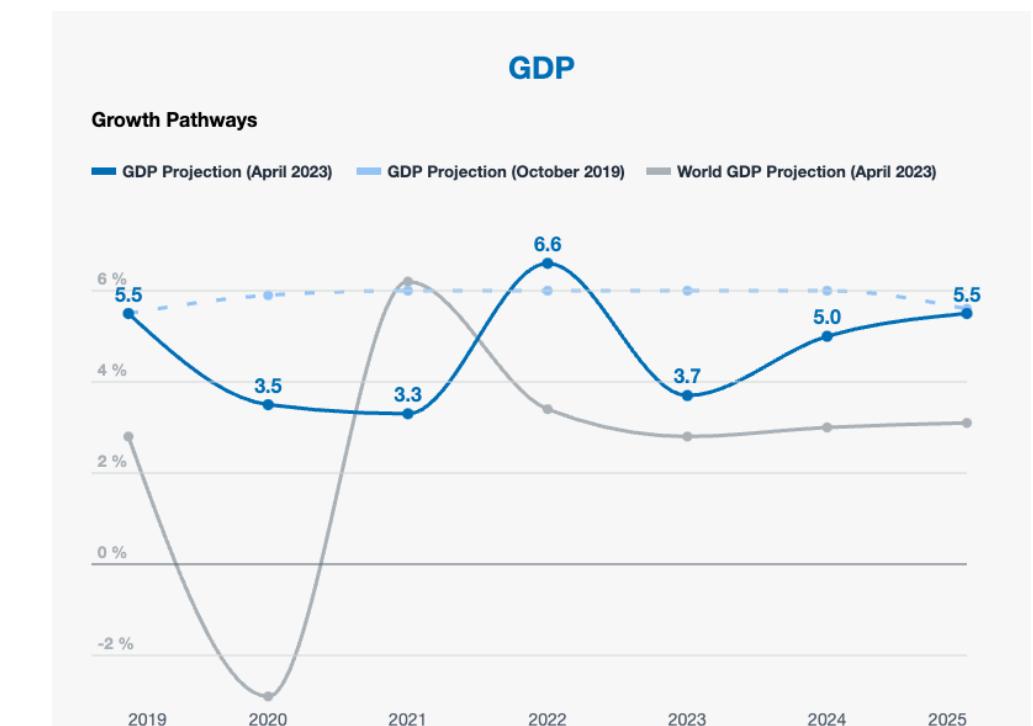
Egypt's economy is in mitigation mode in 2023, but it is expected to transition into acceleration mode by 2024-2025.¹ This pace of growth is characterized by being 60% higher, on average, than that of the world, converging to the country's growth trajectory forecast before the pandemic. Egypt strives to maintain this pace of growth and make it inclusive through entrepreneurship programmes and through reinforced social safety nets.

This pace of growth is expected to have a positive impact on reducing poverty, though there are still challenges to accelerate and solidify poverty reduction from its relatively high prevailing levels of poor and near-poor.

The economic expansion, although partially hydrocarbon-based, is expected to be less dependent on carbon emissions as the country's carbon emissions intensity of GDP is projected to decrease at annual rates of around 2.5%.²

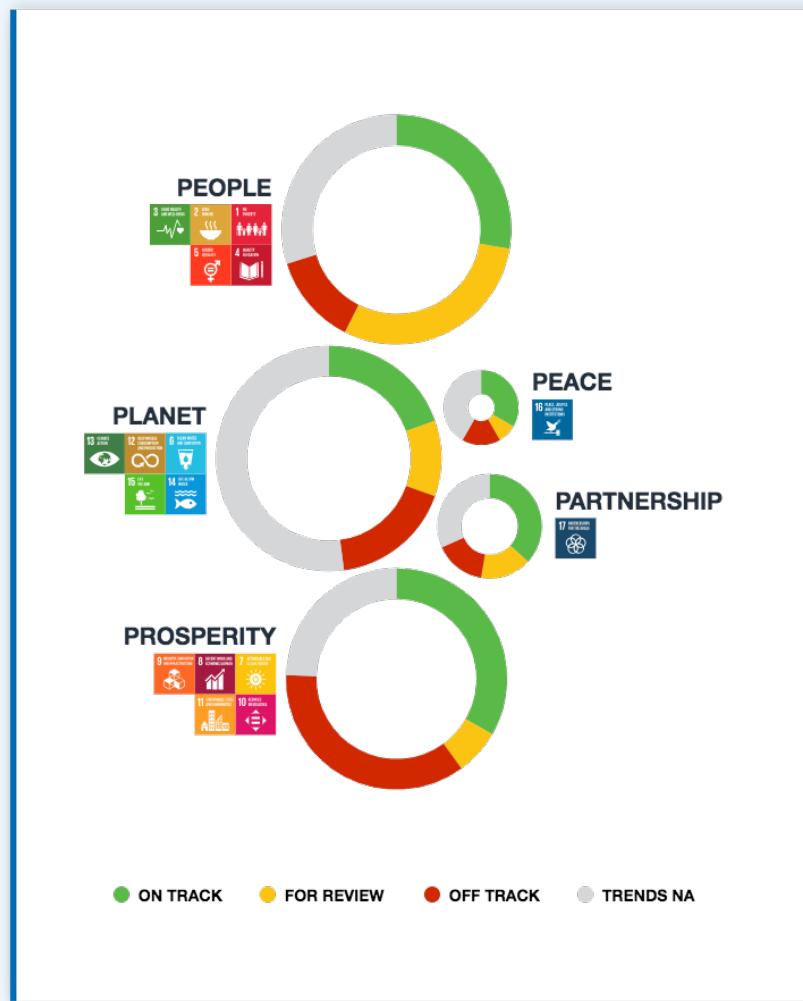
¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Egypt performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



- Additional data has been incorporated and aligned from national sources.

SDG PRIORITIES

Egypt's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Egypt Vision 2030
2. National Strategy for Climate Change in Egypt
3. National Strategy for the Empowerment of Egyptian Women 2030
4. National Anti-Corruption Strategy 2023-2030
5. National Human Rights Strategy 2021-2026
6. Egypt's National Artificial Intelligence Strategy 2030
7. Economic and social Development Plan 2023-2024
8. National Food and Nutrition Strategy
9. State Ownership Policy document
10. Strategic Plan Ministry of Education and Technical Training

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Egypt to achieve the 2030 Agenda for Sustainable Development and navigating trade-offs.

Based on a global framework for interlinkages, Egypt's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs:

- Target 5.5: Ensure full participation in leadership and decision-making
- Target 8.5: Full employment and decent work with equal pay
- Target 9.5: Enhance research and upgrade industrial technologies
- Target 16.6: Develop effective, accountable and transparent institutions



ACCELERATION PATHWAYS



SDG INTERLINKAGES

5.5: By 2030 “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.”

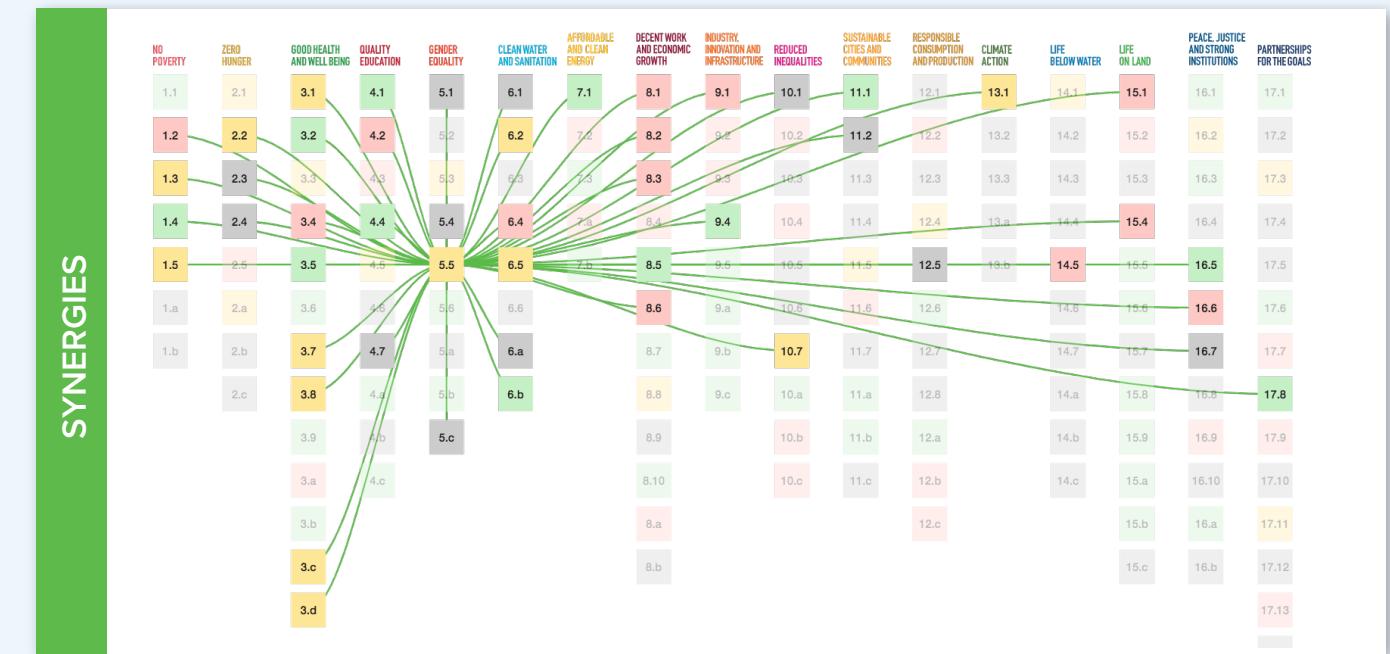
Egypt faces challenges in advancing women's economic and political participation, compounded by certain social norms, lack of decent jobs, and by the declining role of public sector employment and need for key services (child care and transport in particular). The unemployment rate among women reached 15% in 2021, with female labour force participation rate in 2021 at 22.2%, according to the World Bank statistics. Its gender gap score is 0.64, ranking 134th of 146 in the Global Gender Gap Index.

However, advances in women's participation in the labour force and expanded access to leadership roles has a proven positive impact on the economy and the society. The gender gap can be reduced through equitable economic participation and opportunity, education, health, political empowerment and enhanced local and regional development to reduce the urban-rural development gap in different regions and governorates.

With the current efforts at localizing development, there is an opportunity to enhance women's participation in decision-making at the national and local levels. Egypt can deepen the path it has taken by adopting a national policy that addresses uneven labour force participation, by introducing policies that regulate flexible working arrangements and by providing childcare services. These policies should also address discriminatory practices that hinder hiring women, while also incentivizing a more competitive business environment, removing obstacles, lowering costs and increasing benefits for the formalization of businesses and labour.

This goes alongside the opportunity to develop and strengthen policies and measures, including national cultural awareness campaigns, to combat stereotypes on the role and value of women and men.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/EGYWithCountryGovInput/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

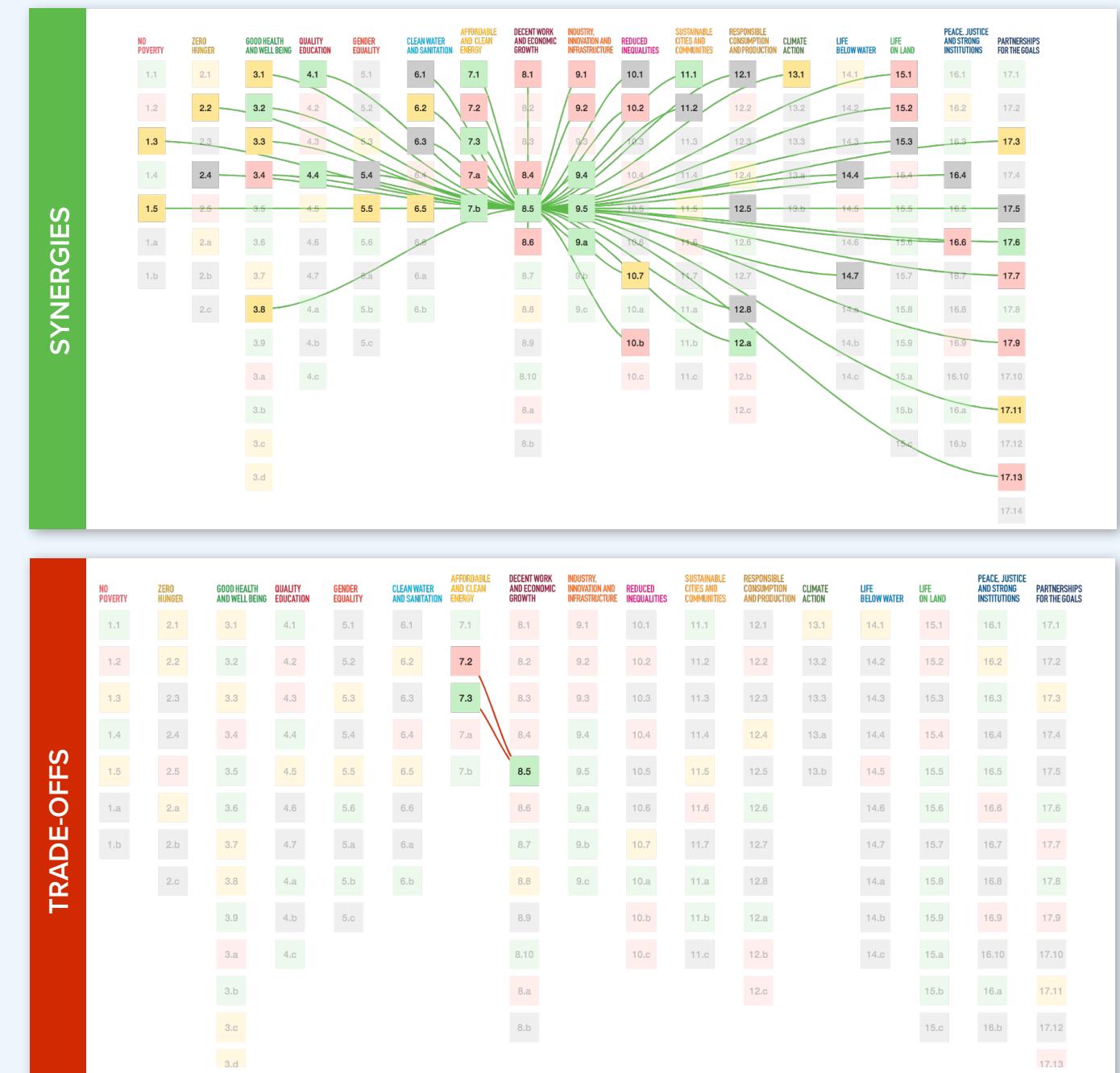
61% of the population is below 30 years old, with rapid population growth. Urbanization has increased socio-economic and gender disparities. High levels of informality, weak social protection, including low social insurance coverage and a low rate of decent job creation in the (formal) private sector, limit the opportunities for women and youth to participate in the labour market.

Incentivized investment in high value-added labour-intensive sector together with efforts towards formalization of the informal economy through family business venture projects and supporting micro-, small and medium-sized enterprises (MSMEs), has shown promise in creating decent work for all -and especially for vulnerable groups. Simplifying laws and procedures and reducing the cost of social security for businesses in combination with public, private and civil society organization partnerships offers a powerful pathway.

Resilient infrastructure and enhancing the quality of services in education and the health sectors, including reproductive health services is a key element of advancing decent work that is inclusive and sustainable. Investments in inclusive social protection is critical to unlock progress in decent work, especially for people in vulnerable circumstances.

Policies and tele-communication infrastructure that provide for a higher ratio of teleworking/physical presence not only creates more work potential, but can cut down emissions.

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SDG INTERLINKAGES

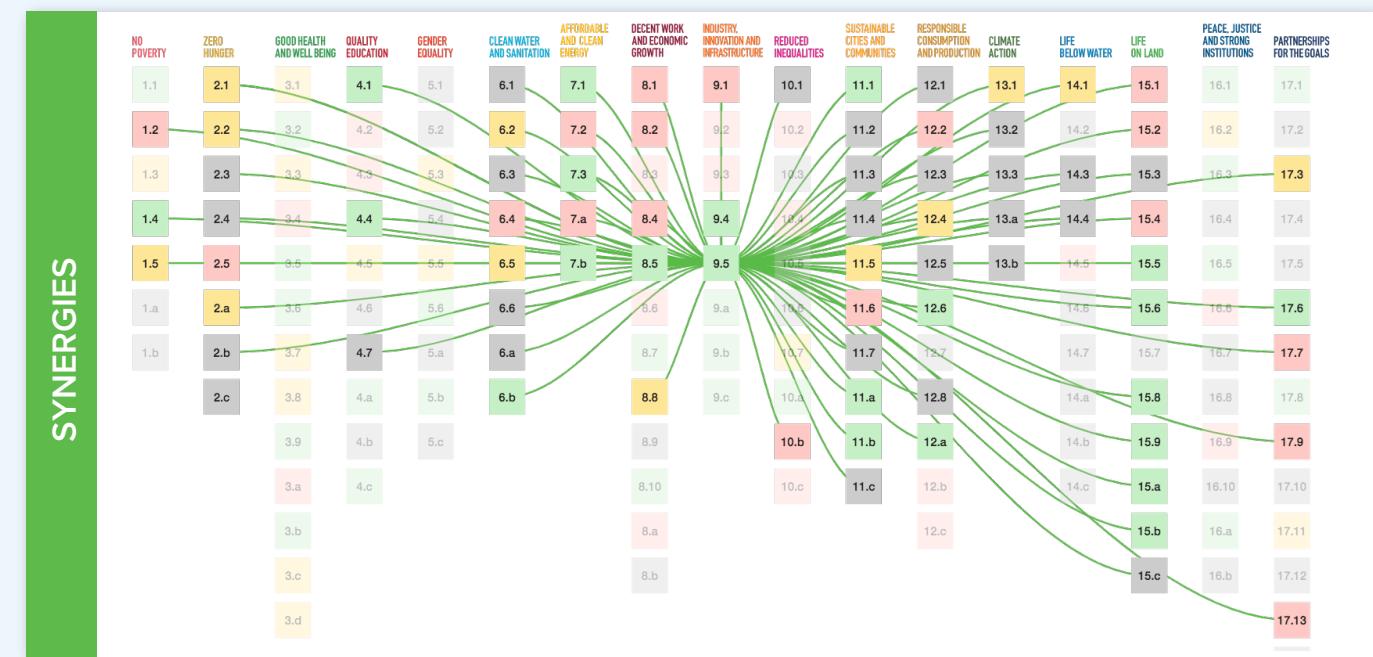
9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people and public and private research and development spending.

Egypt ranks 95th of 132 in the Global Knowledge Index, slightly below the global average. Despite the growth of Egypt's innovative companies in 2022, it ranks 99 in its research, development, and innovation component, driven in part by weak intellectual property (IP) rights and ranks 114 on the Ease of Doing Business Index. Moving towards a knowledge-based economy, which is inclusive and sustainable, implies creating the conditions, and providing the necessary incentives for MSMEs in this area to flourish through improving national R&D performance and IP compliance and increase the returns of and incentives for applied research.

Egypt faces the imperative of transitioning into a knowledge-based economy, and this transformation necessitates several vital actions. Firstly, there is a need to invest in developing clean technology and promote sustainable industries, thus promoting investment in R&D in all sectors including industries. The country can foster a culture of progress and adaptability by supporting industrial innovation through incentives and financing mechanisms. Additionally, digitizing industrial services can enhance efficiency and productivity. Moreover, creating partnerships with international research institutions will facilitate knowledge exchange and elevate Egypt's innovation and productivity.

Increasing the share of GDP expenditure on scientific research will have a major impact on growth. Higher education remains a strong basis for enhancing scientific research, together with engaging private sector support for university research through policies and incentives.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/EGYWithCountryGovInput/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels.

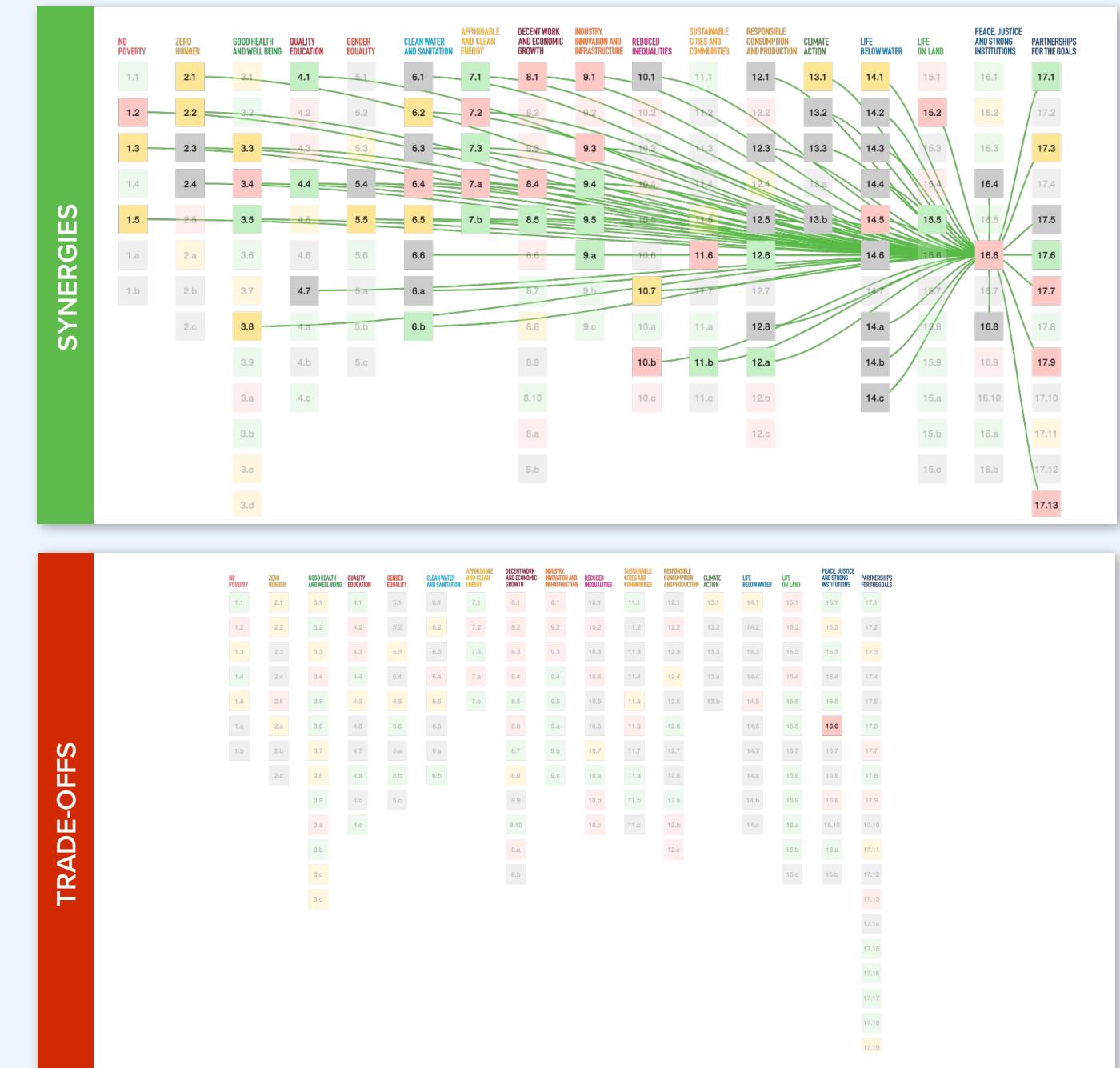
Complexity in the administrative system, data unavailability for fact-based policies and lack of efficiency of institutions at the national and local levels underscores the need for administrative reform.

Establishment of centres of excellence for risk management at different levels can help to monitor and improve the efficiency of governance systems and institutions.

Through administrative reform, digital transformation and in combination with data integration across multiple institutions, performance and efficiency of institutions is proven to improve, while also unlocking progress in data governance and protecting privacy.

Use a participatory approach in planning strategies can improve community participation in development policies – particularly in combination with investments that empower local authorities both technically and financially.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

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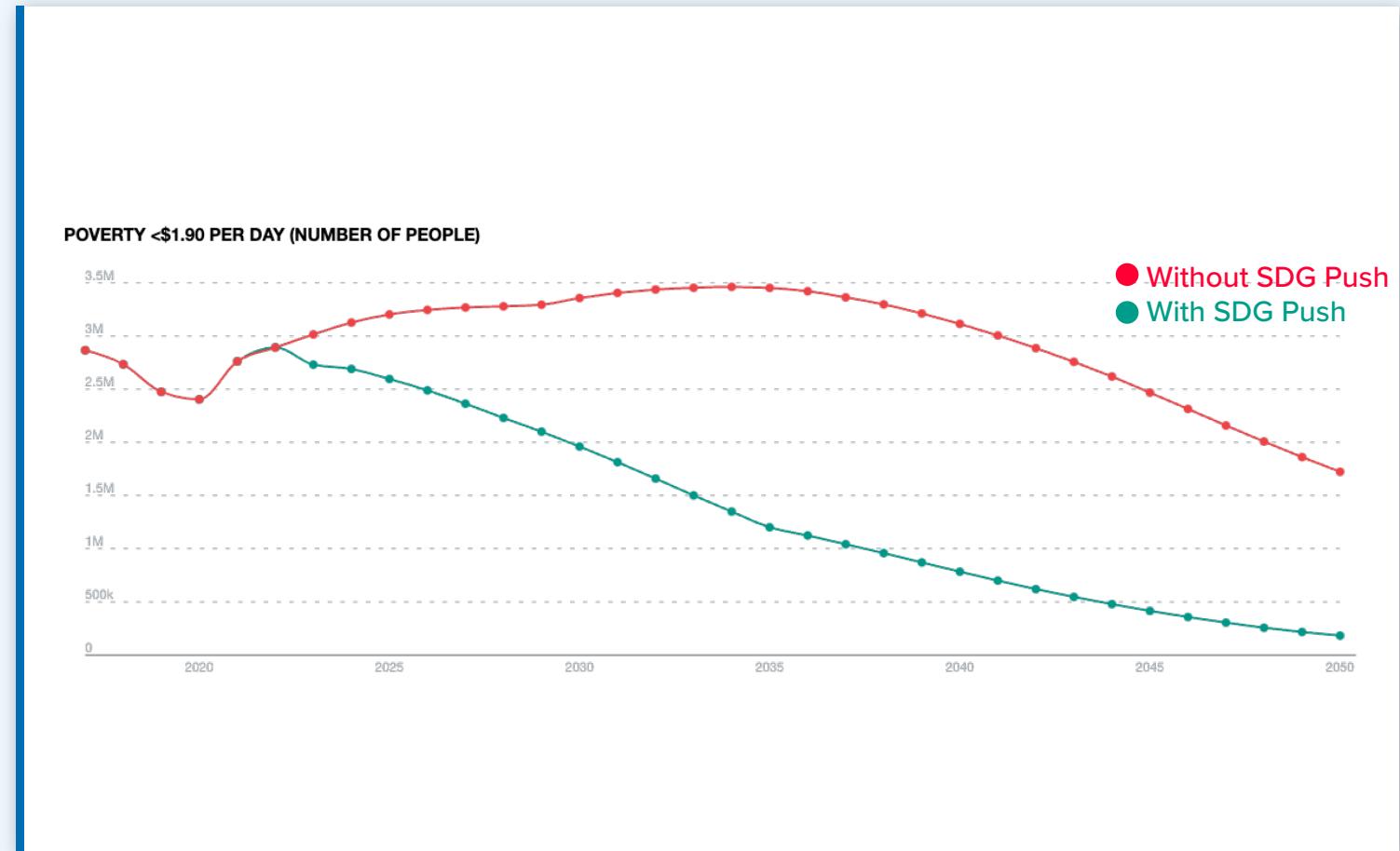
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact of these very attainable policies on human development by 2030 and by 2050 across key SDG indicators.

Incorporating these ‘SDG Push’ accelerators into development interventions in Egypt can reduce the number of people living in poverty over time (see below and on the right) and have similar positive effects on other SDGs.

People living in poverty	By 2030	By 2050
Without the SDG Push	3.4 mn	1.7 mn
With the SDG Push	2.0 mn	180,000



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/EGY/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows data points linked to government revenue, debt and natural resources rents as a proportion of GDP. The financial indicator graphs show external debt servicing relative to revenue and the country's sovereign credit rating and 10-year bond yield.

Egypt's gross government debt, projected at 92.9% of GDP in 2023, is 24.1 percentage points (pp) above the emerging market and middle-income economies (EMMIE) group of 68.8%. The country is projected to collect 18.7% of GDP in revenue this year, 7.3 pp less than the average EMMIE country at 26%.

Egypt's external debt servicing relative to revenue is projected at 17.4% this year compared to 12.3% for the average EMMIE country. The country's credit rating is assessed as 'highly speculative' and hence below the EMMIE average of 'non-investment grade speculative'. The weak rating is also reflected in the country's 10-year bond yield trading as high as 24.5% – 15.2 pp above the EMMIE average of 9.3%, and 20.7 pp above a 10-Year US Treasury bond.

Egypt is engaging on an SDG financing strategy using the Integrated National Financing Framework (INFF) to undertake the following:

- (i) Prioritize policy changes necessary to mobilize public and private investments that align with financing needs
- (ii) Put forward the necessary architecture and systems required to implement policy priorities and mainstream new business processes.

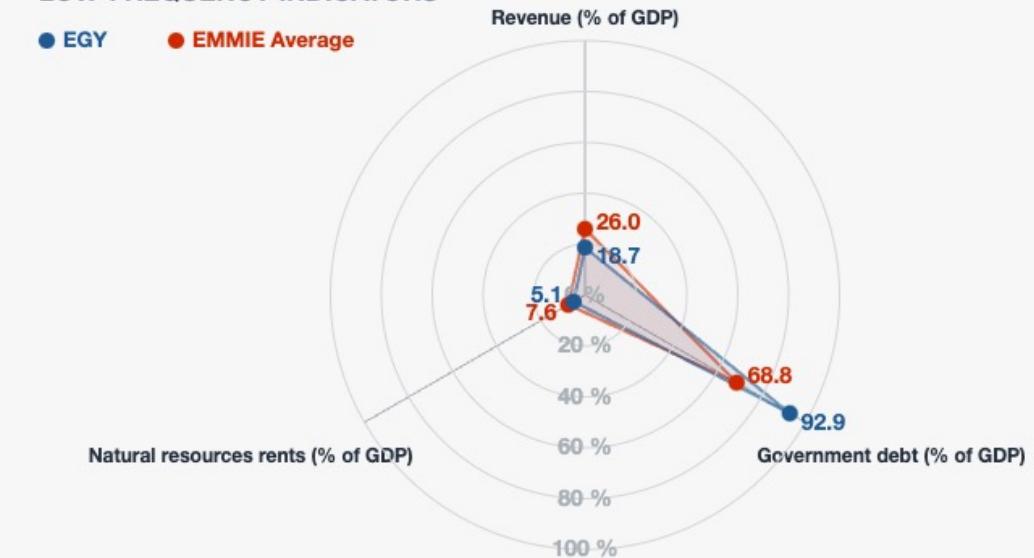
The policy actions proposed fall into three categories as follows:

- **Public Finance Management:** recent improvements are expected to accelerate and the efficiency gained can be used to finance the identified SDG gaps.
- **"Right financing",** the focused attention to design bespoke financing solutions and structuring for SDG programmes at the very time these are crafted to ensure their financing is guaranteed and optimized.
- **Deepening capital markets:** through a general enabling environment, but also through new products and support services aligned to global SDG priorities, so that Egypt triggers and attracts more foreign/domestic private SDG investments.

LOW-FREQUENCY INDICATORS

● EGY

● EMMIE Average



FINANCIAL INDICATORS

● EGY

● EMMIE Average

● US Treasury bond

Total external debt servicing (% of revenue)

Credit rating

10-year bond yield (%)

Notes: External debt covers public and publicly guaranteed debt. The EMMIE average of 10-year bond yield (%) only includes 30 countries which reported data for that indicator. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), worldgovernmentbonds.com and Haver Analytics (yields as of 8 June 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Within the boundary conditions dictated by Egypt's established fiscal and monetary objectives, possible avenues of focus identified by the INFF approach are as follows:

- Reinforce constitutional objectives and performance-based systems to set, track and meet SDG expenditures targets, including support to "leaving no one behind" and gender equality
- Increasingly use overseas development assistance and international financial institutions' financing to blend with and leverage foreign and domestic private investment, including PPPs where applicable
- Promote thematic bonds and debt for SDG swaps to obtain better conditions from international markets for Egypt SDG investments
- Build SDG impact management practice of private companies and environmental, social and corporate governance (ESG) ratings systems to trigger and attract to Egypt foreign capital seeking SDG impact investments and ESG investments
- Develop domestic credit products that incentivize private investments aligned with Egypt SDG priorities

**United Nations
Secretary-General's
SDG Stimulus
to Deliver
Agenda 2030**

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).