A way forward

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> Within a framework of effective partnerships and good governance, economic empowerment will facilitate better progress in reducing extreme poverty and enhancing inclusion.

Background

Over the past few years, the world has witnessed a paradigm shift in the way economies have been operating; they are moving towards a new business model based on ensuring sustainability by mainstreaming environmental, social and governance considerations in core policies, strategies and operations. This structural transformation has been ignited by the 2030 Agenda, which was formally adopted by world leaders in 2015. It provides the blueprint for transitioning to more inclusive, green and resilient economies through the achievement of 17 SDGs across three main pillars of sustainability: economic, social and environmental. It also emphasizes a universal goal to leave no one behind.

In 2016, Egypt embarked on an ambitious economic reform that targets the achievement of the SDGs, which are integrated into its national policy framework, and underlines its commitment to the 2030 Agenda. Nevertheless, financing the SDGs presents a key challenge, not only for Egypt but for the world. Both developed and developing economies face a significant SDG-related investment gap that has

further widened during the COVID-19 pandemic. This report is the first national report on FFD for Egypt, the Arab region and the world. It may be considered a stepping stone to producing future reports that support policy discussions on mobilizing national resources. This is in addition to guiding the policy dialogue on assessing financing options and prioritizing various investment alternatives with a view to achieving national development goals through key policy recommendations.

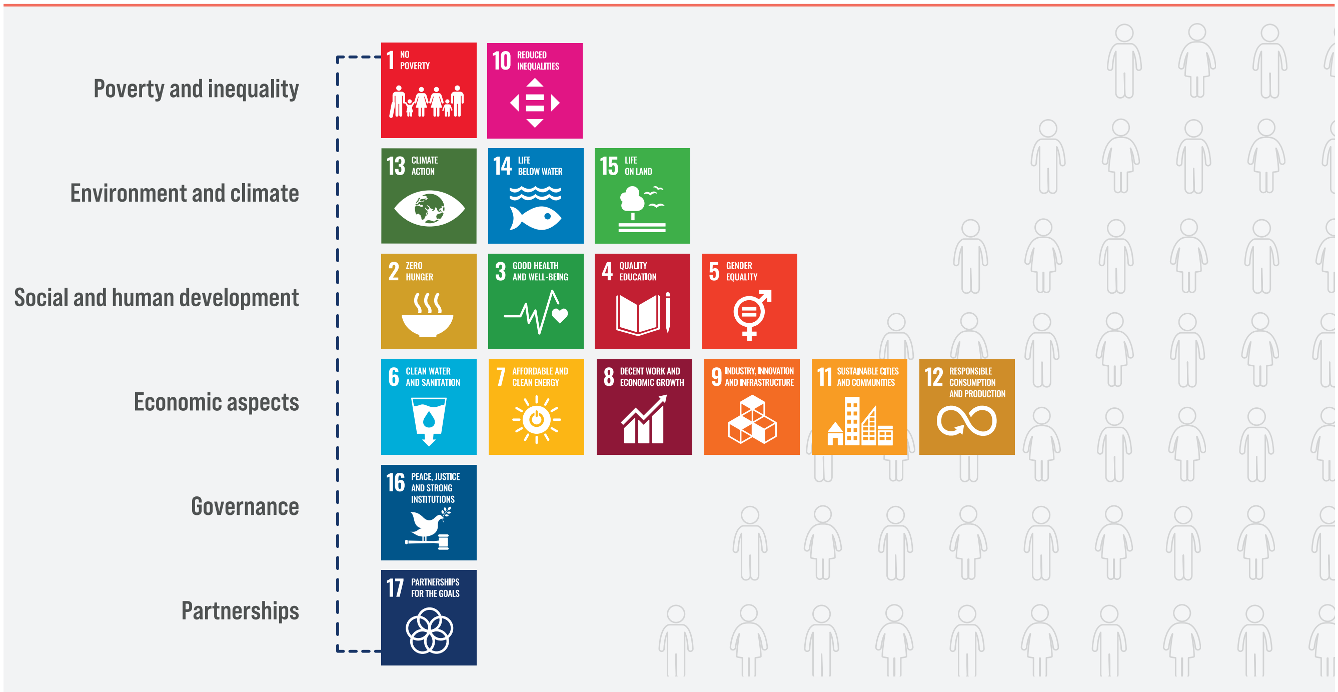
The report discusses the main areas of action outlined in the Addis Ababa Action (AAA) Agenda as well as emerging issues highlighted in the United Nations Global Financing for Development Reports. This report could be developed on an annual basis, not only for updating purposes but also for assessing progress made towards financing the achievement of SDGs in light of emerging developments, whether at the global, regional or national level. It could also address new challenges associated with tapping into funding sources. Further analysis at the subnational level, using granular and more disaggregated data, would be crucial to reinforcing SDG localization efforts and would provide additional insight to the analysis to guide the direction of future policies.

This chapter begins by examining the global landscape for financing the 2030 Agenda, highlighting the dimensions of the SDGs, the financing gap and the global financing framework, as well as the factors needed to accelerate progress. This is followed by a discussion of the sustainable development path for Egypt, focusing on the most important issues to address, milestones to highlight and the role enablers should be encouraged to play in order to "build forward better". The chapter concludes with a number of policy recommendations to accelerate the transition to a more inclusive, green and resilient economy.

A. Dimensions of the Sustainable Development Goals

The 17 closely interlinked SDGs can be grouped into six categories (figure 175). Within a framework of effective partnerships and good governance, economic empowerment will facilitate better progress in reducing extreme poverty and enhancing inclusion, as per Goals 1 and 10 at the top of the categorization. In other words, adequate investment in infrastructure, innovation and industrialization would not only accelerate the achievement of all interlinked SDGs but would also effectively target poverty and exclusion, since it would improve access to affordable and clean energy, as well as water and sanitation; generate decent employment; and promote the role of sustainable consumption, production patterns and cities. Simply put, it is not possible to raise social equity without sufficient investment in human capital, resilience and infrastructure. China serves as an example in that respect, as it announced an end to poverty in 2020 through large investments that generated employment opportunities and led to higher growth.[1]

Figure 175. Dimensions of the Sustainable Development Goals



Source: Mohieldin, 2021b.

1. Our Common Agenda

In the 2021 report of the United Nations Secretary-General, Our Common Agenda,[2] Mr. António Guterres emphasizes the importance of capitalizing on the opportunity to accelerate achievement of the SDGs, as the COVID-19 outbreak has placed the world at an inflection point at which an urgent choice must be made between a breakdown or breakthrough to a greener, better and safer future. Specifically, the former option could be the result of adopting a business-as-usual scenario, while the latter could be achieved by proactively addressing interlinked challenges and shared vulnerabilities through global solidarity and collective action.

These current challenges include ensuing health threats, deepening poverty, rising inequalities and fiscal pressures that have derailed or even reversed recent, hard-earned development gains. For example, the pandemic reduced global GDP by an estimated 3.5 per cent in 2020, pushed 124 million people into extreme poverty, increased the number of people without access to adequate food to one in three and increased child mortality by approximately 4.5 per cent. Our Common Agenda, described as an action agenda, calls for accelerating the implementation of existing agreements that are all well-aligned with the SDGs through key proposals across 12 commitments, as per figure 176.

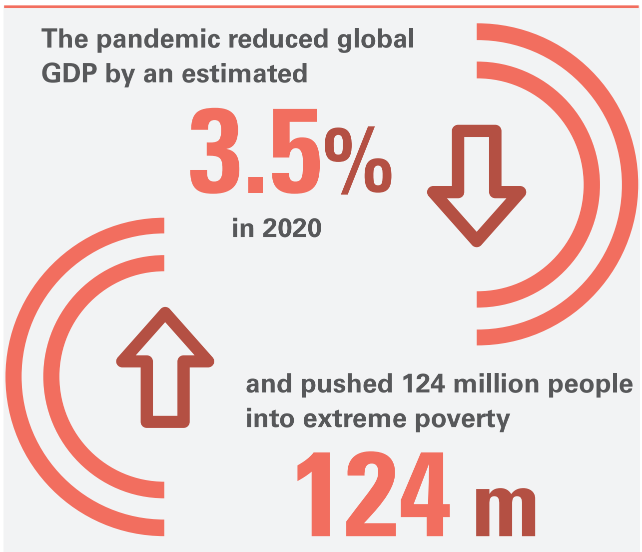
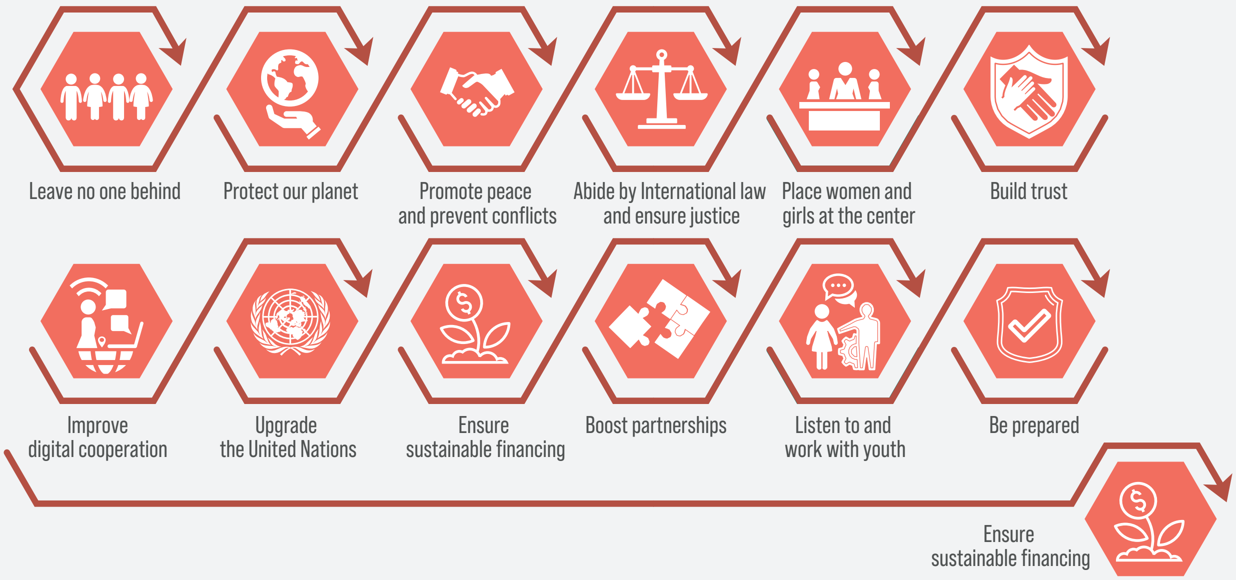


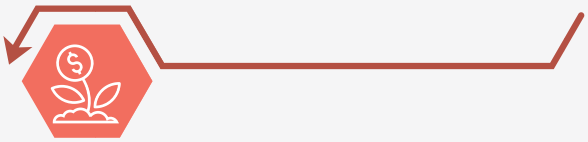
Figure 176. The twelve commitments in Our Common Agenda



Source: United Nations (2021). Our Common Agenda: Report of the Secretary-General. New York.

Figure 177 focuses on the ninth commitment to ensure the sustainable financing necessary to support the achievement of the SDGs, including through a last-mile alliance to reach those furthest behind. This area is most relevant to this report.

Figure 177. Ensuring sustainable financing



- Ensure a sustainable, inclusive and resilient global economy, including to:
  * Support a Sustainable Development Goal investment boost, including through a last-mile alliance to reach those furthest behind.
  * Provide more flexible research and development incentives.
  * Resolve weakness in the debt architecture.
- Fairer and more resilient multilateral trading system.
- New business models.

Source: United Nations (2021). Our Common Agenda: Report of the Secretary-General. New York.

2. Achievement and acceleration of the Sustainable Development Goals and building forward better

The current crisis highlights the urgency of addressing the root causes of existing vulnerabilities in order to allow economies, particularly emerging and developing economies, to build forward better. This could be achieved by reconciling short-term, immediate responses to the pandemic with medium- to long-term development plans, tackling institutional rigidities and weaknesses as well as removing barriers that have long inhibited full structural transformation towards sustainability. This requires the adoption of a holistic, multidimensional approach to SDG achievement and financing, rather than a sequential, sector-by-sector approach, in order to better capitalize on the synergies between well-integrated SDGs.

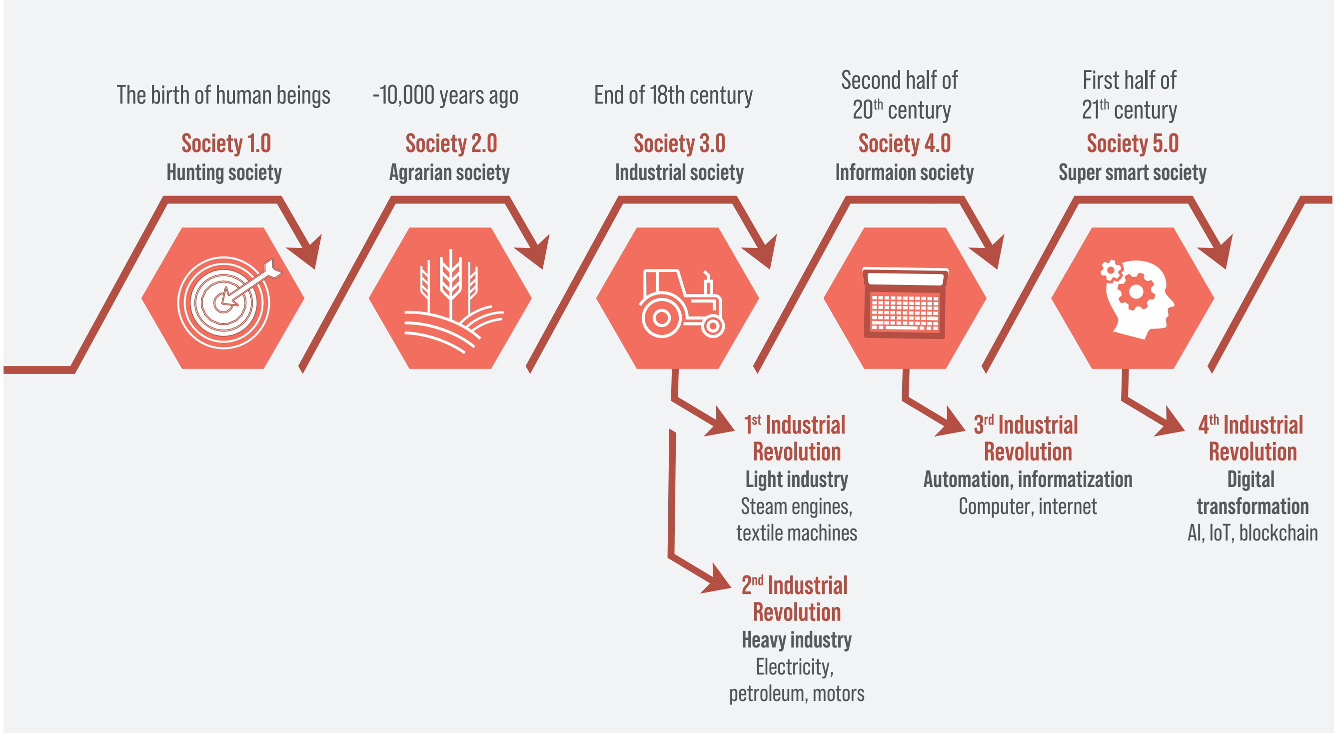
In that respect, it is worth noting that achieving sustainability is much broader than addressing climate change, the focus of Goal 13. Despite the benefits associated with climate change mitigation, such as improving access to clean and affordable energy and water and sanitation, it would be costly to focus solely on addressing climate-related risks, biodiversity losses and environmental preservation at the expense of investing in human and economic development and strengthening governance and partnerships.

This is because such narrow approach would deprioritize goals; such as, ending extreme poverty, eliminating hunger, ensuring good health and wellbeing, ensuring quality education and enhancing gender equality and would divert funding resources away from investing in them. [3]This would ultimately lead to the emergence of a two-tier system, one of which on a fast track on the implementation of SDG 13, while the second one would be on a much slower path to achieving the remaining SDGs, thus reducing the possibility of capturing co-benefits across SDGs, and ultimately slowing down the transition to green, more inclusive and resilient economy.[4]

In the pandemic era, the developed world has increased investment in “smart and green” growth that relies heavily on accelerated digitization, innovation and environment-friendly technologies. To that end, developed countries allocated significant investments through public spending recovery packages, amounting to over 10 per cent of GDP, to ensure a speedy, green and inclusive recovery, taking advantage of low-interest rates.[5]

Technological advancement is expected to dramatically alter many aspects of society by changing public administration, industrial structure, employment, health care and fintech services, among others. The concept of “Society 5.0” was developed by Japan in 2016 in its fifth Science and Technology Basic Plan as a future society to which the country should aspire. It represents the fifth form of societal development to which humankind has evolved since beginning with a hunting society (Society 1.0) (figure 178).

Figure 178. Society 1.0 to Society 5.0



Source: Cabinet Office, Japan (n.d.), Society 5.0. Available at https://www8.cao.go.jp/cstp/english/society5_0/index.html. Accessed December 2021.

Society 5.0 refers to a technology-based and human-centered society, described as the "super smart" or "creative" society, in which economic advancement is balanced with the resolution of social challenges by incorporating new technologies and innovations such as artificial intelligence, robots and big data into all industries and social activities, as well as integrating cyberspace with physical space.[6] While it is argued that achieving Society 5.0 would contribute to achieving the SDGs, it would undoubtedly have significant implications with regard to labour markets, types of jobs and the skills needed to meet society's changing needs.

In order to ensure sustainability, a comprehensive approach to achieving the SDGs must be adopted. This requires significant investment in human capital, infrastructure and resilience.[7] The acceleration of the SDGs depends to a great extent on the presence of three important factors: reliable data, adequate financing and the effective implementation of well-aligned development policies, strategies and programmes.[8]

With regard to reliable data, the availability of accurate, well-disaggregated, good-quality, comparable and timely data is essential, not only to enable policymakers to better understand and manage crises but also to design well-informed policy actions to achieve the SDGs, monitor progress and identify trends and challenges. To that end, developing economies must address outdated information infrastructures and invest in data systems that enable both Governments and investors to allocate investments based on data-driven decisions.

With regard to adequate financing, sustainable financing has been crucial for achieving a sustainable, inclusive and resilient global economy. Based on estimates from PricewaterhouseCoopers, global financial assets have reached their highest value since before the global financial crisis era, with the value of global assets under management reaching over $110 trillion. It is worth noting, however, that only 20 per cent of these assets are available

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in the developing world, which has 80 per cent of the world's population. This underlines the abundance of financial assets and their asymmetric distribution, as well as the challenge of channelling these financial flows from the developed world towards investments in the SDGs in developing economies.[9]

With regard to the implementation of smart, green policies, the following four main areas have been suggested by UNDP and the Frederick S. Pardee Center for International Futures.[10] First, the green economy entails rebalancing nature, climate and the economy by designing and de-risking nature-based solutions and enhancing sustainable consumption and production patterns while promoting public-private partnerships and aligning the financial system with a green transition. Second, digitization requires increasing investment in digital transformation through higher spending on research and development and the innovations necessary to improve access to digital services such as online schooling, telemedicine and remote working.[11] Third, governance involves establishing a new social contract to promote cohesion, stability and gender equality while protecting human rights and enhancing the rule of law. Lastly, social protection entails developing systems that can weather shocks and reduce inequalities.

B. The Sustainable Development Goal financing gap

To achieve the SDGs, the 2030 Agenda emphasizes the need for the adoption of INFFs. These frameworks are also instrumental to the implementation of the 2015 Paris Agreement on Climate Change, which calls for a global transition to a low-carbon and climate-resilient future. In the pre-COVID-19 era, the global financing gap was estimated to be between $5 trillion and $7 trillion annually. The financing shortfall for the developing world was estimated at $2.5 trillion on an annual basis until 2030.[12] In addition, the SDG financing gap for the Arab region has been estimated to be a minimum of approximately $230 billion per year.[13]

According to the OECD Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet, developing economies are currently facing a widening SDG financing gap. It is expected to increase by 70 per cent over the COVID-19 era, from $2.5 trillion to an estimated $4.2 trillion. This growing gap reflects a drop of $700 billion in external private finance and a gap of $1 trillion in public spending on COVID-19 recovery measures.[14]

C. The global financing framework for the Sustainable Development Goals

The 2015 AAA Agenda provides the global framework for development financing, namely, for guiding the implementation of the 2030 Agenda. To that end, it elaborates on various issues related to better and more efficient resource mobilization, including domestic public resources, domestic and international private business and finance, international development cooperation, international trade, debt and debt sustainability, STI and capacity-building.

The AAA Agenda also highlights the importance of data, monitoring and follow-up to support the 2030 Agenda by enabling well-informed decision-making; improving the policymaking process; and supporting better tracking, monitoring and review of the progress made. This framework has been further discussed in subsequent United Nations Financing for Sustainable Development Reports, issued on an annual basis since 2016. These reports are dedicated to examining issues related to improving resource mobilization in light of new challenges and emerging risks concerning the main areas of action under the AAA Agenda.

The Financing for Sustainable Development Reports for 2020 and 2021 have focused on the urgency of staying on track and bridging the financing gap through better resource mobilization in order to deliver on the SDGs by 2030. This is despite the challenges posed by the global recession, increased debt vulnerabilities, fiscal pressures, health threats and rising inequalities triggered by the COVID-19 pandemic and other issues. In this respect, the Secretary-General has warned that slow action, or a lack thereof, may result in a lost decade for development.[15]

The mobilization of sustainable finance can be supported by the rapid growth in digital technologies, a key trend highlighted in the Financing for Sustainable Development Report 2020. It is also important to prioritize inclusion by reducing the digital gap between various segments of society and to address regulatory challenges associated with rapid digitization, such as increased market concentration by bigger platforms. In addition, there is a need to improve social protection systems and pursue labour-enhancing development programmes, since technological advancements may disrupt labour markets by creating new jobs while destroying others.

The 2021 Report highlights the opportunity to rebuild better while supporting the recovery process by tackling the root causes of existing vulnerabilities; addressing weaknesses in institutional and policy frameworks; and scaling up investment in human capital, social protection, resilient infrastructure and technology. The Report's thematic chapters, aligned with the main areas of action under the AAA Agenda, also underline the importance of securing financing for investments in sustainability, risk reduction and resilience-building in a world where risks are closely interlinked.

D. The sustainable development path for Egypt

Egypt has been committed to the achievement of the SDGs and, on average, is 68.6 per cent of the way to the best possible outcomes, ranked eighty second among 165 countries.[16] A key step in the path towards the SDGs is to identify national development priorities in light of the country's initial conditions and constraints. The highest priorities under the national development agenda are Goal 1 on ending poverty and Goal 10 on reducing inequalities.[17] According to the latest available data, the proportion of individuals below the national poverty line decreased for the first time in 20 years to reach 29.7 per cent in 2019/20. Similarly, the proportion of the population living in extreme poverty, less than $1.90 per day, dropped from 6.2 per cent to 4.5 per cent from 2018 to 2020.[18] Nevertheless, reducing inequalities has remained a challenge as a result of persistent regional disparities and high-income gaps between the top and bottom 10 per cent of income strata.[19]

Maintaining progress on poverty reduction, closing inequality gaps and alleviating the adverse effects of the pandemic on the poor and most vulnerable requires a strong, resilient and well-designed social protection system.[20] When properly planned, social protection programmes improve access to essential services and contribute to breaking the cycle of poverty. Evidence shows that a household

The Egypt Vision 2030 launched in 2016 demonstrates the country's commitment to the 2030 Agenda, the achievement of the SDGs, the Paris Agreement and the 2063 African Agenda

with at least one member receiving a Takaful or Karama cash transfer is less likely to slip from vulnerability to poverty. A strong social protection system must be fiscally sustainable. Financing the path to the SDGs requires harnessing diverse funding sources in a way that ensures both efficiency and coordination.

National sustainable development strategies must be complemented by financing frameworks. An INFF provides a useful approach to building a financing strategy that aligns different funding sources with the SDGs and national development objectives.[21] The first (and increasingly important) source of financing is domestic public finance.[22] Sound fiscal policies, as well as the mobilization and effective use of domestic tax and non-tax resources, are fundamental in the pursuit of sustainable development. These national channels must usually be complemented by international public finance, through both concessional and non-concessional financing resources.[23] In most cases, financing the country's development agenda further requires resorting to borrowing that must be based on a prudent debt management strategy to ensure the sustainability of the debt (Chapter 8 discusses the country's debt profile, management and sustainability issues).

The business sector is a key partner throughout the sustainable development path because of its innovative capacity and ability to create jobs and conditions in which people can fulfil their potential if provided with the right incentives.[24] It is also instrumental in closing the SDG investment gap, which has been further exacerbated as a result of the COVID-19 pandemic. A well-functioning business sector should be backed by a supportive financial sector that can efficiently channel the necessary funds to the achievement of the SDGs.[25] To this end, policy and regulatory frameworks should better align financing with development goals and work to ensure balanced financial inclusion.

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In accordance with the global FFD framework, trade is regarded as an engine for inclusive economic growth and poverty reduction.[26] Another important enabler in FFD is STI+D.[27] The COVID-19 pandemic has emphasized the importance of these areas in building resilient societies and reducing the likelihood and adverse impact of shocks.

Successful implementation of the SDGs at the national level depends to a great extent on progress made at the local level. Egypt has recently focused on localization as a founding pillar for the achievement of its development agenda. The Haya Karima initiative is the most notable in this regard.[28] This approach is complemented by strengthening long-term local strategic planning and adopting evidence-based policies, which are considered a prerequisite for policy effectiveness and coherence. Accordingly, high-quality disaggregated data and strong data systems are essential for developing well-functioning monitoring and evaluation systems to guarantee progress towards the country's development aspirations while making the most efficient use of various financing sources.[29]

The Egypt Vision 2030, launched in 2016, demonstrates the country's commitment to the 2030 Agenda, the achievement of the SDGs, the Paris Agreement and the 2063 African Agenda. It is mainly based on the development of medium and long term strategies; such as, the Strategy for Science and Technology for Sustainable Development (2030), Information and Communications Technology 2030 Strategy: Digital Egypt,[30] Egypt's Education

Transformation Program (2030), Egypt's Integrated Sustainable Energy Strategy (2035), the National Strategy for Medium, Small and Micro Enterprises and Entrepreneurship and the Egyptian Family Development National Plan (2021–2023), among others.[31] The Vision, which is currently being updated, aims to establish a well-diversified, competitive and knowledge-based economy that is characterized by social justice, prosperity and balanced growth. It also aims to achieve sustainable inclusive growth along the three dimensions of sustainable development: economic, social and environmental. The updated version places human development at the core of its priorities while promoting equity, accessibility, adaptation and resilience, as well as ensuring sustainability. These represent the overarching framework for the achievement of national objectives and strategic goals.

The remainder of this chapter highlights some of the milestones Egypt has reached on its sustainable development path. It discusses some of the most important issues to be addressed and the role of enablers, which should be reinforced during the transition. These include the Haya Karima initiative, the economic reform programme, digital transformation, the national framework for sustainable financing for the SDGs, climate finance, export orientation, foreign direct investment and private sector engagement.

1. Haya Karima

The Presidential initiative, Haya Karima meaning "decent life", represents a milestone in the country's progress towards improving the lives of the poor, particularly by targeting the poorest villages in Upper Egypt and other marginalized rural areas. It is considered the largest project to localize the SDGs in the world, taking advantage of the interlinkages between the SDGs and changing the landscape for sustainable development at the local level. It also reflects the national commitment to leave no one behind. A participatory approach was adopted during the stages to identify needs, design, plan and implement the initiative, the total cost of which is estimated at approximately $32 billion. The initiative is being implemented in multiple phases; it began in 2019 and is set to be completed by 2024.[32]

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Haya Karima aims to improve the quality of life in rural Egypt, targeting approximately 5,000 of the poorest villages representing over 50 per cent of the population. It seeks to address development gaps at the governorate level; improve access to basic services such as water, electricity, sanitation and gas; create decent employment opportunities; improve health and education services; revamp the infrastructure; and empower rural women.[33] In that respect, the initiative has been an accelerator across a number of SDGs, such as Goal 1 on poverty, Goal 3 on health, Goal 4 on education, Goal 5 on gender equality, Goal 6 on clean water and sanitation, Goal 7 on affordable and clean energy, Goal 8 on decent work and economic growth and Goal 10 on inequality.

2. Economic reform programme and structural transformation in Egypt

The 2016 economic reform programme, supported by the IMF Extended Fund Facility, aimed to restore macroeconomic stability; correct fiscal, monetary and exchange rate imbalances while promoting growth and protecting the most vulnerable. This has played a key role in stabilizing the economy and enabling it to better withstand the adverse impacts of the COVID-19 crisis. Egypt has been one of a few emerging economies, and the only Arab country, to achieve a positive real growth rate of 3.57 per cent in 2019/20, in spite of slowing down progress with reform measures. According to the latest projections from the Ministry of Planning and Economic Development, real GDP is expected to grow by 3.3 per cent in 2020/21 and rebound to 5.6 per cent in 2021/22. Following the successful implementation of the first phase of reforms, the second phase was launched in 2021. The national structural adjustment programme aims to stimulate the supply side of the economy and ultimately achieve well-balanced, green and inclusive growth.[34]

Targeting a deeper structural transformation of the economy presents key challenges, particularly during times of crisis, as it seeks to address persistent structural imbalances that have created long-standing weaknesses in the real economy, particularly at the sectoral and market levels. In this respect, it should be noted that maintaining macroeconomic stability is a prerequisite for successful transformation. The premature withdrawal of support recovery packages should be avoided, not only to ensure protection for the less privileged but also to stimulate the economy during recession and trigger a positive supply response. The latter is at the core of the national structural adjustment programme. Furthermore, striking the right balance between ensuring debt sustainability and creating fiscal space for investment is crucial throughout the process of mobilizing resources to finance the SDGs.

Development challenges have been persistent and may even be increasing in the wake of the pandemic, despite the progress Egypt has made in scaling up its social protection schemes and safety nets, enhancing access to basic services, improving some education and health services and providing better housing by revitalizing some informal settlements in urban areas. These challenges have been largely attributed to the rapidly increasing population, growing informal sector, water scarcity, geopolitical tensions, unsustainable consumption and production patterns, environmental risks and internal migration to urban cities. This is in addition to persistent inequalities, such as stagnating regional and gender disparities.

To support the implementation of its structural transformation agenda to address its main development challenges, Egypt recently signed a memorandum of understanding with OECD to launch a three-year comprehensive programme. This is an example of effective partnerships with development partners to implement the Egypt Vision 2030, which is well aligned with the 2030 Agenda and the Agenda 2063.

The Country Programme aims to implement 35 projects across five thematic pillars in Egypt while enhancing competitiveness and ensuring better integration into the global market. This is in addition to mainstreaming gender equality, focusing on the inclusion of women and youth in the economy and supporting the formalization of SMEs.

The first pillar focuses on inclusive and sustainable economic growth. It aims to address key bottlenecks to raising productivity growth, promoting competition and developing financial markets.

The second pillar focuses on innovation and digital transformation. This targets projects that intersect with education policy and human capital development to better take advantage of the digital transformation and promote innovation.

The third pillar focuses on governance and anti-corruption efforts. It addresses a series of priority issues associated with administrative reforms, e-government, better legislation and regulation, stronger institutions and the rule of law.

The fourth pillar focuses on statistics. It aims to improve the availability and governance of data on economic activity, private sector performance, gender, population, environment and trade, among others, in order to enable evidence-based policymaking.

The fifth pillar focuses on sustainable development. It aims to strengthen frameworks governing the achievement of the SDGs, as well as promote green growth, clean energy and quality infrastructure investments.

The COVID-19 crisis has underlined the importance of adopting a risk-informed development approach to planning, budgeting, policy design and implementation. This has become imperative to raising national readiness for preventing crises, reducing risks and building resilience across all sectors in order to avoid any setbacks in the reform's trajectory. In particular, Egypt must mobilize financial flows and promote responsible investment in crisis prevention, adaptation, risk reduction and resilience-building. It should also mainstream environmental, social and governance considerations to ensure sustainability.

Despite the additional pressure from the pandemic, the current crisis may be seen as an opportunity that should not be missed for Egypt to build forward better. The country can take advantage of this opportunity by strengthening its reform efforts in terms of stabilization and structural adjustment, further aligning national priorities with sustainability and ensuring that environmental, social and governance considerations are integrated into the national policy framework while emphasizing the importance of building resilience. To that end, the recovery process, reform programme and transitory path must all be mutually reinforcing. In other words, they should be coherent, consistent and well-coordinated.

3. Digital transformation

Globally, the pandemic has underpinned the important role of digitization in guaranteeing the continuity of business across a number of vital sectors such as finance and trade, as well as payment through fintech services, e-commerce and e-payments. In addition, social media platforms helped to keep people connected at a time of social distancing.

Nevertheless, digitization has given rise to governance and equity concerns associated with the ensuing legal and regulatory risks, such as cybersecurity issues, as well as concerns about the future of the workforce and labour market. According to The Future of Jobs Report 2020, published by the World Economic Forum, fast digitization and automation are expected to displace about 85 million workers within the next five years while creating 97 million new jobs.[35] In addition, the digital divide will cause disparities between those who can access digital services and those who cannot as a result of income, geographic and literacy considerations, among others.

The ICT sector in Egypt has been growing at an average rate of 16 per cent over the past few years. Egypt ranks seventy second in the 2020 Global Knowledge Index and seventy fourth in ITU ICT Development Index, moving up 10 and 4 places, respectively, compared to 2019. As a catalyst to the fourth industrial revolution, the role of the ICT sector can be leveraged to establish a knowledge-based digital economy that is competitive, agile and innovative by accelerating digital transformation and targeting impact investments across various sectors, such as health care, agriculture, education, industry, financial services, tourism, media and entrepreneurship.[36]

This requires investment in the establishment of an ecosystem with enabling digital infrastructure, highly-skilled human capital, proper regulatory framework as well as sound governance system.[37] The ICT sector has been one of three main sectors selected to anchor structural transformation in Egypt, along with the agricultural and manufacturing sectors. These have been selected owing to a number of factors, including their high growth potential, strong backward and forward linkages, strong potential to generate value added, their international competitive advantage and their ability to generate jobs.[38]

In 2020, over $1 billion has been secured to accelerate the digital transformation of Egypt.[39] This is because digital transformation has been envisioned to play a significant role as a major enabler for implementing the aspired structural transformation of the economy, as an integral component for supporting "Haya Karima" initiative, and as a major cornerstone to the implementation of the SDGs. For instance, information technology and digitization can create decent employment opportunities by supporting MSMEs and formalize informal establishments by improving the business environment in Egypt. This can be achieved by raising the efficiency of government services; it can reduce red tape, time and transaction costs, and thus combat corruption and improve transparency and accountability.

Digitization can also reinforce good governance by strengthening monitoring and evaluation systems across all programmes and schemes implemented at the national and subnational levels, such as social protection, family planning and health and education services. This is in addition to its role in enhancing data accessibility, the dissemination of information and knowledge-sharing.

Accelerated digitization can also play an important role in reinforcing efforts to localize the SDGs by enabling Governments to better tailor sustainable development strategies at the local level using e-government and big data. Establishing the digital network architecture has become necessary to enable policymakers to plan effectively and reflect the priorities of local communities in budgetary allocations. It is also essential to monitoring trends and evaluating progress while addressing gaps. This requires adequate investment in information, data, data systems, digital transformation and digital skills to improve human and institutional competencies.

Nevertheless, the ensuing digital divide presents key challenge as it gives rise to new types of inequality that are compounded with existing ones related to geographic, income and gender factors. Egypt faces a divide between urban and rural regions as well as between men and women. For example, 73.9 per cent of urban households own computers, compared to only 55.8 per cent in rural areas. In addition, 61.5 per cent of men aged 15–74 years uses the Internet, whereas the proportion is only 53 per cent for women.[40] Such disparities could have serious repercussions not only in terms of financial inclusion but also access to opportunities in general, thus worsening inequalities and widening existing gaps.

4. National financing framework for the Sustainable Development Goals

As in most emerging and developing economies, the financing gap presents an eminent challenge to the implementation of the national sustainable development strategy, the achievement of the SDGs and the implementation of the 2015 Paris Agreement. This has been the case given the limited domestic public resources, rising debt stock, low savings rates and reduced fiscal space. These challenges have been further exacerbated by the COVID-19 crisis, adding pressures to an already constrained budget, as a stimulus package amounting to 2 per cent of GDP has been implemented to stimulate the economy and protect the most vulnerable groups, who have been deeply impacted by the pandemic.

To address these challenges, Egypt has been working on the development of a national sustainable financing framework to guide and strengthen its resource mobilization process for financial flows, whether public or private; bilateral or multilateral; or domestic, regional or international. These are necessary for funding its structural transformation towards a more inclusive, green and resilient economy. To that end, Egypt has signed a Joint Programme on SDG Financing and established an INFF in order to estimate the cost of achieving the SDGs, identify resources and address financing gaps while examining innovative financing tools.

The Joint Programme addresses four main areas: SDG costing by sector, mapping main financing flows with the SDGs, budgeting and developing the SDG financing strategy.

The main sectors covered by this programme are education, health, social protection, water and sanitation, and transport, with special attention paid to mainstreaming gender equality across all sectors.

The 2018 World Bank report Sustainable Development Goal Diagnostics: The Case of Egypt discusses options available to expand the resource mobilization base to guide the policy dialogue on the national FFD strategy. In doing so, it highlights areas for creating fiscal space for pro-growth spending on the SDGs and emphasizes the need to shift from consumption to investment spending as well as to reduce public expenditures on interest payments and subsidies while raising additional revenues through higher taxes and ODA flows. It also shows that accelerating progress on the SDGs requires not only an increase in public spending but also an efficient allocation of resources within carefully prioritized and well-sequenced policy areas.[41]

5. Sustainable finance and climate finance

Mobilizing resources to finance the country's sustainable development path has become imperative, not only to meet the rising aspirations of its vibrant youth and the increasing demands of its growing population but also to build resilience to environmental, social and economic shocks. This is in addition to addressing climate-related risks and their detrimental impact on water availability and food and energy security. These include elevated heat, air pollution, sea level rise, ground water contamination, freshwater deficiency, increased soil desalinization and precipitation changes affecting the Nile Delta and northern coastline. These have had adverse impacts on a number of vital productive sectors, such as agriculture, leading to water scarcity, beach erosion, coral reef loss, reduced crop yields and quality, livestock losses as well as heightened food insecurity. [42]

In its intended nationally determined contributions submitted to the United Nations Framework Convention on Climate Change in 2015, Egypt highlighted its national plans to promote resilience, address climate change impact through adaptation and reduce its greenhouse gas emissions through mitigation. It also noted that climate change adaptation and mitigation actions would require a total estimated cost of about $73 billion over the 2020–2030 period. It also emphasized the importance of mobilizing international financial support and technical assistance for technology transfer and capacity-building for the implementation of its intended nationally determined contributions.[43]

Efforts have been made to raise the readiness of the financial, banking and non-banking sectors to scale up sustainable finance in Egypt and to promote the integration of environmental, social and governance considerations in its core business model while safeguarding its stability and resilience. The CBE and the Financial Regulatory Authority established guiding principles and frameworks for increasing sustainable finance flows towards socially responsible and environmentally friendly investments. To that end, financial inclusion and digital transformation have been awarded special attention in order to improve access to finance by increasing outreach in rural and remote areas, promoting financial literacy and developing new services and products that better cater to the needs of the unbanked, particularly women and youth.[44]

To address its SDG investment gap, Egypt has resorted to innovative financing instruments and has become the first country in the Arab region to issue its green sovereign bonds in 2020. These were issued to finance national sustainable development needs, funding eco-friendly and green projects in clean transport, renewable energy, energy efficiency, pollution control and reduction, sustainable water and sanitation, wastewater management and climate change adaptation. The size of the country's first issuance of green sovereign bonds reached $750 million for a five-year maturity.[45] To tap into new funding sources, Egypt plans on issuing compliant sovereign bonds (sukuk) in 2022.

Addressing barriers to promoting sustainable finance and climate finance has become instrumental in securing the resources needed to finance the aspired transition. These barriers include, but are not limited to, the absence of a supportive regulatory framework where no explicit climate-related financial regulations have been enacted. Furthermore, environmental, social and governance principles have been developed as a reference guidance framework to be adopted on a voluntary basis by finance providers and investors and not as a mandatory requirement for accessing finance or for reporting and disclosure. Given the lack of strict enforcement of sustainability rules and requirements, addressing environmental and social risks, may reduce financing institutions' incentives to comply with sustainability guidelines to better withstand competition from their more lenient non-complying market rivals.[46]

This is in addition to the absence of a supportive system to incentivize financing the transition to a more inclusive, green and resilient economy. In particular, no explicit incentives have been offered to financial institutions to promote their participation in greening the sector and scaling up sustainable finance practices. This could be achieved through a number of measures, such as preferential rates and credit allocation policies, which have been implemented in countries like Bangladesh and India. A lack of awareness of the merits of sustainable development in general, and sustainable finance in particular, may have caused unsustainable patterns to persist on the part of consumers, producers and investors and may have limited the flow of scarce financial resources towards more socially responsible and green investment ventures.

In addition, the absence of quality data as well as well-developed, commonly accepted metrics, classification standards, definitions and methodologies have limited stakeholders' ability to efficiently adjust to business-related risks and opportunities. This acts as a barrier to scaling up sustainable finance in general, and climate finance in particular, in Egypt and the region as a whole. The gradual adoption of sustainable and climate finance taxonomy is instrumental to enable financial sector governance bodies, finance providers and private investors to better understand sustainability and climate-related issues, better respond to market needs and adequately capitalize on emerging opportunities. In that respect, Arab countries can collaborate to tailor the regional sustainable financial taxonomy to be better adapted to the region's sustainable development financing needs.

The CBE and the Financial Regulatory Authority established guiding principles and frameworks for increasing sustainable finance flows towards socially responsible and environmentally friendly investments.

6. Export orientation

Export orientation has been considered one of the main pillars for the implementation of a successful industrial policy for sustainable development, along with localization, digitization, finance and investment. Export promotion could be considered an enabler of SDG acceleration owing to its positive impact on a number of factors. These include generating employment opportunities, particularly for MSMEs through backward and forward linkages with larger firms; stimulating investment in research and development and innovation; upgrading technology; speeding up know-how transfer; and improving integration into global value chains, thus igniting market competition and ultimately raising efficiency gains.

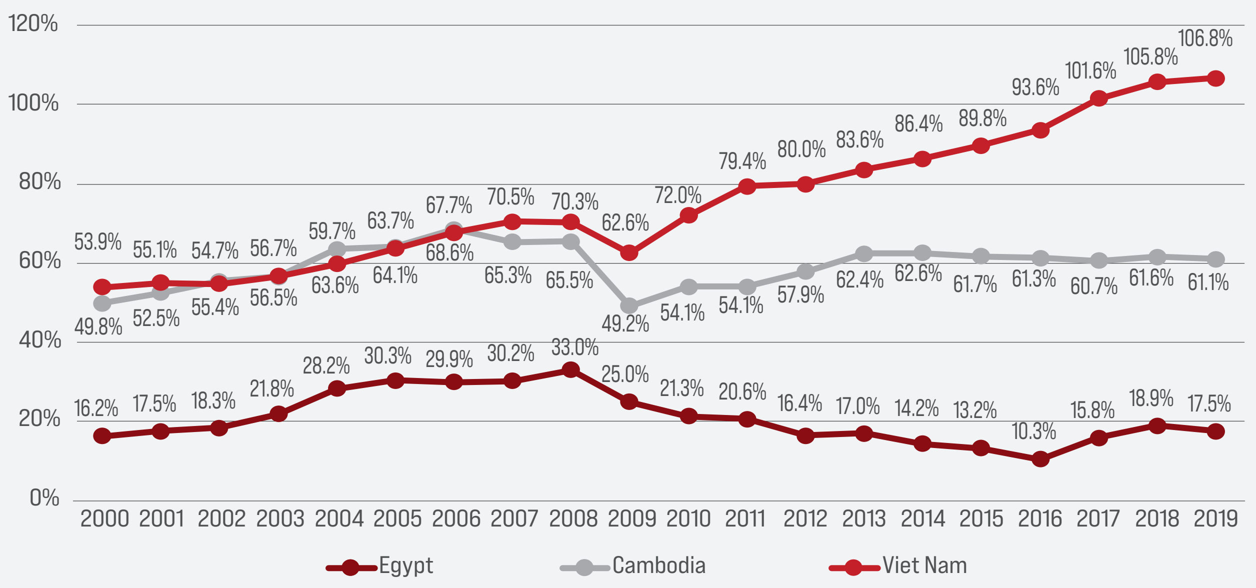
The performance of Egypt in exports and imports has been low compared to peer countries such as Cambodia and Viet Nam. In particular, the exports of goods and services-to-GDP ratio for Egypt averaged less than 17 per cent over the 2009–2019 period, while that of Cambodia averaged about 60 per cent and that of Viet Nam over 84 per cent during same period (figure 179).[47]

As for imports of goods and services, the ratio of imports-to-GDP for Egypt averaged 25.4 per cent, compared to 63.1 per cent and 87.5 per cent for Cambodia and Viet Nam, respectively, over the same period (figure 180).

Figure 181 reflects the composition of Egyptian imports in 2019, with machinery representing only 12.79 per cent out of the total imports of goods. The majority of imports were raw materials and intermediate goods.

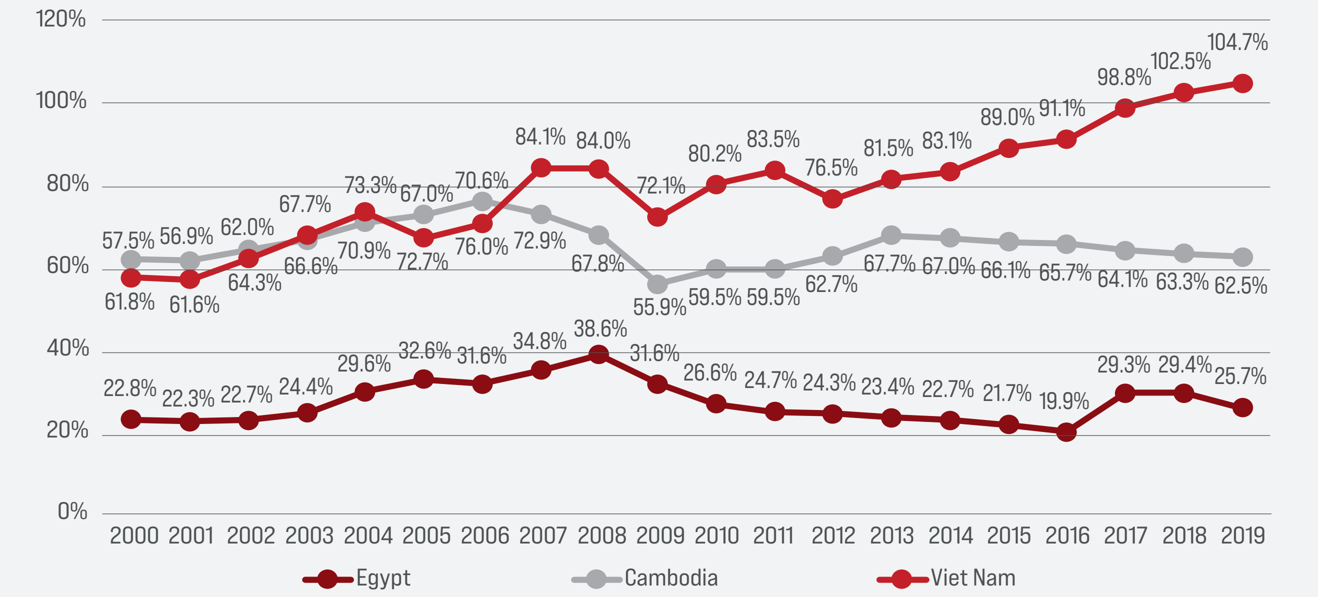
The export composition for Egypt has shown bias towards traditional products and raw materials, reducing potential gains associated with exporting higher value-added products.[48] In that respect, it is important to strengthen the link between the trade policy and other policies to improve the variety and complexity of exports and their contribution to GDP. Adopting economy-wide or horizontal policies broadly applied across a country rather than targeting individual sectors can foster export diversification and complexity. Enhancing the policy framework related to education, labour, governance, institutions, infrastructure, technological readiness and open trade has become instrumental for diversifying exports, raising their complexity and boosting their value added and contribution to GDP.[49]

Figure 179. Exports of goods and services, as a percentage of gross domestic product



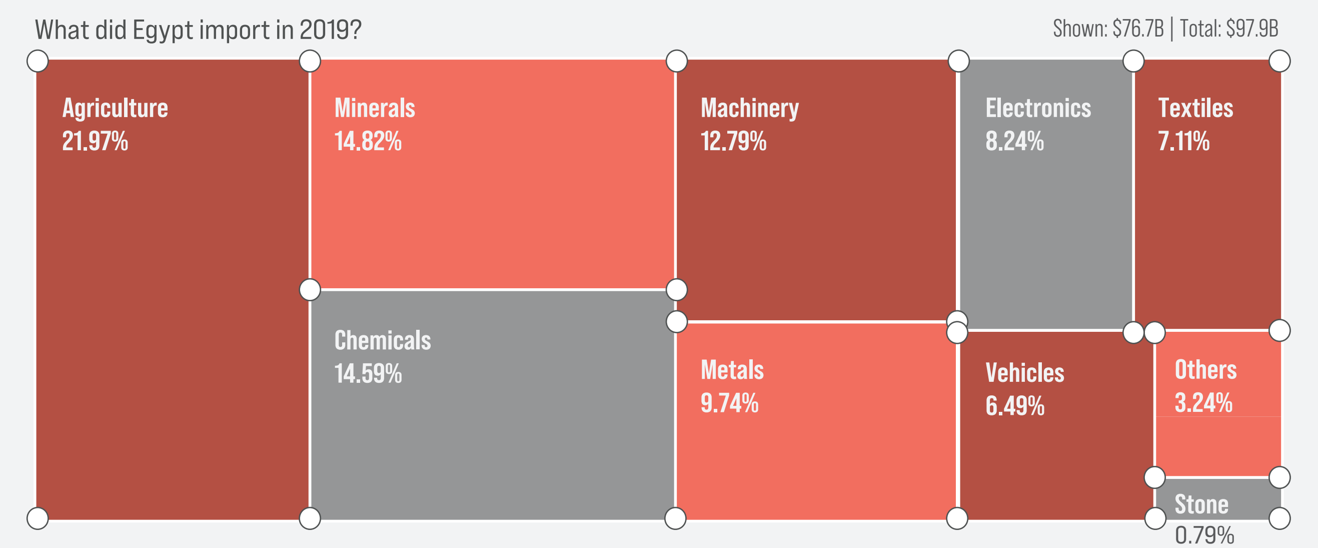
Source: Mohieldin, 2021e and World Development Indicators. Accessed January 2022.

Figure 180. Imports of goods and services, as a percentage of gross domestic product



Source: Mohieldin, 2021e and World Development Indicators. Accessed January 2022.

Figure 181. Imports to Egypt (2019)



Source: Harvard Growth Lab.

It should be noted that the percentages show the weight of each import category out of the total volume of imports of goods in 2019.

Strong policy frameworks are also important to enhance geographic proximity to trade partners and to effectively shorten distances by promoting connectivity between countries through better transport systems, effective logistics and lighter trade barriers, as well as by fostering the adoption of technology through educational exchange programmes and investing in ICT to support the digital economy. This is particularly relevant in the case of intra-Arab trade, the average of which in the last five years has been hovering around 12 per cent of total trade flows of Arab States.[50] Such reforms would foster export diversification and complexity for Egypt, which would be a step in the right direction to progress on the ambitious plan to increase exports to $100 billion.

7. Foreign direct investment

Export promotion should be complemented with a harmonized vision for attracting greenfield FDI, the benefits of which include generating capital flows, creating jobs, bringing in innovative technology, improving skills, enhancing productivity and strengthening the host country's participation in global value chains. Nevertheless, these benefits do not automatically materialize, as they require the presence of targeted measures to attract, retain and maximize FDI-related gains. The first and most important measure for FDI promotion is the development of a high-level government strategy, which should be translated into a mandate, plans and policies to attract FDI. These should focus on seeking out long-term investments and providing the right mix of incentives to reinforce FDI linkages with local firms. These incentives should also emphasize investment in skill development and technology transfer and ultimately encourage greater local value added.[51]

The FDI promotion strategy should be based on a robust national-subnational framework that realizes the relative capacities of the different local regions within the country. Such a framework will ensure seamless service to potential investors, particularly on issues related to location selection and establishment. This is especially relevant to the Egyptian context where FDI is highly concentrated, with the top 5 governorates accounting for 90 per cent of FDI and the remaining bottom 22 governorates sharing only 10 per cent, suggesting the existence of untapped potentials.[52] Related policies and incentives should adopt a strong investor-centric orientation along with the participation of the private sector.

The FDI strategy should also welcome all types of greenfield investment while reaping the maximum benefits of different categories, which can be summarized as follows:

- FDI seeking natural resources and extractives: For this type, it is crucial to ensure that investments are adequately integrated in the bigger economic system. Policies should seek to attract inclusive FDI in the extractive sector that foster a number of linkages with the host economy to contribute to job creation. This should also encourage an increase in local value added to foster downstream economic development, with the opportunity to develop manufacturing capacity.

- FDI tapping into the market size of Egypt, targeting consumption goods and services: For this category, it is essential to incentivize investors to depend on local intermediate products and increase their impact on employment, as well as adhere to environmental, social and governance rules. Estimates show that while multinational enterprises constitute a significant source of revenue for local suppliers, there is a room for their affiliates to represent a larger market for Egyptian suppliers, especially when compared to Indonesia or Jordan.

- FDI entailing high technology and research and development components: Egypt should work on attracting more FDI with higher research and development, technology and innovation that can best promote exports. These have the most significant local value added and the most positive spillovers on the host economies.

8. Private sector engagement

The central role of the private sector in financing the SDGs in Egypt has been unquestionable, not only to mobilize scarce resources but also to enhance technical know-how and technology transfer generally associated with private investment. To that end, market barriers to raising private sector engagement in socially responsible and environment-friendly projects should be addressed by developing a pipeline of bankable investment opportunities. This pool of projects should be based on national needs and priorities that are properly identified and regularly updated during the national planning and budgeting stages.

In that respect, aligning private incentives with public interests is crucial. This can be achieved through financial engineering mechanisms, such as blended finance, and well-structured public-private partnership schemes that can ensure an appropriate level of risk-sharing between public and private sectors. This can ultimately raise the share of private investment in projects with low commercial readiness where the transaction costs are large and the value at risk is high while market returns may be uncertain. While Egypt has been successful in raising private sector engagement in the renewable energy and energy efficiency sectors, special attention should be paid to crowding private investment into adaptation and resilience-building projects that may have a public good nature with a long payback period and a perceived lack of profitable investment opportunities. This is in addition to the importance of raising private sector engagement in social sectors such as health and education, considered priorities under the national development agenda.

Over the past few years, public investment has been steadily increasing as the State has worked proactively to stimulate the economy and act as catalyst for the implementation of responsible investments nationwide. This includes building resilient infrastructure across Egypt, establishing new sustainable cities (e.g. the New Administrative Capital and Alamein City) and developing new housing communities for the less advantageous segments of the society.

The rising share of the State in economic activity may unintentionally be limiting private sector participation. This may be the result of confusion associated with the role of the State as investor in addition to its role as regulator, enforcing market discipline and addresses market failures. Clear communication of the role of the State as an enabler, which is especially pertinent at a time of crisis and economic recession, may be instrumental in creating certainty and eliminating any confusion about the importance of the private sector as a key partner in financing and achieving the SDGs.

Additionally, there may be a need for a clear business engagement model that is based on a simple, well-defined “traffic light” system, where signals can be used to categorize investments into three different areas. The green area contains projects for full private sector engagement under effective market regulations. The red area comprises sectors that are restricted due to certain considerations, such as those related to national security. The orange areas include domains that require consultations and specific partnerships between the State and the business sector.

E. Conclusion and policy recommendations

The success of Egypt in achieving its national development objectives depends to a great extent on a number of factors, which include adopting a comprehensive, coherent and well-integrated policy framework; securing the necessary resources; targeting priority goals with positive spillovers and strong interlinkages with the SDGs; and engaging all stakeholders. As noted previously, the importance of investing in human capital, infrastructure and resilience cannot be more emphasized. It depends to a great extent on the availability of three crucial factors: reliable data and evidence, adequate finance and the effective implementation of development strategies, policies and projects. These factors would ensure the sustainability of Egyptian development projects and their capacity to respond to new realities, as per figure 182.

Figure 182. Integrated, comprehensive policy framework

Source: Mohieldin, 2021a.

The report proposes a number of recommendations in each of the areas discussed, as follows:

No poverty, reduced inequalities and social protection:

A. Goal 1: No poverty and Goal 10: Reduced Inequality:

- Ensure equal access to health, quality education, technology and economic opportunities for all.
- Address gender inequality by ensuring that women have equal access to economic opportunities and sustainable sources of income, especially in rural areas.
- Reduce spatial inequality by ensuring adequate investment in social and physical infrastructure of rural and urban areas in all governorates.
- Ensure diversification by increasing investment in manufacturing, agribusiness and infrastructure.

B. Social protection system:

- Expand social safety net programmes horizontally and vertically by both adding new beneficiaries and increasing the benefit size (using inflation indexing), while also revising the programmes' targeting methods.
- Develop a clear communication strategy for social protection response.

- Improve the technical and administrative capacities of front-line social workers and enhance investment in ICT resources.
- Improve outreach by compiling a comprehensive database for informal workers using the unified national registry and connecting it to the civil registry.
- Mainstream social protection into the broader policy context, applying an integrated approach to enhance response to crises and risks.
- Implement national social protection extension strategies based on an appropriate mix of tax-financed and contribution-financed transfers.
- Expedite the roll-out of the universal health insurance system to guarantee universal health coverage.

Integrated national financing framework and public financial flows:

A. Integrated national financing framework:

- Maintain current efforts on the first and second building blocks of the INFF: assessment and diagnostics and the financing strategy while closing the cycle by activating its third and fourth blocks: monitoring and review as well as governance and coordination.
- Ensure coherence across public and private financing policies and promote collaboration among financing actors.
- Reprioritize spending towards development goals (education, health care and physical and digital infrastructure), while ensuring the adoption of a comprehensive public-private partnership approach to crowd in private investment.
- Continue the recent path of fiscal consolidation and reduce reliance on foreign borrowing and volatile external inflows to address the twin deficit dynamic of government budget and the current account.
- Leverage and provide data for other sources of funding, such as climate financing, South-South cooperation and philanthropy.

B. Fiscal policies and public domestic resources:

- Reform the public financial management system. On the expenditure side, strengthen programme- and performance-based budgeting and introduce a medium-term expenditure framework.
- Invest in a tax administration system in terms of transparency, efficiency, collection effort, enforcement and compliance while strategically identifying the optimal tax mix based on national economic and social structures as well as national political priorities.
- Strengthen the role of fiscal policy in achieving environmentally sustainable development objectives.
- Promote the shift towards a more fiscally decentralized system to ensure smooth SDG delivery at both the local and national levels.
- Update the budget accountability concept to include the impact of government spending on achieving the SDGs.

C. External public flows:

- Consolidate efforts through the adoption of a National Development Cooperation Policy framework that covers a broader scope of external finance resources: official development assistance (ODA) and beyond, to better support the INFF, increase the coherence and effectiveness of development cooperation, and identify clear roles and responsibilities for all relevant stakeholders.

- Optimize the use of ODA flows for catalytic purposes as an effective tool to leverage private investments and maximize FFD.
- Create a roadmap for Blended Finance highlighting national priority development sectors and projects that can benefit from this financing modality.
- Form a dedicated mechanism to support tackling illicit financial flows in a more coordinated manner and reinforce financial integrity for sustainable development.
- Enhance technical assistance, capacity development and knowledge transfer associated with development cooperation.
- Strengthen the development cooperation coordination and information management through using advanced information technology and data systems for managing ODA and alike-flows.

D. Public debt management:

- Ensure a declining trajectory for public debt, both domestic and foreign, as a ratio of GDP as well as for debt service as a ratio of exports of goods and services.
- Within prudent limits, prioritize domestic currency borrowing for lines of finance that do not have foreign returns.
- Increase the tradability and liquidity of debt instruments and strengthen Egyptian financial markets to fund SDGs spending gaps.
- Develop prudent measures and strengthen the institutional framework to govern new types of innovative financing instruments, such as sovereign green bonds, Islamic sukuk and climate/SDG debt swaps.
- Strengthen fiscal risk management and enhance fiscal and debt rules to promote debt transparency, accountability and reporting.

Business and financial sectors:

A. Business sector:

- Translate the national planning framework into quantifiable metrics to identify gaps and required investments, highlighting the potential for private investment through information sharing.
- Enhance complementarities and reduce divergence among sectoral strategies and identify joint investment priorities to maximize the development impact.
- Develop business facilitation and promotion strategies that target priority sectors, with a focus on proactive SDG investment.
- Create a national platform to engage with the private sector on the issues of sustainability and green economy while focusing on sectoral and geographic potentials.
- Realize the potential of public-private partnership through a new approach based on international best practices and revise institutional responsibilities, governance and coordination among the public entities and enhance the investment promotion approach of the public-private partnership framework.
- Adopt a clear business engagement model with the private sector based on well-defined “traffic light” signal- system:
  - Areas for full private sector engagement under effective regulations (green).
  - Areas for possible partnerships with the State (orange).
  - Clearly restricted areas for operations (red).
- Align the mandate of existing zones: economic, investment, free and industrial with development goals, at the national, governorate and sectoral levels, while reinforcing export promotion, private sector engagement, foreign direct investment, and integration into global value chains.

- Ensure that investment and production are green and smart, supported by digitalization, innovation, and effective logistics.
- Enhance the integration of environmental, social and governance considerations into the business sector's core strategies and operations through effective regulations and incentives, and showcase some of the good examples of firms' compliance in the context of the preparation for COP27.

B. Financial sector

- Develop a comprehensive policy for financial development to support funding Vision 2030 ambitions and the required growth strategy. This is critical to complete the requirement for development finance which is normally based on effective regulations, competitive market and adequate policy framework.
- Promote the role of the financial sector in funding socially responsible and environment friendly investment by:
    - Providing incentives for incorporating environmental, social and governance considerations into their activities.
    - Ensuring financial sector's compliance with new rules related to sustainability, as informed by the Task Force on Climate-related Financial Disclosures.
- Introduce regulatory reforms, especially those related to licensing to promote the participation of non-bank financial providers while improving areas of financial services such as insurance and leasing based on international standards.
- Continue to invest in innovative ecosystems to support Fintech services as well as entrepreneurs in emerging sectors.
- Set a strategy to increase access to the Internet while promoting branchless banks, mobile banking and other emerging technologies to ensure "no one is left behind".

Trade:

- Develop and implement an Export strategy with concrete measures to achieve the USD 100 billion target of exports of goods, while capitalizing on competitive advantage and geographic proximity.
- Diversify Exports and raise their complexity and GDP contribution by enhancing policies related to education, labor, governance, institutions, infrastructure, technological readiness and open trade.
- Promote trade with regional partners, including Arab, African and European countries.
- Tap on new markets by promoting connectivity through better transportation systems, effective logistics, easing trade barriers, fostering the adoption of technology and investing in information communication technology to support digitalization.
- Provide Institutional support for export finance, advancing credit and improving guarantees, to support export promotion.
- Provide special incentives to foreign direct investment which fosters innovation, research and development, technology transfer and higher value addition to reinforce export orientation.
- Increase domestic and foreign investment in the manufacturing and priority sectors, to better integrate into Global Value Chains.

Science, technology, innovation and digitalization (STI+D):

- Adopt an overarching national innovation strategy that ensures sustainable operationalization by setting measurable targets and enforcement mechanisms, engages relevant stakeholders and addresses systemic issues.
- Improve the linkages between national development priorities and public and private research and development.

- Enhance the primary and preparatory education curricula through introducing Science, Technology and Innovation-enabling subjects; such as, scientific thinking, research methods, artificial intelligence and information technology skills.
- Secure the required investments in digital infrastructure in partnership with the business sector to leverage national digital transformation objectives.
- Continue the current path of digital transformation for government services while improving the quality, accessibility and inclusiveness of the digital ecosystem.
- Strengthen the regulatory framework to address emerging risks associated with digitalization, such as, cyber security.

Data and data systems:

- Develop capacities to manage data collection and data streaming processes.
- Ensure greater integration of SDGs indicators into the periodic surveys.
- Create binding benchmarks for SDG data updating frequency and level of disaggregation, including data at the governorate level.
- Enhance SDGs' data disclosure in a timely, transparent, and accessible manner.
- Establish an inclusive well- integrated database on SDGs.
- Develop initiatives to use Big Data to monitor and evaluate the impact of development projects.
- Adopt legislative reforms that contribute to strengthened governance, particularly laws on freedom of information and data security.

Localization

- Capitalize on the investments of the Haya Karima initiative by enhancing the governorates productivity and relative competitiveness to guarantee that the newly developed rural Egypt becomes a major contributor to production, job creation, and the export orientation of the economy.
- Ensure multi-stakeholder engagement for the ownership of development goals and targets, following the participatory approach adopted by Haya Karima initiative.
- Produce consistent, mapped, disaggregated data on the SDG indicators at the governorate level.
- Develop well-integrated policies and governance frameworks based on the principles of local autonomy.
- Adopt a refined financial ecosystem for localizing the SDGs by ensuring adequate budgetary allocations and strengthening local revenue mobilization capacity.
- Measure the impact of interventions on SDGs at the governorate level.

Endnotes

1. Mohieldin, 2021c. This information is based on an interview with Mahmoud Mohieldin, the United Nations Secretary General Special Envoy on Financing the 2030 Agenda and Executive Director, International Monetary Fund
2. United Nations, 2021.
3. Mohieldin, 2021c, "Climate action", "life below water" and "life on land", the 13th, 14th and 15th SDGs, form multidimensional action plan for the preservation of environmental health and diversity in accordance with provisions of the 2015 Paris Agreement.
4. Mohieldin and Shehata, 2021.
5. Mohieldin, 2021d.
6. Cabinet Office, Japan, n.d.
7. In his recently published book, The Resilient Society, Economist Markus Brunnermeier underlines the importance of building resilience to enhance countries' ability to better withstand shocks, such as pandemics and economic crises. He argues that the best way to protect economic and social institutions is to invest in resilience-building and the associated mechanisms to bounce back.
8. Mohieldin and Shehata, 2021.
9. PricewaterhouseCoopers, 2020.
10. Mohieldin and Shehata, 2021.
11. These services were used during the pandemic but were not widely available, owing to the divide in access to the Internet, particularly in developing countries. Estimates show that 86 per cent of children in primary education did not have access to online schooling in countries with a low human development ranking, relative to only 20 per cent in high-ranking countries.
12. United Nations Environment Programme and World Bank, 2017.
13. United Nations, Inter-agency Task Force on Financing for Development, 2020 and 2021.
14. Mohieldin and Shehata, 2021.
15. United Nations, Inter-agency Task Force on Financing for Development, 2020 and 2021.
16. Sachs and others, 2021.
17. Chapter 1 discusses the state of the SDGs in Egypt and focuses on progress made towards Goals 1 and 10.
18. Ministry of Planning and Economic Development, Egypt, 2021a.
19. For instance, household income grew by 16 per cent in urban areas, compared to 13 per cent in rural areas between 2017/18 and 2019/20. Similarly, household spending increased more in urban areas than in rural areas during the same period (Ministry of Planning and Economic Development, Egypt, 2021a).
20. Chapter 5 discusses social protection schemes and safety nets.
21. Chapter 3 discusses the development of an INFF.
22. Chapter 4 examines the budget structure, process and priorities.
23. Chapter 12 presents issues associated with the international development cooperation framework in Egypt and its channels, partnerships and effectiveness.
24. Mohieldin and Shehata, 2021. Chapter 6 discusses the role of the business sector in Egypt.
25. Chapter 7 elaborates on the role of the financial sector.
26. Chapter 9 addresses trade in Egypt and its potential as an engine for growth and sustainable development.
27. Chapter 10 presents a discussion of the national landscape for STI+D.
28. Chapter 11 discusses SDG localization efforts in Egypt.
29. Chapter 2 elaborates on the importance of investment in data and data systems.
30. Kamel, 2021.
31. Ministry of Planning and Economic Development, 2018 and 2021.
32. Ministry of Planning and Economic Development, Egypt, 2021a.
33. UNDP and the Ministry of Planning and Economic Development, Egypt, 2021.
34. Ministry of Planning and Economic Development, Egypt, 2021a.
35. World Economic Forum, 2020.
36. Kamel, 2021.
37. Ibid.
37. Ministry of Planning and Economic Development, Egypt, 2021a.
38. Kamel, 2021.
39. Ministry of Planning and Economic Development, Egypt, 2021a.
40. Amin-Salem and others, 2018; Gable and others, 2015. This work has been based on the 2015 World Bank report Trajectories for Sustainable Development Goals: Framework and Country Applications, which highlights the various challenges associated with SDG achievement, data availability and the scarcity of financial resources at the country level. It also uses an integrated financing framework to enable policymakers to better evaluate policy options and spending priorities across the various SDGs while addressing a number of issues. These include the feasible set of development targets to be achieved by 2030, fiscal resource mobilization to achieve the ambitious SDGs and policy areas to be considered to accelerate progress on achieving the SDGs.
41. According to the United Nations Environment Programme and World Bank (2017): "A sustainable financial system is stable and creates, values and transacts financial assets in ways that shape real wealth to serve the long- term needs of a sustainable and inclusive economy along all dimensions relevant to achieving those needs including: economic, social and environmental issues". As for climate finance, it is a subset of sustainable finance for which there is no single definition and refers to financial resources mobilized to fund actions to mitigate and adapt to the impacts of climate change.

42. Egypt, 2015.
43. CBE, 2020c; Financial Regulatory Authority, Egypt, 2018.
44. Ministry of Finance, Egypt, 2020a.
45. El-Hawary, 2021.
46. Mohieldin, 2021e.
47. Over 29 per cent of Egyptian exports of goods are mineral fuels, oils and waxes, as of 2019.
48. Salinas, 2021. This is based on recent research by the IMF.
49. Number constructed based on the numbers for top trade partner contributions to Arab States' trade for the period 2015–2019, according to the Joint Arab Economic Report published by the Arab Monetary Fund.
50. ILO, 2014; Phillips and others, 2021.
51. OECD, 2020a; Phillips and others, 2021.