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Swiss Cooperation Programme **Egypt**2021–2024



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Foreword

Egypt plays a critical role for peace and stability in the MENA region. It is a key partner of Switzerland in the South Mediterranean area. During the last 40 years of bilateral cooperation, Switzerland and Egypt have developed strong ties based on mutual interests and trust.

The new cooperation programme for the period 2021-2024 underlines Switzerland's long-term commitment to Egypt and the Egyptian population. It aims at fostering growth and job creation by supporting the country's structural reforms and private sector. The promotion of human rights, citizen participation, transparency and accountability remain at the core of Switzerland's engagement in Egypt. The present programme is aligned with the relevant strategic frameworks of the Swiss government and the development priorities of Egypt. It dedicates an increased focus on gender equality, skills development, the development of a greener economy and sustainable urbanisation.

The overall economic situation has significantly improved over the last decade. Thanks to its commitment to the IMF reforms package, the country has successfully restructured several areas of the economy. Budget and trade deficits have been reduced, macroeconomic stability has been achieved and growth and employment have increased. The public debt has shifted to a more sustainable trajectory.

However, despite these positive developments and high resilience during the COVID-19 crisis, the overall situation remains fragile. Important changes are still needed to better respond to the aspirations of the population, in particular women and youth. Minorities in vulnerable situations, including migrants, have been particularly affected by the crisis and need special attention.

The present programme has been jointly developed by several services of the Swiss Federal Administration, to ensure a coordinated and coherent approach. In close cooperation with the Egyptian authorities, Switzerland will spare no effort in the next 4 years to expand good governance, promote peace, foster an inclusive society and address the situation of migrants in the region.

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1. Context analysis

Political, security and regional context

In the past four years, Egypt primarily focused on maintaining its national security and stability. In doing so, it was able to ensure a favourable context for economic reforms, leading to declining public debt levels, growing foreign reserves, economic growth and to the first primary budget surplus in 15 years. Broader structural and political reforms towards more inclusive institutions and civil and political rights are yet to be fully implemented. While the rule of law has been strengthened, good governance will require more transparency and accountability in the future.

In 2020, the Senate was renewed. The pro-governmental party won the absolute majority based on a participation rate estimated at 14%. A similar scenario occurred shortly after regarding the elections to the House of Representatives. From a political perspective, the outlook for the next four years looks steady. From a social perspective, the economic pressure on the lower middle class as well as on the poorest segments has clearly increased, possibly raising concerns and demands amongst the population.

Egypt plays an essential geopolitical role in the region based on its control over the Sinai Peninsula, the Suez Canal as well as its considerable size. Egypt is strongly connected to the Middle East and the Mediterranean. Continuing sectarian and civil wars and humanitarian crises across the MENA region confirmed Egypt in its priorities for maintaining stability, both domestically and regionally. A military operation is continuing in North Sinai. The number of terrorist attacks against civilian targets has diminished considerably.

Over the last years, Egypt has adopted an increasingly restrictive migration policy, which has been further promoted through the European Neighbourhood Policy towards Egypt as well as other countries in the MENA region. The increased cooperation between Egypt and Europe in the field of migration management has brought a rapprochement with the EU (first Arab League-EU summit in 2019).

In terms of its foreign policy, Egypt has managed to diversify beyond its strategic partnership with the US. In the last four years, and during its presidency of the African Union, it established closer ties with China and Russia which enhanced its strategic influence in the Middle East and Africa. Now, Egypt's main strategic focus lies on increasing intra-African connectivity and trade routes, an absolute priority being the sufficient provision of water resources including by finding an agreement on the management of water resources with Ethiopia and Sudan.

The Libyan civil war continues to present a security threat at the Western border. Egypt came back in 2017 to a mitigating role on the recurring crises of the Gaza strip by mediating between the parties and allowing passage of people and humanitarian goods through the Rafah border.

Economy

The political transition in 2011 weighed on the economy. In response, Egypt committed to an IMF-assisted reform package in 2016, which successfully stabilised and eventually improved macroeconomic indicators. The reform led to the liberalisation of the Egyptian pound, a reduced current account deficit, lowered budget deficits and a decline in the public-debt-to-GDP ratio to 83% (2019) from 103% (2017)¹.

State-led investments in most economic sectors, especially infrastructure, have contributed to creating employment and keeping growth positive. Unemployment rates have been falling, from 12% in 2017 to 7.8% in early 2020, with a significant uptick to 9.9% once the pandemic hit, as the tourism and oil sectors slumped and global trade shrank. Labour force participation then dropped by 2.3 million, affecting more women than men, and urban dwellers more than rural ones². This, in addition to the persistent skills gaps in Egypt's workforce, constitutes one of the main challenges and a prime bottleneck.

To counter the effects of the COVID-19 pandemic, the government increased expenditures to social safety nets to the poorest segments of society. In 2020, two additional IMF support packages were leveraged to retain macroeconomic stability and proceed with the planned "second wave of reforms". These structural reforms are geared towards improving the

¹ IMF October 2019: Fifth Review under the extended arrangement under the extended fund facility

² CAPMAS 17 Aug 2020 : Press Release on the effect of Covid 19 on employment – Q2 2020

business environment and promoting private sector-led growth. They are aimed at facilitating access to finance, at reforming the taxation system and state-owned enterprises as well as at enhancing the role of different economic actors³.

The planning scenario for this cooperation programme is, in the short term, a slowdown in GDP growth and an increase in external debt. Hence, poverty is expected to grow, mainly in urban areas and among people in vulnerable situations (women, children, migrants, and the poorest people). The labour force participation rate is likely to remain below 50%. The planning scenario also assumes a gradual economic recovery over the next 4 years, as tourism returns, global trade resumes and the planned structural reforms materialise⁴.

Social

Over the past decade, the great majority of social indicators have been improving steadily, albeit slowly (e.g. human development, life expectancy, under-5 mortality, average years of schooling). The only field where this long-term trend has been mixed concerns gender equality: while the composite indicators are improving slowly⁵, some critical indicators show negative trends such as female labour force participation (at below 23%, dropping to 16% during COVID-19); as well as data on gender-based violence including rape, domestic violence, child marriage, FGM, as well as access to high-quality sexual and reproductive health services.

Egypt's population growth rate has been fluctuating around 2% for the past 25 years, with a steady decline from 1995 to 2008, a peak at 2.2% in 2015, and a renewed decline in recent years to 1.9% in 2020⁶. Egypt's population is estimated to reach 130 million by 2030, posing significant challenges especially with regards to public service delivery, infrastructure development and employment. The government is investing heavily in education, health and infrastructure while at the same time privatising some services. These investments will improve people's livelihoods in the future, hopefully reversing the negative trend that occurred after the change of public policy from subsidy to social safety-net measures. Regarding access to safe drinking water and sanitation services, major disparities remain between urban (more than 90%) and rural areas (less than 50%).

Poverty and disparities increased due to the COVID-19 crisis. It is estimated that 73% of Egyptian families saw a decline in their income as a consequence of measures taken to contain the pandemic. Women paid a higher price in this crisis with the female labour force dropping to 4.5 million in late 2020 (compared to 5.2 million in March 2020, CAPMAS) and a general increase in violence and insecurity.

3 IMF June 2020: IMF Executive Board Approves 12-month US\$5.2 Billion Stand-By Arrangement for Egypt

Being among the most vulnerable, migrants and refugees have been heavily affected by the COVID-19 pandemic. During the crisis, these populations have mostly depended on services provided by civil society organisations, yet these are limited in terms of resources and outreach. Besides, since the beginning of the crisis, over 60,000 migrants and refugees could not get registered by the UNHCR due to halted or delayed registration processes. As a consequence, these persons are in an even more precarious situation, lacking protection and services.

In 2016, the government adopted a new policy on migration aimed at regulating migration flows through its northern border. As a consequence, Egypt became a country of destination for migrants. Since then, the needs for humanitarian and development aid have been constantly increasing and have been recognised as such by Egypt.

The planning scenario for the cooperation programme in social sectors anticipates a continued engagement of Egypt in the education sector and a collective engagement of both state and non-state actors in social protection, while facing unprecedented challenges due to the COVID-19 crisis and the consequences of regional crises (Ethiopia, Eritrea). Thanks to improved access to basic services and continued support for socio-economic integration, the resilience of people in vulnerable situations is expected to be alleviated.

Environment

Egypt's environmental strategy under the 2030 vision highlights the importance of sustainable management of natural resources and the reduction of environmentally harmful economic practices. The average availability of freshwater per capita in Egypt has steadily decreased from about 1,893m³ per capita per year in 1959 to about 900m³ in 2000, and 570m³ in 2018, which stands below the water poverty line of 1,000m³ ⁷. The continuous population growth and the current dispute about the Grand Renaissance Dam will likely increase Egypt's water stress. Moreover, the rise in sea levels and the change in average temperatures may put at risk agricultural production and related sectors. The successful issuance of green bonds by the GoE constitutes an encouraging step towards green investment and climate resilience.

Further, Egypt's per capita CO₂ emissions have been quite stable over the last decade at around 2.5t/capita. The government's efforts to maintain this trend is reflected in the successful issuance of green bonds, investments in electric public transportation, renewable energy and the reduction of fuel subsidies. With increasing urbanisation, urban expansion and rural to urban migration, water, sanitation and waste management is becoming of primary importance. We expect these trends to grow in Egypt over the coming four years, influencing policy development and international dialogue. We also expect the GoE and the private sector to further invest

⁴ Economist Intelligence Unit Economic Forecast

⁵ e.g. UNDP's Gender Development and Gender Inequality indexes, 2020

⁶ World Bank Data: https://data.worldbank.org/indicator/SP.POP.GROW?locations=EG

⁷ Ahram Online January 2020: Egypt's water challenges



in greening the economy, with green finance instruments, renewable energy, energy efficiency, water and waste management and sustainable urban planning.

Institutional

In 2020, the COVID-19 health and economic crises accelerated the challenges which Egypt faces, given the megatrends of the whole MENA region⁸. The GoE is aware that challenges such as climate change, population growth, unemployment, resource scarcity and unprecedented pressures on medical and educational systems will put a strain on the state budget and public debt. Nevertheless, so far Egypt has been able to reduce its deficit and ensure annual growth rates of nearly 3.6% of GDP. Its revenues even increased by 18.4% compared to 2019. Yet, to ensure the sustainability of this progress, the GoE may need to further support private sector-led growth (e.g. tax reform, competition law), job creation (access to finance for MSMEs) and vocational skills development⁹ together with the private sector. It should also strengthen its governance (economic governance, transparency, capacity building, automation, and digitalisation) and public finance management, while bolstering social protection, health and education systems.

The GoE has already drawn some lessons from the COVID-19 crisis. During the closure of borders, Egypt engaged in building relevant local capacities, namely in the agriculture and textile sectors, including the increased economic participation of women.

Building on this, GoE is engaged at implementing its Sustainable Development Strategy: Egypt Vision 2030. This Strategy defines 10 main pillars covering economic, social, and environmental dimensions: 1) economic development, 2) energy,

3) knowledge, innovation and scientific research, 4) transparency and efficient governmental institutions, 5) social justice, 6) health, 7) education and training, 8) culture, 9) environment, 10) urban development. Aligned with the Vision 2030, the Ministry of International Cooperation has been shaping its approach around the concept of economic diplomacy, which relies upon the following: a multi-stakeholder platform, an ODA SDG mapping exercise and a common global partnership narrative - People at the Core, Projects in Action and Purpose as the Drive.

This approach is meant to increase cooperation and coordination between development partners and to streamline it. While the efforts are commendable, the UN and the donor community may hope this new approach to go beyond economic diplomacy and encompass a broader vision of sustainable human development.

Outlook and opportunities

After a decade of improvement, Egypt's progress may be at stake in terms of its resilience (OECD's fragility index) due to the global economic downturn caused by the onset of COV-ID-19. The evolution of this unprecedented situation will be followed up closely during the cooperation programme period. The cooperation programme may require some adaptations in the medium term in order to better respond to the evolving humanitarian or development needs. The underlying scenario for this cooperation programme foresees a persisting structural fragility with an economic slowdown and increasing poverty due to the impact of COVID-19 followed by a stabilising effect thanks to the roll-out of vaccination and the announced second wave of economic reforms. Switzerland will remain engaged in providing comprehensive support targeting individual livelihoods, especially for the poorest in society, the macroeconomic system and the legal framework related to good governance and human rights. In the next 4 years, Switzerland intends to provide new support for skills development, sustainable and green economic growth and more gender equality. This may open up new opportunities for partnerships.

⁸ See FDFA MENA Strategy: https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2020/10/mena-strategie.html

⁹ Technical Vocational Education and Training TVET is understood as formal upper secondary training while Vocational Skills is defined as both formal and non-formal lower secondary training, such as apprenticeship.

2. Swiss foreign-policy objectives in Egypt

Switzerland has a keen and multifaceted interest in the MENA region. A peaceful, prosperous and stable region that offers its citizens economic and social prospects is also conducive to prosperity and security in Switzerland. The Swiss Middle East and North Africa Strategy (2020) provides a framework for all Swiss foreign policy activities in the MENA region during the 2021-24 period. It is in Switzerland's interest that North Africa – as one MENA sub-region – be a stable, prosperous region governed by the rule of law. The three main challenges for North Africa – and therefore priority thematic areas for Switzerland – are **structural economic** reforms aimed at promoting employment and investment, the implementation of good governance principles and safe and orderly migration. Switzerland is supporting reforms aimed at promoting a brighter economic outlook and increased civic participation. It also intends to conclude further migration agreements and assist the authorities of these states in receiving migrants.

Switzerland's international cooperation in Egypt is framed by the above-mentioned MENA strategy and the International Cooperation Strategy 2021-24¹⁰. The latter defines Egypt as a priority country with development programmes implemented by the FDFA and EAER (SECO). Swiss foreign policy objectives in the region and for Egypt are the following:

- → Rule of law, good governance and human rights: Switzerland promotes democratic values, including citizen participation, transparency and accountability. The rule of law, respect for human rights and the inclusion of women and disadvantaged people are essential for providing a community with long-term prospects. Switzerland discusses human rights issues and supports the strengthening of good governance principles by offering for example platforms to discuss cross-cutting issues to various stakeholders. It is committed to systemic change, aimed at strengthening accountability of partner governments to tackle persisting governance challenges. Swiss international cooperation is committed to promoting good governance including economic governance throughout its engagement. Support for balance of powers and public mechanisms for government accountability and oversight are key. Switzerland also strengthens civil society in developing countries because of its key role in ensuring social inclusion, advocacy, monitoring and public accountability.
- → **Economic development:** Switzerland's export-oriented and highly interconnected economy has a genuine interest in access-

10 https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2020/06/IZA-Strategie.html

ing markets across the globe. Although Egypt already ranks as its top trading partner on the African continent, the Swiss private sector sees a high potential for increased trade with and investment in North Africa, also due to its proximity. Therefore, Switzerland has a keen interest in fostering favourable economic framework conditions by fostering competitiveness and facilitating conditions for the private sector, as well as for the labour market. It implements projects specifically designed to strengthen macroeconomic processes, infrastructure development and local SMEs. It focuses on facilitating access to financing, increasing the participation of women and young people in the labour market and promoting vocational skills development locally with the participation of Swiss companies and other stakeholders.

- → Migration: Switzerland works with local and international partners on the implementation of projects designed to prevent and address human smuggling and trafficking, to promote the protection and integration of migrants, and to improve their access to basic services and employment. In the short term, it helps improve living conditions for displaced people, and protect refugees. In the medium term, it aims to improve prospects for people locally, providing alternatives to irregular migration and delivering optimal solutions for integrating migrants and forcibly displaced persons. In the long term, international cooperation addresses the root causes of irregular migration, including poverty, lack of access to basic services, armed conflict, poor governance, environmental destruction and the impacts of climate change.
- → **Climate change and urbanisation:** Switzerland supports initiatives in water management, recycling and the greener economy and works to mitigate the effects of climate change and urbanisation.

With a comparatively modest ODA engagement, Switzerland managed over the years to be recognised as a reliable, trustworthy and long-standing partner, especially in terms of economic development cooperation, good governance and human rights, as well as in the area of migration. Switzerland is renowned for its inclusive decentralised system of government (which affords local actors and minorities an important say) and for its collaborative approach. This has enabled Switzerland to further build up its diversified roles in aid coordination (development partners groups), policy dialogue, and as supporter of a wide spectrum of stakeholders.

Swiss international cooperation is present in Egypt with a "whole of government approach" (WOGA) and setup, including the following agencies: SDC South Cooperation, Humanitarian Aid, Peace and Human Rights Division, State Secretariat for Economic Affairs,

and State Secretariat for Migration. In the spirit of a more encompassing "whole of Switzerland approach11", enhanced collaboration with the **Swiss private sector** is targeted. The Swiss private sector has an important presence in Egypt, composed of both multinationals and SMEs active in health, nutrition and infrastructure/construction sectors.

11 See AVIS28: Switzerland in the world in 2028, p.4 and MENA Strategy (2020), foreword.

A concrete area for closer collaboration with the Swiss private sector under this new approach lies in **vocational skills development (VSD) and in Technical and Vocational Education and Training (TVET)** - inspired by the Swiss dual training system. Another area of interest lies in **digital process automation**. Switzerland is recognised for its expertise in the areas of innovation and new technologies, including renewable energy and resource efficiency, which is also relevant in relation to the improvement of public services and the management of public finances for example.





3. Results of Swiss Cooperation Strategy 2017–2020

Overall cooperation goal

The goal of the Swiss Cooperation Strategy for Egypt 2017–2020 was: "to support the transition in its political, economic and social dimensions towards an inclusive, resilient and accountable state and society". With three domains of cooperation – democratic processes and human rights, inclusive sustainable economic growth and employment, and protection and migration.¹²

The Theory of Change (ToC) stipulated that Switzerland will enhance development, stability, rule of law and social peace through supporting locally owned processes, sustainable economic growth, human rights and more accountable institutions by investing in agents of change. Some important

results were achieved in the areas of economic growth and macroeconomic stability, and partially by making institutions more accountable. Nevertheless, it has been challenging to support democratic processes, develop locally-owned policy solutions and human rights as a whole.

Results for Domain 1 – Democratic processes and human rights

The objective of Domain 1 was stated in the Cooperation Strategy as: "(...) to contribute to Egypt's development efforts towards inclusive and responsive governance through enhanced accountability, citizens' participation and strengthened human rights".

During the 2017-2020 period, Switzerland worked with state institutions, academic institutions and civil society to support

¹² SDC 2017; Swiss Cooperation Strategy Egypt 2017 – 2020; Bern.

cooperation mechanisms between the state and society. It supported the creation of platforms for facilitated dialogue on relevant topics (i.e. the NGO law) between civil society, Egypt's legal community, Parliament, and the general public. In that respect, Switzerland engaged with and brought together a wide range of partners such as the Ministry of Local Development, the Ministry of Justice, the State Council, the United Nations Population Fund (UNFPA) and the American University in Cairo. Working through local partnerships, Switzerland was able to reach a wide geographic scope covering 12 governorates (out of 27). Supporting the empowerment of members of the Egyptian legal corps through professional training by the American University in Cairo, judges and lawyers were capacitated. Based on the experience in the legal sector, closer collaboration is foreseen with the Public Prosecutor's office and the National Council for Childhood and Motherhood within the framework of the new Juvenile Justice project, for which Switzerland is collaborating with the OECD.

In addition, Switzerland strengthened mechanisms of good governance by building the institutional capacity of dozens of organisations at local level. Concretely, these organisations developed policy recommendations on the national strategy for population and were therefore involved as active stakeholders (project on population growth with UNFPA). Effective local population units were created – encompassing youth, civil society and representatives of the government – which now serve as models. Moreover, around 5,000 youth participants (50% female) were sensitised on family planning as the demographic bulge represents one of the underlying factors of fragility in Egypt.

Key lessons learnt

- Though challenging, further engage in creating spaces for an open dialogue between civil society and the state. Academic institutions are relevant actors to partner with as intermediaries, providing both platforms for dialogue and capacity building.
- 2. Further engage in the legal sector by strengthening collaboration among different actors and by supporting capacity building related to juvenile justice.
- 3. Address human rights and governance issues as cross-cutting themes by using the triple nexus approach (humanitarian, development, peace) in the design of all new projects, through a sound understanding of the Egyptian context.

Results for Domain 2 – Inclusive sustainable economic growth and employment

The objective of Domain 2 was stated in the Cooperation Strategy as: "to contribute to sustainable and inclusive economic development to foster resilience in an integrated global economy through improved access to sustainable basic infrastructure services and inclusive urban development, increased resilience of the economy, generating more and better jobs through a more competitive private sector and more inclusive financial services and improved business environment. From 2017 to 2020 Switzerland's support benefited over 700,000



people and around 50 governmental and private-sector institutions.

Switzerland influenced policies and regulations in waste management, agribusiness, skills development, local economic development, public financial management and access to finance. For example Switzerland improved the waste management sector in Egypt: at a regulatory level, the "Waste Management Framework Law" was adopted while at an institutional level, new standard operational procedures, full auditing system for the e-waste recyclers, and digital applications of waste services improved the overall waste management in targeted governorates, serving over 300,000 people.

In the water sector Switzerland's engagement improved access to potable water in rural Aswan with over 600,000 people living in poor neighbourhoods benefiting directly and indirectly. Complementary capacities of the local water company were built, for example on energy saving and fee collection. The community was engaged through awareness campaigns and the implementation of environmental initiatives such as greening the neighbourhood streets.

Further, Switzerland's support to rural economies resulted in the retention of almost 35,000 jobs (14% women) mainly in agriculture and agro-value chains (such as aquaculture), improving income, resilience and contributing to poverty reduction. Together with the Ministry of Education, civil society and universities, Switzerland supported the development of a new curriculum on entrepreneurship for technical schools. It also worked with the private sector to establish Egypt's first sector skills council.

Regulatory and institutional support to financial service providers and regulatory authorities facilitated access to finance for over 245,000 people (63% women). Switzerland in collaboration with the IFIs (WB, IFC, IMF) contributed to Egypt's macroeconomic stability, for instance through the support of the Ministry of Finance (MoF) on drafting and publishing a Medium Term Debt Strategy, complemented by the upgrade of its Debt Management and Financial Analysis System (DM-FAS) and the capacity building of the Debt Management Unit. It also helped draft a fiscal risk framework, with a focus on public-private partnerships (PPPs) and state-owned enterprises (SOEs). On income level, Swiss support allowed for improved VAT outcomes through improved administrative processes such as automated identification of non-payers and establishing a notification system for taxpayers. It is still supporting the update of Egypt's medium-term revenue strategy and a move towards a greener economy (sovereign green bonds issued in 2020).

Key lessons learnt

- Switzerland has proved its strong presence in infrastructure and urban development in Egypt, especially positioning itself in the water, sanitation, and waste management sector and should further build upon its successful practices.
- While inclusion for women has been successful in project level training and skills development as well as specific targeting for access to finance, there is still room for improving gender mainstreaming in projects with more ambitious transformative outcomes.
- 3. Switzerland's engagement in poverty reduction and income generation has been most prominent in rural settings and gender sensitive agro-value chains such as aquaculture and textiles. It may be further explored in the future, leveraging tools such as market system development and CEDRIG¹³. Switzerland's engagement in Egypt is nationwide except for its potable water programme focusing on Aswan, where support should be continued in this underserved region.
- 4. There is an opportunity to position Switzerland in skills development in Egypt, especially in the technical and vocational education and training sector, based on the programmes experience and scoping study conducted, engaging the private sector.
- There are opportunities to frame and communicate Switzerland's engagement in greening the economy, whether at the level of infrastructure and urban development, the macro-economy, economic sectors or individual producers.

Results for Domain 3 – Migration and protection

The objective of Domain 3 was stated in the Cooperation Strategy as: "... to mitigate the risks of irregular migration by enhancing protection services and strengthening the self-reliance of vulnerable groups".

Over the past years, the migration/protection portfolio expanded and diversified. It is based on the one refugee approach, on the *Leaving No One Behind* (LNOB) principle and on the nexus between humanitarian and development aid. Gender was mainstreamed as a key component of the portfolio.

From 2017 to 2020 Switzerland contributed to strengthening the protection environment for vulnerable migrants in Egypt, through facilitating access to basic social services. Over 130,000 individuals (55% women), benefited from provision of adequate health and mental health care, education, legal and psychosocial assistance, access to housing, emergency

¹³ Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) is a practical and user-friendly tool developed by the Swiss Agency for Development and Cooperation (SDC).



response and SGBV services. On the North Coast, the first legal assistance office was established in a local NGO to help migrants to obtain residency permits.

Switzerland also engaged in providing socio-economic empowerment through improved self-reliance of people in vulnerable situations including migrants. Over 6,700 refugees, migrants and most vulnerable Egyptians accessed vocational training, career guidance and seed funding. A more structured dialogue with the Ministry of Youth and Sport was established, which led to improvements in opportunities for refugees and migrants to integrate the labour market.

The sudden and severe effects of COVID-19 on migrants and the border closure required a swift response in order to deal with migrants inside Egypt. Switzerland established its reputation as a key player in the migration sector, responding to and prioritising migrants' needs including resettlement. The Swiss cooperation office in Egypt was identified as a regional hub for the WOGA project East African Migration Route (covering Egypt, Sudan and Ethiopia), which is aimed at improving prevention, protection and socio-economic integration of children and young people on the move while improving self-reliance of young adults.

Key lessons learnt

- The needs of the poorest for basic social services have been sharply increasing with the COVID crisis. Swiss engagement can build upon its successful support for a protective environment for migrants, especially on the North Coast. A triple nexus approach is relevant to further develop the protection and social integration of migrants and refugees, and address local/host communities' basic needs.
- Further develop vocational skills development opportunities inspired by the Swiss dual vocational education system in synergies with other Swiss engagements that foster youth employment.
- 3. Further engage with key players such as the UNHCR and IOM for advocacy and policy dialogue (e.g. economic integration and women-friendly labour markets).
- 4. Gender-based violence over the past four years increasingly emerged as a problem that is affecting both Egyptian and migrant women, and which is deepening. This dimension should be better integrated in future initiatives.



4. Implications for the Cooperation Programme 2021–2024

Challenged by the post-COVID global recession, Egypt's economy is likely to follow a U-shaped recovery. Continued macroeconomic stability may support a more business-friendly economy by ensuring better access to finance, transportation, building permits, taxes, and digitalisation. Nevertheless, the private sector will probably lag behind, resulting in increased unemployment and poverty mainly among people in vulnerable situations (women, migrants, and the poorest in urban areas). Hence, social protection, skills development and improved socio-economic integration, including for migrants and refugees, will remain a priority and a challenge.

Furthermore, the crisis has created new opportunities for the GoE to engage on a "green recovery" with the support of IFIs, focusing on renewable energy, environmentally friendly transport and waste management.

In line with the recent contextual developments and based on the overall results of the previous cooperation programme, the strategic implications for Switzerland's future engagement for the period 2021-2024 can be envisaged as follows:

- → Adopt a **triple nexus approach**: while the relevance of Switzerland's engagement has been demonstrated for each domain of intervention with the Cooperation Programme 2017–20, combining more strategically the use of different instruments, namely development cooperation, humanitarian aid and peace promotion, with a view to achieving common outcomes, is seen as more pertinent in the Egyptian context and will contribute to optimising more effectively and sustainably the Swiss interventions.
- → A new engagement logic structured around 4 outcomes will contribute to improving the overall coherence of the Swiss portfolio while leveraging our engagement. These 4 outcomes better capture Egyptian needs and priorities with regard to Swiss interests and added value. The new logic will also strengthen collaboration between the different thematic teams within the embassy through cross-fertilisation for an improved and more sustainable impact.

- → Invest in **greener growth and sustainable inclusive urban development**: Switzerland has developed successful partnerships in the fields of innovative technology, infrastructure, and urban development. Its engagements in wastewater and waste management, and in supporting the issuance of green bonds for better public services (e.g. electric trains) constitute a relevant response to urbanisation, mitigating the impact of climate change on cities in Egypt as described above.
- → While further strengthening a business-friendly environment and building on the success of women's inclusion in the job market and income generation working on selected value chains, Switzerland will increase its focus on supporting skills development especially for youth, women and migrants.

The Cooperation Programme 2021-2024 will also provide a renewed opportunity for Switzerland to engage in a transparent, **structured and regular policy dialogue** with the Government of Egypt shaped by a common understanding of both Egyptian development needs and Swiss priorities and values, such as human rights. Over the years, Switzerland has also acquired deep knowledge of local realities and institutional functioning. It has developed a broad range of **partnerships with governmental, intergovernmental and non-governmental organisations,** including civil society, academia, community development associations and the private sector. It will continue to build and rely on its broad and solid network of external partners and internal expertise both at the embassy and at head office for more effective programme implementation and delivery.

Moreover, Switzerland is valued for its dynamic and innovative **private sector**, **research centres and cultural actors**. Swiss companies, academia/think tanks, and professional associations (SEBA, Swissmem, SFIVET, ETH Zurich, and EPFL) have already been involved in activities supported by the embassy and identified as key stakeholders in areas such as vocational skills development, greening the economy and urban development, which will be further explored in the context of the new cooperation programme.

5. Priorities, objectives and theories of change

Building upon the Swiss results and expertise achieved through its engagement in 1) good governance and human rights, 2) sustainable inclusive economic development, 3) migration and protection, and taking into account the above-mentioned implications, the main goal of the new Cooperation Programme 2021–2024 – which is aligned with Switzerland's priorities for international cooperation, Egypt Vision 2030 and the UN 2030 Agenda for Sustainable Development – can be articulated as follows:

"Strengthened institutions, rights-based frameworks and an inclusive economic environment enable women and men to have better social, economic and political opportunities, leaving no one behind". Four main outcomes are expected to contribute to this overall goal. While specific lines of intervention are prioritised under all four of them, based on the existing portfolio of projects, these outcomes are intended to contribute to strengthening synergies and interlinkages between activities and programmes for an overall improved impact (see Annex 1).

OVERALL GOALS

OUTCOME

Government, private sector and civil society develop spaces, capacities, and **legal**, regulatory and institutional frameworks for good governance, namely for economic governance, human rights, and gender equality

OUTCOME 2

Government, private sector and civil society develop and implement policies and practices that support institutional development, green growth, sustainable inclusive urban development

OUTCOME 3

Young women and men, including migrants, have access to vocational skills development and decent work in an inclusive, business friendly economy

OUTCOME 4

Local communities and migrants access quality basic services and protection, and improve their livelihood





Outcome 1

Government, private sector and civil society develop spaces, capacities as well as legal, regulatory and institutional frameworks for good governance, namely for economic governance, human rights and gender equality

Switzerland will support open spaces for dialogue between civil society and the state, aiming at enhanced consultation processes on societal, economic and environmental policy issues. To that end, Switzerland will support capacity development of state and non-state actors, and enhanced legal, regulatory and institutional frameworks, specifically on human rights, economic reforms and gender equality.

In order to promote a reliable economic framework, Switzerland will support structural economic reforms and help to stabilise the macroeconomic environment. The focus will be on public financial management, building national capacities and streamlining processes to ensure effective and efficient management of public resources for the benefit of all citizens. Switzerland has a robust track record with the Egyptian

government for supporting economic governance reforms, specifically in the areas of budget reform, tax reform, debt and risk management, and trade policy.

With regard to its engagement on human rights (human rights-based approach¹⁴), Switzerland will pursue its work with academic institutions which are providing platforms for dialogue and capacity building. Based on its successful experience in the legal sector, Switzerland has been engaging in a new partnership with the OECD focusing on juvenile justice. This collaboration will also include the Public Prosecutor's office and the National Council for Childhood and Motherhood.

The overarching umbrella of good governance will also be considered as a cross-cutting issue for Switzerland's engagement in Egypt. Keeping the dialogue alive is key in a context where Switzerland is perceived as a neutral broker to maintain a balance between security, economic, social and political considerations.

 $^{14\,}$ In line with the SDC Guidance on Human Rights (2019)



Outcome 2

Government, private sector and civil society develop and implement policies and practices that support institutional development, green growth, and sustainable inclusive urban development

Switzerland will promote inclusive sustainable urban development, public infrastructure, waste management, innovative technologies, cleaner production and green finance. Specifically, Switzerland will continue sectoral support building capacities of government on waste and land management and improve related legal and institutional frameworks in water supply systems and wastewater treatment infrastructure. The programme builds on both SDC people-centred approaches and SECO's institutional development approaches to support development and adoption of innovations towards greening the economy.

This will enable Egypt to benefit from more sustainable urbanisation, better infrastructure, more resilient cities, and better conditions for sustainable economic growth. At the same time capacitated institutions need to be more accountable, transparent and be able to mobilise resources more efficiently while taking advantage of opportunities arising from a greener economy agenda. Furthermore, a clear legal framework with enhanced strategies and non-conflicting regulations will promote an enabling business environment.

Outcome 3

Young women and men, including migrants, have access to vocational skills development and decent work in an inclusive and business-friendly economy

With the global economic downturn, support to economic development and job creation has become pivotal for holistic development cooperation. An inclusive business environment

will be conducive to private sector growth and competitiveness, requiring more qualified labour with market-oriented skills. Private sector engagement in skills development has the potential to mitigate challenges of the qualification mismatch of the Egyptian labour market. Access to skills opportunities and labour markets for youth, women and migrants contributes to their socio-economic empowerment. Holistic approaches, inclusive of migrants and their host communities, assure no one is left behind. From a gender perspective, Egypt lags behind in women's participation in the economy, whether in the labour force, or when accessing finance.

As a result, Switzerland will continue to support the public and private sectors to simplify business procedures, increase transparency of processes, improve the use of and access to finance, including new products, and improve entrepreneurship networks. Among these tasks are also holistic capacity programmes for rules-based trade and selected value chain development activities with a focus on an enabling environment. Job market-relevant knowledge, skills and entrepreneurship development services, will be developed building on the strong will of GoE to engage in education, employment creation and social protection. Economic actors will be able to more easily start/grow their business and create more employment opportunities, and young women and men including migrants will be able to improve their socio-economic status, making use of better and more employment-relevant skills and development opportunities, and more easily accessing finance and labour markets. Engaging with expert thematic networks and international financial institutions will allow for the leveraging of international and regional best practices, in close cooperation with private and public bodies.

The portfolio will aim for stronger articulation between SECO and SDC-funded initiatives (better linking support for individuals, organisation building, and framework development), and linking support provided to most vulnerable Egyptians and to migrants.

Outcome 4

Local communities and migrants access high-quality basic services and protection, and improve their livelihoods

Presently, the provision of basic services is insufficient with regards to the needs of people in vulnerable situations and migrant communities. Developing the capacities of key partners, fostering multi-stakeholder partnerships, and promoting evidence-based policy dialogue should enhance the capacities of the protection system. Based on the LNOB principles, Switzerland will contribute to interventions that improve accessibility and the quality of basic services and protection mechanisms needed by communities in vulnerable situations and migrants residing in Egypt (especially women and youth), such as potable water, cash assistance, education and health services. This

in turn will allow these communities and migrants in Egypt to be better equipped with the means to survive as well as improve their livelihoods and economic contribution, which in the long term contributes to reduced inequalities and better social cohesion, especially for women and children.

The programme portfolio is co-funded by all WOGA partners active in Egypt and combines interventions responding to the different Swiss offices' mandates (protection and education; socio-economic integration; durable solutions and resettlement; border control and anti-trafficking). Supporting access to high-quality basic services and protection will increasingly be based on need, and not according to predetermined social groups or legal status (e.g. "one refugee approach" and initiatives profiting both migrants and their host communities).



6. Programme management

The diversity of **partnerships** (governmental, non-governmental, and multilateral) will be pursued in the Cooperation Programme 2021–24 and further enhanced through recently formed partnerships (i.e. OECD and ILO). In the past, Switzerland has established close collaboration with relevant stakeholders (IFIs, UN, INGOs, NGOs and other development actors) aimed at strengthening national and local capacities. This approach has been quite successful, especially in Upper Egypt (i.e. improved access to potable water, also for the poorest, thanks to enhanced capacities of the Water and Sanitation Company in Aswan, green growth and women's employment facilitated by stronger MSMEs).

In general, the coverage of the overall portfolio is expected to remain at a national level, while maintaining a focus, when relevant, on specific areas such as Upper Egypt (urban development, water and waste management, green growth, skills and women's employment), North Coast - Alexandria and Damietta – and Greater Cairo (urban development, basic services to migrants and communities in vulnerable situations).

In addition, a variety of working modalities which characterises Swiss engagement in Egypt will continue as it best responds to the needs and emerging priorities (i.e. COVID response). This also provides ways to adjust in case of delays, difficulties or new regulations in a project (e.g. approval process, audit) or in a sector (e.g. new NGO law and bylaws). Therefore, Switzerland will continue to provide grants both within short and long-term timeframes.

Switzerland will pursue its engagement in the Donor Partner Group and with other like-minded donors engaged in similar priority themes (Nordics, Canada, Germany, France and the EU).

Already, Switzerland shares common areas of engagement and works with large donors such as the EU and Germany on projects in urban infrastructure and development, on skills development and TVET as well as on policy dialogue (waste and water management). Cooperation with like-minded Nordic countries, albeit with smaller portfolios, focuses on women's empowerment and human rights. In other domains such as agriculture, Switzerland operates mainly through contributions to UN agencies.

In Egypt, the UN system is strongly represented with 32 agencies. Four of them - UNDP, UNFPA, UNICEF and UN Women

– have recently designed a harmonised strategy for the period 2022-2025. Its main pillars include gender equality, Leave No One Behind and the environment. The new activities foreseen under the new cooperation programme on gender equality and SGBV, greening the economy and in supporting skills development and socio-economic integration for youths in vulnerable situations, including migrants, provides opportunities for new collaboration including policy dialogue with ILO/ UNICEF and UN Women.

The Swiss partnership with UNIDO on MSMEs, women's employment and green growth will be pursued. The same applies for Swiss support to macroeconomic reforms, to an improved business environment and access to finance with the international finance institutions (IMF, WB, IFC). The IMF has been engaged in Egypt's macroeconomic reforms since 2016 with a successful 12 billion-support package. The World Bank group has been engaging on public debt and structural reform initiatives for decades; SECO has a long-term engagement on public debt management in Egypt through the World Bank and UNCTAD, and will continue this engagement in the years ahead. In this context, support to Egypt's recent green bond issuance provides a strong link to the green growth objective. Switzerland will continue to partner with IFC, EBRD and AfDB for a more inclusive economy and better performing private sector.

Technical assistance facilities - funded by SECO at global and regional levels - are suitable to provide support in line with the interests of the government (e.g. IMF support to the Ministry of Finance and Central Bank) and can be mobilised rapidly. Egypt's participation in SECO-funded global programmes can be further enhanced (e.g. GTEX or Eco Industrial Parks) in order to take advantage of becoming operational quickly after approval and benefit from the multi-country set-up. Future SDC-funded programmes on gender, vocational skills and greening the economy will materialise either through contributions or tendered mandates. Regarding skills development, close cooperation is envisioned with, among others, (Swiss) private companies.

The implementation of the comprehensive East African Migration Routes project managed by the OIC will provide opportunities to further explore regional approaches and programming while contributing to enhanced visibility for Switzerland in the region including through the establishment of a Learning Unit.

7. Strategic steering



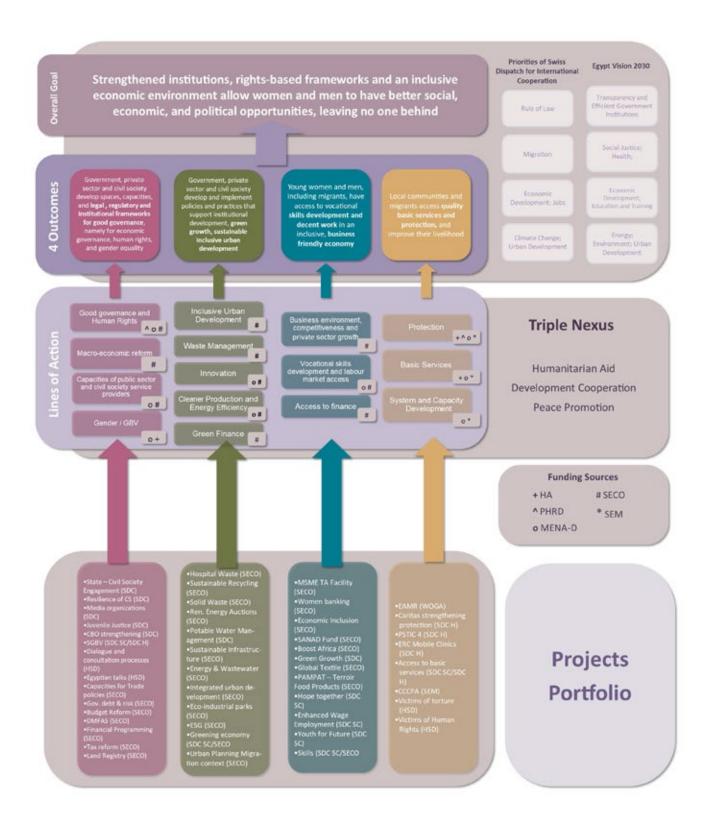
The implementation of the cooperation programme is monitored on a regular basis by the embassy and shared with its WOGA partners (Annual Report) and its main stakeholders (steering committees). The monitoring of the Cooperation Programme comprises three main processes:

- Context developments analysis which are monitored through the MERV. They have two facets: global indicators provide the hard factual evidence, which is compared to 10-year trends, while narrative is used to explain what those indicators and potential trend changes mean in the respective situation in Egypt. Context analyses are based on both official data and on experiences from partnerships and OIC portfolios.
- 2. Result achievements are monitored through aggregated reference indicators (ARIs) and SECO Standard Indicators based on annual reports from partners, external or final evaluations of projects and programme contributions to country objectives. SDGs will be tracked through thematic reference indicators (TRIs). ARIs and TRIs are fed through partner reports. The results will be allocated to one or several of the four common outcomes. This approach will improve the strategic planning and steering of the overall OIC portfolio since the 3 domains of expertise will have to work closely together in order to monitor the 4 outcomes.
- 3. Disbursements will be assessed on a quarterly and annual basis.

At the end of 2023 and as preparation for the next strategic planning process, the cooperation programme will be externally evaluated.

Financial planning: an overall budget of CHF 83.4 million is foreseen for the coming 4 years. In addition, CHF 13.46 million is allocated to the regional programme for the East African Migration Routes project which is managed by the OIC Cairo. For details see Annex 5.

Annex 1 : Engagement narrative with project portfolio



Annex 2 : Scenarios and programme adaptation

Fields of observation: indicators, trends, 2020 baseline

Pessimistic scenario for 2021–24: Loss of control Planning scenario for 2021–24: Persisting structural fragility Optimistic scenario 2021–24: Stability and development

Summary

Overall characterisation (2010 – 2020)

A popular uprising in 2011 led to two regime changes with increasing limitations on freedom and human rights. The economic situation worsened until 2016, when a structural reform package was adopted with IMF support. Despite returning GDP growth, framework conditions for private-sector growth remained limited and poverty broadened and deepened, especially since the start of the COVID-19 crisis. Public services and social indicators slightly improved over the decade, gender-based violence worsened and youth unemployment remained high.

Loss of control

The regime loses control over the security situation and the economy. Public unrest, fragmentation of the security forces (possibility of external armed conflict). Rule of law weakens, corruption increases. Heavy fall-out from the COVID-19 pandemic leads to a deep recession lasting all through 2022. Budget deficit and debt spiral out of control and IMF support is withdrawn; the country defaults on obligations to creditors. The private sector is crowded out of many sectors. Strong contraction of the labour force, leading to broadening and deepening poverty. All social indicators slip.

Persisting structural fragility

The government ensures internal stability, and successfully controls escalation of external threats. Fall-out from the COVID-19 pandemic leads to an economic slowdown and further rising poverty and unemployment. The second wave of economic reforms will then stabilise debt and budget deficit. GDP growth and social conditions will return to pre-2020 levels. Private sector development will continue to be challenged by the footprint of the state. Labour force participation rate will be back at pre-pandemic level by 2024; high youth unemployment will persist. Poverty increases and social indicators slip during the COVID-19 crisis, and return to pre-pandemic level by 2024 only.

Stability and development

Induced stability starts paying off and socio-political optimism starts to dominate. Presidential public initiative before the 2024 presidential election, focused on access to public services and opening up some public space. The economy rebounds quickly and strongly after the COVID-19 crisis. Private sector thrives due to structural changes brought about by the second wave of reforms, including a retreat by state-owned enterprises from most sectors. Strong job growth, creating economic opportunities also for youth, women and migrants and refugees. Poverty decreases and all social indices

Foreseen programme adaptations in case of developments outside planning scenario

	Pessimistic scenario	Planning scenario	Optimistic scenario
		See chapter 5 and annex 2	

Details per field of observation

Stability/security

Egypt's score on the **fragile states index** (fragilestatesindex.org) is roughly at the same level as 10 years ago (after a low in 2014), but the country has lost 14 positions during this time and in 2019 was ranked as the 35th/178 most fragile state.

The trend on the **group grievances index** (theglobaleconomy.com) shows a similar trend, but the ranking is even worse than on other fragility indicators (17th/176 in 2019)

Egypt's score on the **happiness index** is bell-shaped over the last decade, with a peak in 2017 and steady decline since to 136th/150 in 2020 (theglobaleconomy.com, World Happiness Report)

2 possible pathways towards loss of control: sudden eruption or continuous decay (unlikely to lead to loss of control within 4 years). Public unrest linked to widening divides and group grievances (strong recession, poverty, corruption, human rights violations) and loss of fear. Loss of control due to fragmentation of security forces, rift between government and (parts) of the security forces.

Possible escalation with regional actors leading to armed conflict (e.g. Turkey, Libya, Sudan, Ethiopia) .

State institutions and security forces remain unified under the control of the political leadership and effectively control developments though a tight grip on the public space.

Group grievances lighten slightly due to effective social safety net programmes and improved prospects.

Tensions with regional actors are handled through diplomatic actions and remain in check with no military escalation.

Group grievances lighten significantly, prompting an atmosphere of increasing tolerance and dialogue. The state opens up public space, and citizens respect boundaries set by the security forces. Socio-political optimism dominates.

An agreement with Ethiopia is reached regarding steady flow of Nile water.

Peace agreements in Syria and Libya. Mutually respected agreement on sea boundaries and exploitation of oil reserves in Eastern Mediterranean.

Governance and human rights

Egypt's **rule of law** score (theglobaleconomy.com, based in WB data) declined steadily from 2009 to 2014, and since has improved slightly (rank 117/193 in 2019)

The **voice and accounta- bility** score (theglobaleconomy. com, based on WB data) declined steadily over the past decade, with Egypt ranked 178/194 in 2019

Freedom of press (rsf.org) ranking declining from 161/180 in 2017 to 166/181 in 2020

Egypt in 2019 was ranked 106/176 on the **corruption perception index** (theglobaleconomy.com, based on Tl data), with an uneven development over the past decade (improvement from 2009 to 2014, worsening since)

The penetration of state and society by the security forces deepens, becomes more erratic and exploitive, and control over security forces and accountability by them weakens. Rule of law, effectiveness of the Parliament, and independence of the judiciary further weaken. Corruption grows.

Freedom of expression, of association, and of the press are further constrained.

Further consolidation of power in the president's hands, with continuing strong limitations on individual liberties and political freedom. Absence of public participation in governance continues. No clarity on and inability to predict patterns of human rights violations continue. Rule of law remains challenged.

Intensity of human rights violations decreases, coupled with willingness to respect independence of state institutions. Increasing optimism for mid-term developments towards rule-based authoritarianism, especially if president reelected in 2024. Symbolic reconciliation gestures before election ("winning hearts and minds": release of some political prisoners, some individual liberties, and improved access to public services).

Fighting corruption becomes a serious government attitude.

Economy overall

GDP growth (macrotrends.net) was 5.2% in 2010, with slump to 1.8% in 2011, and then steady growth to 5.6% in 2019

Inflation (macroterends.net)

fluctuated strongly over the past decade: decline from 18.3% in 2008 to 7.1% in 2012 then steadily rising to 29.5% in 2017, and since declining to 14.4% (2018) and 6.2% (2020)

Egypt's rating on the global **economic decline** index (theglobaleconomy.org) worsened sharply between 2011 and 2013, then peaked in 2016, and since then is roughly stable at 2013 level (ranked 23 worst out of 176 in 2019)

Heavy fall-out from the COVID-19 pandemic leads to a deep recession lasting all through 2022, and flat thereafter. Tourism and oil prices do not return to pre-2020 levels during the forecast period. Economic reforms stall, IMF withdraws support. GDP growth is flat

The economy is flat in 2020 due to fall-out from the COVID-19 pandemic, but recovers in 2021 (also globally).

Implementation of the second wave of economic reforms starts in 2021, leading to macroeconomic stability.

Tourists return, oil prices pick up, and remittances stay in the range of 10% of GDP.

IMF 2024 forecasts: GDP growth 5.3 % Inflation 7.5%.

The economy quickly recovers in 2021 from COVID-19 fall-out. Tourism, oil exports and remittances pick up. Implementation of the second wave of economic reforms is swift and targets real private sector development bottlenecks. The role of the military in the economy decreases. Carefully coordinated management of de-carbonisation schedules becomes a global objective, in order to limit stranded assets and economic decline for carbon exporters.

Current account, fiscal balance and debt

Current account/GDP

(theglobaleconomy.com) turned negative in 2009 and then steadily declined to -6% in 2017, and since improved to -3.6%n in 2019

Contribution of **remittances to GDP** (hdr.undp.org) doubling from 5.69% to 11.53% over past decade (2019)

The **budget deficit** has been decreasing over the past years from -12.5% of GDP in 2016 to -8% in 2019, but currently is rising again to estimated -9.6% in 2020 (EIU)

Government debt (theglobaleconomy.com) increased from 79% of GDP to 103% in 2016, and since declined steadily until the COVID-19 crisis started (84% in 2019)

Macroeconomic stability is lost. Current account and budget deficits spiral out of control, drawing down currency reserves and driving government debt beyond sustainable levels. IMF support is withdrawn, the country is defaulting on its obligations.

A high number of migrant workers return from the Gulf countries, leading to remittances falling below 5% of GDP.

Egypt regains macroeconomic stability, marked by a reduced current account deficit (IMF forecast for 2024: -2.7%/GDP, supported by a steady flow of remittances in the range of 10% of GDP), a stabilised budget deficit (EIU forecast: average 8.5% of GDP in 2021/22-2024/25), and controlled increase in government debt (peaking, according to EIU forecast, at 125% of GDP in the end of the 2021/22 fiscal year, and then slowly decreasing)

Macroeconomic stability improves to levels not seen since the late 1990s: the current account turns positive, the budget deficit decreases to less than -5% of GDP, and government debt decreases below 75% of GDP

Private sector and competitiveness

Egypt's position on the **ease of doing business** ranking (tradingeconomics.com) declined from 108 in 2008 to 128 in 2013, then remained roughly stable, and in the last 2 years has improved to 114/190 in 2019

The **business freedom** score was flat over the past decade, until it started declining steeply in 2018, with Egypt ranked 96/181 in 2020 (theglobaleconomy.com, based on Heritage Foundation data)

Competitiveness ranking (www3.weforum.org): U shaped trend over past decade, with lowest score in 2014, currently back roughly at 2010 level, with rank 93th/141 (2019)

Egypt's **innovation potential** was slightly decreasing over the past decade, with an 92th/127 ranking in 2019 (theglobaleconomy.com, based on Cornell data)

Quality of vocational training (www3.weforum.org): 129th/141 (2019)

Further growing footprint of the military in the economy, crowding out private sector companies from an increasing number of sectors. Decline in R&D spending, plus recession lead to a further slide in competitiveness and innovation.

Stall in TVET reform, due to lack of incentives for business community to participate, and lack of interest by youth because of rising youth unemployment.

The second wave of reforms is implemented, but the political economy underpinning the regime is not touched (i.e. the privileges the military-controlled companies hold continue, crowding out private sector companies from most of public procurement, construction etc.). Improvements in access to finance, transportation, building permits, taxes, digitalisation.

Quality of vocational training will improve marginally only, due to limited private sector participation/buy-in.

Challenges from bilateral agreements and politics may arise (Turkey, Greece).

The second wave of reforms addresses most major bottlenecks for private sector development and competitiveness. There is a genuine dialogue on the role of the military in the economy, leading to a focus of quasi-state companies on sectors of national security only.

Ease of doing business and business freedom indexes rise markedly. Higher government spending on tertiary education and TVET, and strong private sector investment in R&D, push competitiveness and innovation.

TVET reform has full backing and participation of private sector; image of skills development improves in society, since youth find work and decent income.

	I	I	I
Employment			
Labour force participation rate (hdr.undp.org) decreasing over past decade from 49.2% to 48.1% in 2019 (after peak of 50% in 2014) Youth unemployment and youth labour force participation rate (macrotrends.net) fluctuated strongly over the past 25 years, with its best at 20% in 1999, (34.5 % labour force participation) and worst at 34.5% in 2012. Over the past decade, it fluctuated slightly and fell to 31.5% in 2019 (29% labour force participation rate)	Labour force participation shrinks and unemployment continues to rise, with both the ailing private sector and the deficit-plagued public sector shedding jobs. Millions of returning migrant labourers from the Gulf find no work at home. Youth have practically no prospects for entering the labour market. Poor and unemployed Egyptians compete with migrants and refugees for scarce informal job opportunities.	The economic recovery after the COVID-19 crisis adds jobs, but a return to pre-pandemic labour force participation rate is achieved towards 2024 only (also because of sustained shrinking of the public workforce). Youth unemployment rises until 2022, reaching a level like a decade earlier, and then only slowly improves. Migrants and refugees find some informal, low-paid work.	Employment is driven by private-sector labour needs. The labour force participation rate rises above 50%, driven by more women joining the labour force (> 25%), and youth enjoying easier access to jobs (> 30%). Migrants and refugees regularly find work, but mostly at the bottom of the labour market only.
Environment & climate			
change			
Egypt 2018 ranked 66th/180 on the environmental perfor- mance index (epi.yale.edu), with a worsening trend (most worrying: exposure to heavy metals, water and sanitation, SO2 emissions, biodiversity loss, fisheries)	Environmental protection initiatives, emission reduction and climate change adaptation measures lose in importance. Egypt slips further in environmental performance, dragging the environmental health sub-indicator lower. Water stress impacts further on food availability.	Renewable energies and other green economy issues are seen as opportunities to attract FDI and loans (green bonds), but the government does not set a zero-carbon goal date and does not use de-carbonisation as driver for economic growth. Water stress determines which crops can be grown and on what scale.	The government sets a zero-carbon goal date and uses de-carbonisation to attract FDI, loans, and driver for economic development. Solar powered desalination is promoted to reduce water stress. A plan is drawn up to protect the Nile delta from rising sea levels. Heavy metals and SO2 emissions are brought under control.
Population			
Population number (hdr. undp.org): increasing over past decade from 82.8 to 98.4 million (2018)	Fertility rate starts increasing again. The population grows strongly due to several million returning migrant labourers.	Population growth rate remains stable at roughly 2%.	Women's empowerment and economic prospects drive the growth rate below 1.9%.
Population growth rate (macrotrnds.net) on average stable at 2% since 1995, but slump at 1.8 in 2008 and peak at 2.3 in 2013			

Poverty			
HDI (hdr.undp.org) improving slightly from 0.695 in 2017 to 0.7000 (2019)	Egypt's Human Development Index slips. Poverty rises to 80% on the USD 5.5 /day line, and to 8% on the USD 1.9 /day line. GDP	HDI is flat in 2020 and 2021, while monetary poverty continues to increase until the end of 2022 (but deep poverty remains flat,	Poverty keeps rising in 2021, but then falls steadily due to inclusive growth, additional jobs, and generous social safety-net
Poverty rate (USD 5.5/day poverty line, macrotrends.net) declining from 80% in1995 to 62% in 2015, and since increasing to 70.4% in 2017. USD 1.9/day trend: increasing from 2.6% in 2015 to 5% in 2020 (WB data)	per capita decreases to < USD 10,000, and more than 30% of the population no longer enjoy food security. Due to lack of funds, the government scales back social safety nets.	due to scaled-up social safety-net programmes). Food security becomes a real concern for the government, triggering targeted programmes. Migrants and refugees stay poor.	programmes. GDP/capita grows to USD 11,000, USD 1.9 /day poverty falls to < 2%, and USD 5.5 /day poverty falls to < 70%. Some migrants and refugees seize opportunities for social
GDP/capita (2011 PPP, hdr. undp.org) improving slightly over past decade from USD 9,734 to 10,014 (2019)	The great majority of migrants and refugees slip into deep poverty (< USD 1.9 /day).		mobility.
Food Security			
55th/113 (219; foodsecurityindex. eiu.com)			
Gender equality			
Gender development score (hdr.undp.org) improving slightly over past decade from 0.843 to 0.878 Gender inequality score (hdr. undp.org) improving from 0.576	Women are hard hit by the recession, being driven from the labour force (< 20% participation rate) and suffering from gender-based and domestic violence. Gender development score decreases, inequality index increases (especially	Gender equality slips during the COVID-19 crisis, but slowly returns towards pre-pandemic levels by 2024. The adolescent birth rate peaks in 2022. The gov- ernment and society are aware of the growing gender-based	Gender equality slips during the COVID-19 crisis, but then quickly becomes a government priority and one of the first areas of loosening governmental restrictions. Gender-based violence becomes a priority
in 2012 to 0.45 in 2019	gap in education). Sharp rise in adolescent birth rate. Curtailment of pro-female government policies	violence trend, but societal taboos hinder a coordinated re- sponse including victim support,	topic, leading to a coordinated, action-plan led response, jointly carried by governmental and civil
Adolescent birth rate (15 to 19 years; hdr.undp.org) increasing from 0.049 to 0.054 over past decade	(including against SGBV).	communication and prevention, and organisational strengthening and framework development.	society initiatives. The adolescent birth rate drops for the first time in more than a decade.
Female labour force participation rate (hdr.undp. org) flat over past decade (22.6% in 2010, 22.8% in 2019, peak at 23.7% in 2014)			

Public services			
Public services index (theglobaleconomy.org) improved steadily over the past decade and Egypt now rates 100th out of 176 countries Life expectancy (hdr.undp. org) is improving steadily by 0.1 to 0.2 years/year over past decade to 71.8 in 2019 (women steady trend of + 0.2% over past decade to 74.2 in 2019) Under 5 mortality (hdr.undp. org) is declining over the past decade from 2.78 to 2.21% (2019) Mean years of schooling (hdr.undp.org) is improving over	Public services become the major victim of the budget crisis: they are scaled back and privatised, depriving an increasing proportion of the population of access to health and education. Access to services for migrants and refugees is very difficult. All social indices slip.	Government spending on health and education continue at above pre-pandemic levels, and at the same time privatisation continues. Fragmentation of services increases. Access to services for migrants and refugees continues to depend mostly on external support. Most social indices are flat in 2020–22, and then continue to rise at pre-pandemic rate.	Government spending on health and education continue at above pre-pandemic levels until 2021, and then pick up further. Access to public services is at the heart of the president's "winning heart and minds" initiative. Coordination between ministries, national councils and civil society is enhanced. In 2024, NGOs become able to share burden with public entities. Migrants and refugees have access to services at same level as Egyptians. All social indices improve markedly.
the past decade from 6.4 to 7.3 (2019; women: from 5.4 to 6.7			
Migration			
Northern border closed for Europe-bound migrants UNHCR stopped registration and documentation renewal except for extreme emergencies since COV-ID-19. The GoE halted renewal of residency permits for refugees. Access to education ceased for refugees and migrants as community schools closed in March 2020 and informal classes, livelihood and life skills training as well as mental health and psychosocial support were halted. Access to health services (public and private) and other services were denied, facing stigma. Inability to cover basic needs sharpened, especially for housing, food, medical care and compiled debts; resort to negative coping mechanisms such as child labour and begging. Majority of refugees and migrants continue to live in overcrowded houses in slums and unfinished houses with lack of sanitation. Increase in protection needs Some discrimination against Ethiopian Refugees	Increase in migrants/refugees numbers, due to regional tensions and after borders open post COVID-19. Increase in number of unaccompanied and separated children. Resettlement numbers decrease. Residency permits continue to be hard to obtain. National asylum law not drafted. Paid employment is rarely accessible to refugees/migrants. Migrants and refugees mostly live in deep poverty. Lack of social safety nets for refugees and migrants. Access to basic services remains hindered by neglect and language barrier, as well as overburdened services. Migrant women continue to face discrimination and SGBV.	Increase in migrants/refugees numbers, due to regional tensions and after borders open post COVID-19. Increase in number of unaccompanied and separated children. Resettlement numbers decrease. Government policy is focused on combating trafficking. Preparations to develop a national asylum law. Informal employment opportunities are easier to find, but the great majority of migrants and refugees stay poor. Migrant women continue to face discrimination and SGBV.	Increase in resettlement quota to the US and Europe. Easier regular migration procedures. Easier residency permits procedures. National asylum law is drafted. Labour law includes migrants and refugees, who gain some access to formal employment. Inclusion of refugees and migrants in skills development. Increase in migrants' and refugees' self-reliance. Services are available and accessible. Gender-based violence towards migrant and refugee women decreases.
Partner network	NGOs are unable to do their job in a comprehensive manner due to government restrictions.		

Annex 3 : Result frameworks of the Swiss Cooperation Programme Egypt 2021–24

Outcome 1 of the Swiss programme

Government, private sector and civil society develop spaces, capacities, and legal, regulatory and institutional frameworks for good governance, human rights, and gender equality.

Contribution to sub-objectives of Switzerland's Strategy for International Cooperation:

Sub-objective 1: Strengthening framework conditions for market access and creating economic opportunities

Sub-objective 9: Strengthening and promoting human rights and gender equality

Sub-objective 10: Promoting good governance and the rule of law and strengthening civil society

Theory of change

If Switzerland reinforces capacities of the public sector, supports institutional development of state and civil society with a focus on participation, inclusion, and transparency, rule of law, SGBV and provides technical assistance and capacity building on strengthened debt and risk management, financial programming and public financial management capacity, to support the second wave of reform;

Then good governance spaces are preserved and possibly enhanced and the macroeconomic environment is stabilised and human rights, gender equality, and the rule of law are reinforced.

Assuming that

Solid economic policy contributes to economic stability, better market access, private sector engagement and hence a positive impact on long-term economic growth;

Improved good governance principles including inclusion, transparency, participation, human rights and gender equality enhance state society relations:

Skills development and defined and structured frameworks support state and non-state actors to conduct public affairs, manage public resources and guarantee the realisation of human rights and gender equality.

Indicators for outcome 1

Indicator 1.1: Number of civil society organisations that contribute to multi-stakeholder dialogue or to the respect for human rights (FCHR ARI 1)

2021 baseline: 0 1 2024 target: tbd

Indicator 1.2: Number of processes or policies that increase societies' capacities to resist and mitigate all forms of violence, or that strengthen coping mechanisms, state-society relationship and social cohesion (FCHR TRI 2)

2021 baseline: 13 (AR 2020, IS 1.2.1)

2024 target: 20

Indicator 1.3: Number of persons subjected to different forms of sexual and gender-based violence having received required (medical, and/or psychosocial, and/or legal) support (GEN ARI 1)

2021 baseline: tbd in new gender/SGBV project

2024 target: tbd

Indicator 1.4: Measures for improving the regulatory and institutional framework (SECO SI 1)

2021 baseline: 2024 target:

Indicator 1.5: Measures for improving financial stability and market development (SECO SI 2)

2021 baseline: 2024 target:

Contribution logic of the Swiss outcome 1 portfolio to Egypt Vision 2030

Through Switzerland's support in enhancing good governance, supporting economic reform, enhancing public sector and civil society capacities and strengthening peace at the regional level, economic opportunities, human rights, including gender equality, and rule of law are reinforced.

Assumptions

Egypt continues to prioritise macroeconomic stability and continues its reform process.

Enhancement of good governance and human rights, including gender equality, remain challenging with stakeholders working on such issues facing a restricted environment.

Risks

The second wave of reform is hindered by unforeseen economic downturns.

Good governance and human rights, including gender equality, further deteriorate and stakeholders working on such issues prevented from working.

Egypt Vision 2030 results:

Pillar 4. Transparency and efficient government institutions

An efficient and effective public administration sector managing state resources with transparency, fairness and flexibility. Subject to accountability, maximising citizens' satisfaction and responding to their needs.

Pillar 5. Social justice

By 2030, Egypt is a fair, interdependent society characterised by equal economic, social, political rights and opportunities realising social inclusion. A society that supports citizens' right to participation based on efficiency and according to law, encouraging social mobility based on skills. A society that provides protection, and support to marginalised and vulnerable groups.

National women's empowerment strategy

Pillar 4: Women's protection to be achieved by eliminating the negative practices that threaten women's lives, safety and dignity, and prevents their effective contribution to social development. This includes eliminating all forms of violence against women, and protecting them from environmental risks that would have adverse social or economic effects on their livelihoods.

Annex 3: Result frameworks of the Swiss Cooperation Programme Egypt 2021–24

Swiss portfolio lines of intervention

Good governance and human rights: supporting participation, inclusion, and transparency, rule of law, through interventions in institutional development at the level of state and civil society with a focus on the judiciary, SGBV and protection service delivery, and public and private sector entities.

Macroeconomic reform: technical assistance and capacity building for the Ministry of Finance and relevant regulatory institutions, focusing on strengthened debt and risk management, financial programming and public financial management capacity, including on oversight of public corporations, to support the second wave of reform.

Organisational development: reinforcing public sector capacities (e.g. Ministry of Justice, Public Prosecutor's office, national councils) and civil society actors, through provision of tailored capacity development and institutional strengthening interventions at different levels.

Swiss portfolio resources and partnerships

Financial resources: MENA-D, SECO, PHRD, SEM (WOGA partners) will contribute to the portfolio of projects under this outcome.

Human resources and technical knowledge: OIC domains of expertise and collaboration with SDC thematic networks (DDLGN), C&HR)

Main implementing partners: IMF, World Bank, OECD, UN agencies (e.g. UNCTAD, UN Women, UNFPA), INGOs.

Cooperation modalities: contribution to bilateral and multilateral partners, mandates and sub-accounts.

Main Egyptian cooperation partners: line ministries (Ministry of Justice, Ministry of Finance, Ministry of Foreign Affairs), national councils, financial regulators, academic institutions and NGOs.

Swiss portfolio management and performance results and indicators

Program management: the portfolio will be enhanced through continued engagement at the macroeconomic level, on good governance and through the development of new long-term programmes with a sustainability lens (i.e., in the area of gender/SGBV prevention). Coherence of the overall portfolio under outcome 1 will be ensured through exploring synergies between interventions during the programme duration.

LNOB groups: engagement on the frameworks potentially benefits all the population. Specific LNOB target groups under this outcome are: migrants, refugees, asylum seekers, women who are survivors of VAW, SGBV victims, and children in conflict with the law. Inclusion of LNOB target groups will be monitored through the indicators defined in the RFW and disaggregated where possible.

Gender: interventions will ensure that gender is mainstreamed across all levels. Gender dynamics, power relations and imbalances will be tackled through gender analysis at the onset of all interventions as well as gender analysis as a main component at end of programme evaluations. Approaches and implementation will ensure that gender principles are ensured and vulnerable women and children are included and their needs addressed. Women's participation will be encouraged, supported and promoted at all stages. Internally, increase gender principal projects across outcomes, focusing on qualitative analysis of results beyond the quantitative data collection, even if the indicators focus on the quantitative only.

CSPM: all interventions will ensure a 'do-no-harm' approach is followed, as in the previous cooperation programme where conflict-sensitive project management principles were applied successfully.

Outcome 2 of the Swiss programme

Government, private sector and civil society develop and implement policies and practices that support institutional development, green growth, and sustainable urban development.

Contribution to sub-objectives of Switzerland's Strategy for International Cooperation:

Sub-objective 3: Addressing climate change and its effects

Sub-objective 7: Strengthening equitable access to high-quality basic services

Sub-objective 10: Promoting good governance and the rule of law and strengthening civil society

Theory of change

If Switzerland provides technical assistance and capacity building to public and private sector actors on urban development, resources management, innovative green approaches, local revenue management and green finance, and supports efforts to improve legal and institutional frameworks:

Then government, private sector and civil society will develop and implement policies and practices that support institutional development, green growth, and sustainable urban development in terms of more efficient water, waste and resource management, sustainable planning and management of cities and growth of green businesses.

Assuming that

More sustainable urbanisation reduces the infrastructure gap, decreases the vulnerability of cities and helps create the conditions for sustainable economic growth;

Integrated urban development and infrastructure supply improve urban mobility, energy supply and resilience to natural disasters;

Improved wastewater and solid waste management reduces negative impact of climate change on the population and economy;

Improved public services will contribute to equal, affordable and reliable access;

Capacitated institutions are more accountable, transparent and able to mobilise resources more efficiently and take advantage of opportunities for a greener economy;

A clear legal framework with enhanced strategies and non-conflicting regulations promotes an enabling business environment.

Indicators for outcome 2

Indicator 2.1: Number of persons trained on climate change issues2 (**CC ARI 2**) 2021 baseline: *from Greenish/IGGE: 0* 2024 target: IGGE: 1,500 /EIP: 65/ Greenish:

500

Indicator 2.2: Avoided greenhouse gas emissions based on calculated emission reductions (mitigation actions) (CC TRI 4 and SECO SI 10)

2021 baseline: *IGGE: 53,110 tons of CO2* equivalent / *EIP: 0*

2024 target: IGGE: 8,000 tons of CO2 equivalent / EIP: 10,000 tons of CO2 equivalent

Indicator 2.3 Number of persons with access to better public infrastructure services SECO SI 8

From IWSP III PWMPINSWMP

2021 baseline: 0 2024 target 5.06 M

Indicator 2.4: Number of cities with measures for sustainable urban development and number of inhabitants benefiting (SECO **SI 7**)

2021 baseline: 0 2024 target: 2

Indicator 2.5 Number of measures contributing to more environmentally friendly frameworks and/or legislation

2021 baseline: from WB Green Bond,

IGGE:0 / EIP: 0

2024 target: IGGE: 15 /EIP: 7

Contribution logic of the Swiss outcome 2 portfolio to Egypt Vision 2030

Through Switzerland's support, inclusive sustainable urban development, access to basic infrastructure services, promoting innovative technologies and green finance along with improved capacities of state and non-state actors and an enhanced business environment will contribute to a more inclusive and resilient Egyptian economy.

Assumptions

Renewable energies and other green economy issues are seen as opportunities to attract FDI and loans (green bonds).

Key stakeholders are willing to engage with development partners.

The second wave of reforms is implemented. Improvements in access to finance, transportation, building permits, taxes, digitalisation.

Risks

Poorly enforced regulations, lack of coherent plans and limited capacities of institutions to deal with urban growth may constitute a challenge. High, rapid, concentrated population growth puts further strain on the country's natural resources, especially land, water and energy.

Environmental protection initiatives, emission reduction and climate change adaptation measures lose their importance.

Water stress impacts further on food availability.

Egypt Vision 2030: the Swiss outcome 2 contributes to Pillar 5: Social justice

By 2030, Egypt is a fair and interdependent society characterised by equal economic, social and political rights and opportunities to realise social inclusion. A society that supports its citizens' right to participation based on efficiency and according to law, encouraging social mobility based on skills. A society that provides protection, and support to marginalised and vulnerable groups.

Pillar 9: Environment The environment is integrated in all economic sectors to preserve natural resources and support their efficient use and investment, while ensuring the next generation's rights. A clean, safe and healthy environment leading to diversified production resources and economic activities supporting competitiveness, providing new jobs, eliminating poverty and achieving social justice.

Pillar 10: Urban development A balanced spatial development management of land and resources to accommodate population and improve the quality of their lives.

² Reporting on climate change is understood in a broad perspective, including topics that impact climate change as i.e. green business, resource efficiency and cleaner production.

Swiss portfolio lines of intervention:

CH intervenes through providing support for institutional development, policy dialogue, and infrastructure financing, complemented by support at the community level through awareness-raising, participation and engagement.

Inclusive urban development: build capacities of government at national (General Organization for Physical Planning (GOPP) and the New Urban Communities (NUCA)) and subnational level (secondary cities) to better manage their land and linked local revenues as well as supporting efforts to improve the related legal and institutional frameworks at national level.

Increase the coverage of water supply systems and wastewater treatment infrastructure and support the improvement of the technical and economic efficiency of the targeted water companies at subnational level (five governorates).

Waste management: support the establishment and implementation of effective policy, legislation, and institutional arrangements for municipal solid waste, e-waste and healthcare hazardous waste management at the national (Waste Management Regulatory Agency, Ministry of Health and Population) and subnational levels (five governorates) as showcases to be transferred to other governorates.

Innovation: support development and adoption of innovative approaches towards greening the economy with possible sectoral focus on agribusiness and rural economies, inclusive of women and youth.

Contribute to an innovative and inclusive development approach to promote the green economy through utilising agricultural waste and other untapped profitable green resources to make use of and leverage local resources (two governorates).

Cleaner production and energy efficiency: support improving resource productivity of natural resources (including energy, water and raw materials) and reducing pollution and waste intensities of businesses and other organisations within three targeted industrial parks.

Build capacities of SMEs to adhere to and comply with identified social and environmental market requirements for sustainability (including resource efficiency).

Green finance: technical assistance and institutional capacity building of regulators and the private sector on integration of green finance principles in strategies, frameworks and operations.

Swiss portfolio resources and partnerships

Financial resources: MENA-D and SECO (all four divisions) contribute the financial resources to OC2, an estimated CHF 30 million (2/3 SECO, 1/3 MENA-D) for the period. More than 50% of overall SECO budget will be allocated to OC2, rendering the OC2 larger in terms of financial resources compared to the other OCs.

Human resources and technical knowledge: OIC domains of expertise, cooperation with SDC thematic networks on water and climate, knowledge and networks from global projects.

Main implementing partners: UN-Habitat, UNIDO, KfW, WB, World Resource Forum, ITC, international and local companies and organisations.

Cooperation modalities: bilateral projects, contributions, mandates.

Main Egyptian cooperation partners: Ministry of Housing Utilities and Urban Communities, Ministry of Health and Population, Ministry of Environment/ Waste Management Regulatory Agency, Ministry of Communication and Information Technology, water utilities in governorates / public companies. Civil society is engaged but not direct partner.

Swiss portfolio management and performance results and indicators

Programme management: the portfolio will be completed with a new SDC project on innovation and greening the economy. The overall coherence of the portfolio and between projects will be enhanced with new project/s in the urban development sector, a consolidation project on waste management as an exit phase, as well as the possible new investments in innovation, energy and green finance.

Governance: is tackled as transversal theme throughout the portfolio by engaging for example on sector reform, regulatory reform, participation and awareness-building.

LNOB groups: the projects are inclusive, targeting either directly vulnerable, poor groups (SDC) or indirectly through providing access to services to all/ benefiting all citizens (SECO). The urban planning engagement includes all groups in the process and provides inclusive tools to be institutionalised and used by the utilities in other governorates. Indicators in the RFW will be disaggregated where possible.

Gender: crosscutting theme and mainstreamed in all projects, i.e. through gender-sensitive approach in urban planning, whereby gender issues are brought to the core of the analysis providing insights on gender power imbalances, which translates into the enhanced participation of women in the project implementation tailored to social norms and needs.

CSPM: is ensured through continuous analysis of the political, social, and economic context developments, and consequent steering and mitigation within the portfolio.

Outcome 3 of the Swiss programme

Young women and men, including migrants, have access to vocational skills development and decent work in an inclusive, business-friendly economy.

Contribution to sub-objectives of Switzerland's Strategy for International Cooperation:

Sub-objective 1: Strengthening framework conditions for market access and creating economic opportunities

Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs

Theory of change

If Switzerland continues to support the public and the private sector to simplify business start-up procedures, increase processes transparency, develop financial products and improve entrepreneurship networks, and to develop and implement job market-relevant knowledge, skills and entrepreneurship development services, leveraging the strong will of GoE to engage in education, employment creation and social protection;

Then economic actors more easily start/grow their business and create more employment opportunities, and young women and men, including migrants, improve their socio-economic status, making use of better and more employment-relevant skills development opportunities and more easily accessing finance and labour markets.

Assuming that

An inclusive business environment is conducive to private sector competitiveness, the productivity and growth of enterprises, requiring more qualified labour;

Private sector engagement in skills development overcomes challenges of qualification mismatch of the Egyptian labour market;

Access to skills opportunities and labour markets for youth, women and migrants contributes to their socio-economic empowerment;

Engaging with expert thematic networks and international financial institutions such as the IFC, EBRD and AfDB allows for the leveraging of international and regional best practices, in close cooperation with private and public bodies;

Holistic approaches, inclusive of migrants and their host communities, assure no one is left behind.

Indicators for outcome 3

Indicator 3.1: Number of persons enrolled in new or better vocational skills development (IED ARI 1)

2021 baseline: 8,000 (AR2020, IS2.2.2) 2024 target: Gtex 35 plus tbd

Indicator 3.2: Number of persons having new or better employment (IED ARI 2) Disaggregated by migrants and forcibly displaced persons (MIG ARI 1) 2021 baseline: 6,700 (AR2020, IS3.2.1) 2024 target: Gtex 300 plus tbd

Indicator 3.3: Measures for improving institutional and professional capacity/skills (SECO SI 3)

2021 baseline: 2024 target: Gtex

Indicator 3.4: Number of companies or producers with access to capital (SECO SI 12) 2021 baseline: 245,000 (AR 2020, IS2.3.1) 2024 target:

Indicator 3.5: Number of producers or companies gaining access to new (international) markets or value chains (SECO SI 16) 2021 baseline:

2024 target:

Contribution logic of the Swiss outcome 3 portfolio to Egypt Vision 2030

Through Switzerland support to an improved business environment, access to finance and inclusive skills development framework, the programme will contribute to high-quality education and training, without discrimination, generating decent and productive jobs in Egypt.

Assumptions

A slowdown in GDP growth and an increase in external debt in the short term and a gradual economic recovery over the 4 years.

Poverty will grow, mainly among vulnerable groups (women, migrants and poorest people) and with "new poor" especially in urban areas.

The labour force participation rate is likely to remain below 50%.

Start of implementation of important reforms, aiming for an inclusive, business-friendly economy and sustainable development.

The influx of migration remains controlled and the GoE welcomes humanitarian aid and support for socio-economic integration of refugees and migrants.

Strong will of GoE to engage in education and social protection.

Risks

A global economic downturn may risk a local recession, hyperinflation and bankruptcies in the private sector, leading to an uncontrolled increase in unemployment and default on debt payment.

Egypt Vision 2030 results the Swiss outcome 3 contributes to

Pillar 1: Economic development

By 2030, the Egyptian economy is a balanced, knowledge-based, competitive, diversified, market economy, characterised by a stable macroeconomic environment, capable of achieving sustainable inclusive growth. An active global player responding to international developments, maximising value added, generating decent and productive jobs, and a real GDP per capita reaching upper middle-income country level.

Pillar 7: Education

Education and training: a high-quality education and training system available to all, without discrimination within an efficient, just, sustainable and flexible institutional framework.

Swiss portfolio lines of intervention

Business environment and access to finance: technical support to regulators (Ministry of Finance, financial regulatory authority), financial and non-financial service providers (banks, MFIs, BDS) and the private sector (especially MSMEs, women-led enterprises), to improve the **regulatory environment and access to finance** and markets through simplified business start-up procedures, transparent processes, financial product development and improved entrepreneurship networks.

Skills development: technical assistance to **vocational and skills training** providers (governmental, non-governmental and private) to develop and implement job market-relevant knowledge, skills and entrepreneurship development services, for improved employability, labour market access and access to finance, with a focus on youth, women and migrants.

Swiss portfolio resources and partnerships

Financial resources: MENA-D, SECO, HH, SEM, GPMD

Human resources and technical knowledge: OIC domains of expertise as well as: E+I network, A+FS network, VSD Network, Migration and Development Network

Main implementing partners:

IFC, EBRD, AfDB, UNIDO, ILO, UNICEF, ITC

Caritas, Plan International, Center of Development and Services, Save the Children International

Cooperation modalities: contributions, mandates, private sector engagement, sub-accounts, consultancies, studies, evaluations and missions.

Main Egyptian cooperation partners:

Ministry of Finance, Ministry of Trade and Industry, Ministry of Education, Ministry of Foreign Affairs, Ministry of Youth and Sports Financial Regulatory Authority

Financial and non-financial service providers

Egyptian private sector, Swiss private sector in Egypt

Swiss portfolio management and performance results and indicators

Programme management: the portfolio under OC3 will be enhanced and extended through the development of a new engagement in the TVET/skills sector (SDC and SECO) in close collaboration with the private sector (specifically the Swiss private sector) in Egypt.

LNOB groups: this outcome will benefit Egyptians in general and will also specifically target migrants and refugees, especially in terms of skills development, access to labour markets and entrepreneurship, as well as tailored access to finance options. Indicators in the RFW are disaggregated accordingly.

Gender: gender will be mainstreamed throughout the outcome, with a gender principle project on access to finance to develop lessons learnt and challenges for future projects in Egypt.

CSPM: is ensured through continuous analysis of the political, social and economic context developments, and consequent steering and mitigation within the portfolio. The inclusion and engagement of host communities in projects targeting migrants, as well as the re-evaluation at project level and annual assessment through the MERV process, has proven a successful strategy to ensure implementation.

Outcome 4 of the Swiss programme

Local communities and migrants access high-quality basic services and protection, and improve their livelihoods.

Contribution to sub-objectives of Switzerland's Strategy for International Cooperation:

Sub-objective 5: Providing emergency aid and ensuring the protection of civilians

Sub-objective 7: Strengthening equitable access to high-quality basic services

Sub-objective 9: Strengthening and promoting human rights and gender equality

Theory of change

If Switzerland directly contributes to the sustainable provision of protection and basic services to vulnerable communities and migrants in addition to comprehensive capacity development with implementing partners (government, ministries, civil society organisations, service providers);

Then vulnerable communities and migrants in Egypt attain better access and quality of basic services and protection mechanisms and are better equipped with the means to survive as well as improve their livelihoods and economic contribution, which in the long term contributes to reduced inequalities and social cohesion.

Assuming that

The provision of existing basic services is inequitable and does not respond to the needs of vulnerable groups and migrants communities; subjecting them to social and economic risks that directly affect their livelihood.

Developing the capacities of key partners, fostering multi-stakeholders partnerships and promoting evidence-based policy dialogue will contribute to enhancing the resilience and effectiveness of the governance structures.

Inclusive approach centring on LNOB as a key methodological element enables equitable reach to vulnerable groups and migrant communities.

Indicators for outcome 4

Indicator 4.1: Number of persons reached by programmes supported by Switzerland that contribute to the reduction of violence (including forced displacement) and foster the protection of vulnerable persons (HA ARI 2)

2021 baseline: 21,000 (AR IS3.2.2)

2024 target: tbd

Indicator 4.2: Number of migrants and forcibly displaced persons who gained access to local health, education and other social services (MIG ARI 3)

2021 baseline:

2024 target:

Indicator 4.3: Number of goal, regional and national dialogues on migration that engage different actors (governments, cities, civil society, private sector) (MIG TRI 4) 2021 baseline: tbd with EAMR project

2024 target: tbd

Indicator 4.4: Number of persons from left-behind groups benefiting from projects to reduce exclusion, discrimination and inequality (POV ARI 1)

2021 baseline: 130,000 (AR2020, IS3.1.1)

2024 target: tbd

Contribution logic of the Swiss outcome 4 portfolio to Egypt Vision 2030

Through Switzerland's support, improvement of basic services and provision of protection mechanisms along with improved capacities of state and non-state actors will contribute to better integration and social cohesion within Egyptian society.

Assumptions

Civil society organisations are able to reach out to targeted communities and implement project activities in a smooth manner.

Risks

Diminishing access for the population to basic services owing to scaling back for budgetary reasons. Civil society organisations face difficulties to reach out to targeted communities.

Egypt Vision 2030 results the Swiss outcome 4 contributes to

Pillar 5: Social justice: Egypt is a fair interdependent society characterised by equal economic, social, political rights and opportunities realising **social inclusion**. A society that supports citizens' right to participation, based on efficiency and according to law, encouraging social mobility based on skills.

A society that provides protection and support to marginalised and vulnerable groups.

Pillar 6: Health: All Egyptians enjoy a healthy, safe, and secure life through an integrated, accessible, high-quality, universal healthcare system capable of improving health conditions through early intervention, and preventive coverage. **Ensuring protection for the vulnerable**, and achieving satisfaction of citizens and health sector employees.

Pillar 7: Education: A high-quality education and training system **available to all, without discrimination** within an efficient, just, sustainable and flexible institutional framework.

Swiss portfolio lines of intervention

Protection: direct provision of basic services/needs (legal, shelter, community support, psychological and psychosocial support) in a sustainable manner in addition to capacity building, advocacy, policy dialogue amongst various stakeholders (ministries, civil society and international actors).

Basic services: direct provision of basic services/needs (infrastructure, education, multi-purpose cash, medical) to targeted communities.

System and capacity development: comprehensive capacity development with implementing partners (government, ministries, civil society organisations, service providers) to ensure sustainability.

Swiss portfolio resources and partnerships

Financial resources: MENA-D, HA, PDHR, SEM

Human resources and technical knowledge: OIC domains of expertise, cooperation with thematic networks: Migration and Development Network, DPG

Main implementing partners: OECD, American University in Cairo (AUC), PSTIC, ERC, CDS, PLAN International, Save the Children, TDH, ILO, UNICEF, StARS, CARITAS

Cooperation modalities: mandate, contribution and single phase

Main Egyptian cooperation partners: Ministry of Housing and Urban Communities, Ministry of Social Solidarity, Ministry of Youth and Sports, Ministry of Health, Ministry of Justice, National Council for Childhood and Motherhood, National Council for Women, Aswan Governor, Public Prosecutor's office

Swiss portfolio management and performance results and indicators

Programme management: the portfolio will be further enhanced through the identification of two new interventions or additional engagements to an ongoing project under the protection/ basic services lines of action, building on the nexus approach (HA and development).

LNOB groups: the projects target a wide range of vulnerable communities residing in Egypt including migrants, refugees, children, women at risk and Egyptian citizens. The indicators in the RFW are disaggregated accordingly.

Gender: mainstreamed throughout all projects.

CSPM: is ensured through continuous analysis of the political, social and economic context developments, and consequent steering and mitigation within the portfolio.

Annex 4: Monitoring system

1. SYSTEM ORGANISATION

1.1 Monitoring of the programme context (planning assumptions and risks)

Context developments are monitored with Swiss cooperation's standard context monitoring instrument (MERV). The observation fields of the MERV Egypt will be adapted (by October 2021) to reflect the scenarios the cooperation programme refers to, using the standard global indicators included in the scenarios as main quantitative metrics. The main elements of the planning and the pessimistic scenarios have been summed up in the RFW of the cooperation programme under "assumptions" and "risks", allowing for the MERV to inform strategic cooperation programme steering (triggering programme adaptations in case context developments do not correspond to the planning scenario).

1.2 Monitoring of cooperation programme results

The outcome indicators in the cooperation programme's RFW were chosen in such a way as to directly reflect project results. This will allow for the use of standard project result monitoring procedures for programme results (without having to resort to special monitoring studies):

- → Data included in reports produced by implementing partners, as well as official statistics (ex. CAPMAS data)
- → Information obtained through partner dialogue (and, in case of contributions, through dialogue with co-funding partners)
- → Information obtained through participation in steering committees (or similar project governance mechanisms)
- → Information obtained through project visits

Data and information gathered through the four above-mentioned procedures will be consolidated through dedicated partner days (in September, as preparatory step for annual reports). Reporting on outcome indicators will be included in annual reports. A new set-up for the team and the reporting process will be defined in Q2 2021 in order to reflect the logic with four common outcomes.

1.3 Monitoring financial disbursement

Financial monitoring will be carried out at several levels through:

- → the OIC monitoring tool, including operational and financial monitoring of all projects
- → the monthly financial update within the embassy (Monthly Resource Meeting)
- → the regular updates and reporting to MENA H and MENA D as per the respective instructions
- → the Annual Report, with updates based on the table in Annex 5 / Financial Planning for all WOGA partners.

1.4 Monitoring of cooperation programme management

Monitoring of cooperation programme management is carried out using standard Swiss cooperation instruments (Internal Control System, FDFA Internal Audit, external audit of the transfer credit, external audits of projects). Cooperation programme management topics and objectives are described in Section 6. Progress will be reported through the Annual Report.

1.5 Evaluation of the cooperation programme

An internal mid-term review may be undertaken for the cooperation programme, in case the need should arise (e.g. in case context developments should strongly deviate from the planning scenario). An end-of-programme external evaluation is foreseen for late 2023, geared towards the formulation of the next cooperation programme.

1.6 Annual monitoring calendar

Month	Tasks
All year	Partner/project visits (on average 3 visits per year, mixed teams operations/finance)
September	Annual partner days per domain, geared towards consolidation of monitoring data and information
October	MERV
October	Annual Report

1.7 Monitoring of budget

The costs of the monitoring system are covered by existing budgets (partial actions credit proposals, embassy global credit), except for the external cooperation programme evaluation (estimation: CHF 50,000). Those costs will be debited to the MENA D global credit.

Annex 5: Financial planning

Planned allocations for the Egypt Cooperation Programme 2021–24 in CHF

EGYPT funding source	Allocation 2021*	Allocation 2022	Allocation 2023	Allocation 2024	Total allocation 2021–24
Total	19'600'000	20'600'000	21′600′000	21′600′000	83'400'000
MENA-H	2'000'000	2'000'000	2'000'000	2'000'000	8,000,000
MENA-D	8'000'000	9'000'000	10'000'000	10'000'000	37'000'000
SEM	300'000	300'000	300'000	300'000	1'200'000
SECO**	8′750′000	8'750'000	8'750'000	8'750'000	35'000'000
PHRD	550'000	550'000	550'000	550'000	2'200'000

Planned allocations for the regional programme managed by the OIC Cairo (East African Migration Routes Project) in CHF

REGIONAL funding source	Allocation 2021	Allocation 2022	Allocation 2023	Allocation 2024	Total allocation 2021–24
Total	2'800'000	3′500′000	3'360'000	3'800'000	13'460'000
MENA-D	2'470'000	3'300'000	3'160'000	3'600'000	12'530'000
SEM	330'000	200'000	200'000	200'000	930'000

Planned allocations to the four outcomes of the cooperation programme

Outcome	Allocation in % ***
OC1	15
OC2	50
OC3	20
OC4	15

Comments:

- * internal comment: Allocation as in the "Sub regional guidance North Africa final version after IZA Committee 23nov2020"
- ** SECO's planned commitments for the four-year period are indicative and can be exceeded if the identification of suitable programmes, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners allows it."
- *** Estimated allocation to the four outcomes based on the current distribution of the existing portfolio and including planned future commitments.

Annex 6: Abbreviations

AfDB African Development Bank

AR Annual Report

ARI Aggregated Reference Indicators
AUC American University in Cairo
C&HR Conflict and Human Rights Network

CAPMAS Central Agency for Public Mobilization and Statistics

CC Climate Change

CDS Center for Development Services

CEDRIC Climate, Environment and Disaster Risk Reduction Integration Guidance

CHF Swiss Francs
CO₂ Carbon Dioxide
COVID-19 Corona Virus Disease

CSPM Conflict Sensitive Project Management

DDLGN Democratisation, Decentralisation and Local Governance Network

DMFAS Debt Management and Financial Analysis System

DPG Donor Partner Group

EAER Federal Department of Economic Affairs, Education and Research

EAMRP East African Migration Route Project

EBRD European Bank for Reconstruction and Development

EIU Economist Intelligence Unit

EPFL Swiss Federal Institute of Technology Lausanne

ERC Egyptian Red Crescent

ETH-Z Eidgenössische Technische Hochschule Zürich

EU European Union

FDFA Federal Department of Foreign Affairs

FDI Foreign Direct Investment
FGM Female Genital Mutilation
GBV Gender Based Violence
GDP Gross Domestic Product
GDP Gross Domestic Product

GEN Gender

GoE Government of Egypt

GPMD Global Programme on Migration Development

GTex Global Textile Programme

HA Humanitarian Aid

HDI Human Development Index
HRBA Human Rights Based Approach
IFC International Financial Corporation
IFI International Financial Institution
ILO International Labour Organisation
IMF International Monetary Fund

INGO International Non-Governmental Organisation
IOM International Organisation for Migration

ITC International Trade Centre

LNOB Leave No One Behind
MENA Middle East and North Africa

MENA-D Middle East and North Africa Division

MERV Monitoring of Development Relevant Changes

MIG Migration

MoF Ministry of Finance

MSME Micro Small and Medium Enterprises NGO Non-Governmental Organisation

OC Outcome

ODA Official Development Aid

OECD Organisation for Economic Co-operation and Development

OIC Office of International Cooperation
PHRD Peace and Human Rights Division

PPP Public Private Partnership

PSTIC Psycho-Social Services and Training Institute in Cairo

R&D Research and Development

RFW Results Framework

SDC Swiss Agency for Development and Cooperation

SDGSustainable Development GoalsSEBASwiss Egyptian Businesses AssociationSECOState Secretariat for Economic Affairs

SEM State Secretariat for Migration

SFIVET Swiss Federal Institute for Vocational Education and Training

SGBV Gender and Sexually Based Violence

SI Standard Indicator
SOE State-Owned Enterprises

StARS Saint Andrews

Swiss Association of mechanical and electrical engineering industries

TDH Terre des hommes
ToC Theory of Change

TRI Thematic Reference Indicators

TVET Technical and Vocational Education and Training
UNCTAD United Nations Conference on Trade and Development

UNDP United Nations Development Programme

UNFPA United Nations Population Fund

UNICEF United Nations High Commissioner for Refugees
UNICEF United Nations International Children's Emergency Fund
UNIDO United Nations Industrial Development Organisation

UNWomen United Nations Entity for Gender Equality and the Empowerment of Women

US United States of America
USD United Stated Dollars
VAW Violence Against Women

WB World Bank

WOGA Whole of Government Approach

Annex 7: Map of Egypt



Annex 8 : Switzerland's Human Rights Approach in Egypt

Switzerland's Human Rights Approach in Egypt¹ A focus on civil and political rights

September 2020

Objective:

The aim of this document is to provide guidelines and to facilitate and coordinate the work of the different WoGA partners in the implementation of Switzerland's Human Rights policy in Egypt with a focus on civil and political rights. It aims at complementing the Country Program and at ensuring coherence and maximum impact of the Swiss engagement.

1. Background

Egyptian Context

Authoritarian regimes ruled Egypt continuously, since it became a republic in 1952, with a short democratic interlude between 2011 and 2013. With the ousting of President Morsi in 2013, a new form of authoritarianism was instituted, characterised by overt control of the military over the key political and economic institutions and where security actors are the *de facto* rulers. In May 2018, President Abdel Fattah El-Sisi further consolidated power after being elected for a second term with 97% of the votes amid crackdown on political opposition and voices of dissent. Sisi's electoral victory resulted in further deterioration of human rights and the rule of law: hundreds of human rights defenders and political opposition figures were arrested, and political parties and media were harassed by security agencies. In early 2019, constitutional amendments were approved, granting the current president the possibility, if re-elected, to stay in office until 2030, constitutionalising the impunity of the armed forces and extending their competences and functions in societal, political and judicial matters.

In that context, the overall situation for civil and political rights in Egypt is continuously worsening. The legal framework restricts public space and freedom of expression and extends government's control over all aspects of collective action (examples of new laws: NGOs law, media regulation laws, cybercrime law, anti-terrorism law and terrorist persons and entities law as well as amendments to the penal code, criminal procedures law and emergency law). In terms of practice, September 2019 witnessed the largest wave of mass arrest since Sisi's taking over, with more than 4,300 people of all backgrounds, including women and minors arrested following peaceful protests. A noticeable trend with serious implications over the past few years is the further politicization of the judicial system. This is manifested through a number of practices such as mass sentences, extended periods of pre-trial detention, expansive use of probation and "recycling" cases where political detainees are added to new cases with the same charges to prevent their release upon exhausting the legal limit of two years for pre-trial detention.

Egypt and the International Community

Aligning with European and Western concerns, the Egyptian foreign policy has been actively promoting an image of Egypt as the stabiliser in the region, who is ready and equipped not only to limit illegal migration to Europe but also to foster peace and prosperity in Africa and the MENA region. Hence, while the magnitude of the human rights violations is unprecedented since 2011, the international community's response to the situation is often weak and, on the bilateral level, rarely coordinated. Working with an authoritarian regime is challenging for most bilateral donors; some countries do not work on civil and political rights or contentious issues in Egypt anymore while others work regionally. The Egyptian government prefers negotiating with

¹ This document was elaborated through a collaborative process between June and September 2020 by the following: The Embassy of Switzerland in Egypt, the Human Security Division (HSD) of FDFA Political Directorate, and the Swiss Development Cooperation Agency (SDC).

individual donors hence undermining consolidated positions. Programmatically, this makes joint operational initiatives difficult and limits the choice of available partners. On the political level, there is potential for more closely coordinated actions, despite the little influence of international pressure, especially with European and Western countries such as Canada, Australia, New Zealand, Norway, Sweden, the Netherlands and Finland who remain relatively active in addressing the human rights situation in the country, utilising bilateral and multilateral avenues. Despite important security cooperation and economic relations with Egypt, the United States, France, the United Kingdom, Germany and Italy may raise concerns and can exert pressure on certain human rights issues.

On the other hand, the Egyptian state has built allies with EU member states such as Greece and Cyprus whose positions regularly undermine EU-led processes on HR demarches.

Swiss Engagement in Egypt in the current context

It is safe to assume that the human rights situation in Egypt is going from bad to worse and the coming few years will witness more restrictive environment not only for human rights defenders and political opposition, but also for other actors such as the private sector. The current state of authoritarianism in Egypt is not an involuntary movement or a trend. Reinforcing authoritarianism is a defined, explicit regime strategy. According to the official narrative, Human Rights is a Western concept, highly politicised and instrumentalised by groups who want to see Egypt fail, and alien by nature to Egyptian society, tradition and culture. Human dignity derives from economic and social rights, and healthcare. Therefore, pursuing human rights policy in Egypt contradicts the very basis of the current regime. Aiming at systemic change under these circumstances is unrealistic. To remain consistent with our foreign policy, a realistic and pragmatic approach for the time being would be to support the survival of civil society especially human rights defenders² by programmatic and policy support; maintain pressure on the government by being vocal on CH HR priorities; engage in dialogue and supporting state bodies to align their HR mechanisms and processes with best practices; and apply a human-rights based approach to development programming. Particular attention should be given to diversify the support of Switzerland to a representative range of HR organisations (old/young generations, geographic scope etc) for it is generally assumed that the current oppression of all forms of HR organisations is not sustainable in the long term.

In this context, it is of paramount importance for all WOGA partners working on human rights in Egypt not only to respond to current challenges but to be prepared with a clear and joint assessment of the context, lines of action and highly coordinated division of roles and responsibilities for what might lie ahead in order to prevent instability affecting Switzerland's political, economic and security interests in Egypt and the region.

2. Egyptian Actors Mapping

On the civil and political rights scene, several actors are engaged with varying degrees of power and leverage. The relevant actors could be grouped under a) state actors, promoting the state's agenda, b) official actors recognized by the state and enjoying a relative degree of independence such as UN agencies, funds and programs, c) human rights organisations and defenders, mostly in confrontation with the government.

State Actors:

On the legislative level, the **Human Rights Committee in the Parliament's** mandate is to propose and discuss human rights legislation, HR issues related to international law and receive complaints from bodies or citizens on HR. Alaa Abed, former police officer and current head of the committee has been active on the international scene especially with the UPR of Egypt held in 2019. Within the constraints of its mandate, the committee enjoys leverage within the parliament to effect legislation and set the tone for the parliament's human rights discourse. The parliament though has a limited leverage to impact the respect and application of human rights by the government.

On the executive level, line ministries such as the Ministry of Interior and Ministry of Local Development have HR units and sectors with limited scope and leverage. The **Egyptian Ministry of Foreign Affairs (MoFA)**'s HR sector is the interface for the international community. It is responsive on certain HR issues, yet the nature of its intermediary role between the international community and the security actors (actual decision makers) limits its ability to act accordingly. In that regard, the MoFA plays an instrumental role in crafting the state discourse on HR highlighting the specificity of the Egyptian context and socio-economic rights as the most relevant human rights.

² With a focus on civil and political rights defenders

Within the judicial branch, The **Human Rights Directorate at the Public Prosecutor Office,** recently established, has the mandate and legal authority to receive complaints, investigate human rights violations and examine the inquiries and information requested by the United Nations and its relevant organizations, and to prepare their responses for submission to the Public Prosecutor. The impact of the directorate is yet to be seen. However, in the last couple of years, the Public Prosecution's politicization is more evident, hence minimizing the impact the HR directorate may have.

Given the overlapping mandates and lack of coordination between the different state bodies and institutions working on human rights, a presidential decree was issued in 2018 to create the **Supreme Standing Committee for Human Rights**, as an inter-ministerial entity headed by the Minister of Foreign Affairs with an expansive mandate. Most notably, it will be responsible for engaging with the international human rights mechanisms. As of September 2020, the committee has produced a number of documents and reports demonstrating the state's efforts and sharing statistics in different areas of human rights. These publications may serve as entry points to discuss the HR situation with the authorities.

Official Actors:

National Councils in Egypt are independent bodies created by laws or decrees to address specific thematic areas such as the National Council for Persons of Disabilities, The National Council for Women and The National Council for Human Rights. They vary in their degree of independence and relevance based on their composition and the theme they cover.

The National Council for Human Rights (NCHR) is perceived by critical human rights organisations as a state institution. Generally, the annual report produced by the council on the state of human rights reflects the state's discourse with notable exceptions. The NCHR occasionally voices qualified criticism and attempts to take objective stances on specific human rights cases. For example, it has been vocal on prison conditions and the pre-trial detention situation in Egypt. The official recognition coupled with the council's mandate gives the NCHR a special status allowing it to manoeuvre a relative degree of independence and in some cases leveraging the access it has to state institutions to play a more effective role. The NCHR's recommendations-including the wording- may be used in our dialogue with the authorities to strengthen our position. Considering its positioning, the NCHR is a good avenue to discuss/request information on enforced disappearances and prisoner's status and conditions.

Civil society:

Human rights organisations together with a few independent media are currently the only remaining civic forces playing a critical monitoring role to government, holding duty bearers accountable. But their importance as watchdogs is counter posed with their critical existential situation. Since 2013, civil society and particularly human rights organisations are increasingly struggling for sheer survival. Socially mobile and well connected actors were able to leave Egypt for regional or academic postings, while others have been restrained with travel bans and asset freezes. With the government continuous pressure, a number of independent human rights organizations has decided to close their offices, minimize their presence or relocate some activities to neighbouring countries. Nevertheless, most have been resolute to continue working, opting for one or a combination of institutional and financial arrangements that allows them to do so.

A new actor on the Egyptian civil society scene are Egyptian HR organisations and initiatives based abroad, mostly in Europe, the US, Tunisia and Lebanon. Established post 2013, those organisations were often created by youth with an activist track record who had to leave the country in fear for their safety with the increasing crackdown. The HR organisations in the diaspora also include more established and well recognized HR organisations who had to relocate to maintain activities such as Cairo Institute for Human Rights Studies (CIHRS) and Arab Penal Reform Organization (APRO). In juxtaposition to their locally based counterparts, the new actors in diaspora have the space to take more risks and be more critical. Also, their newly found international status positions them well to engage with international human rights bodies and mechanisms³ and focus on EU and UN advocacy.

As expected, independent human rights organisations have an antagonist relationship to the state as they are perceived by the latter as a nuisance and even a threat to national security. Historically, to avoid government's scrutiny and administrative burdens, most independent human rights organizations are not registered with the government. Some operated while awaiting their formal registration approval (a process that often dragged out for months or years), while hundreds of others navigated existing rules by registering as civil companies, law firms, or local branches of international NGOs, which allowed them to access foreign funding without ministerial approval, a gap the current NGOs law aims to close. The state is also keen to create and support its own HR organizations to promote a parallel HR discourse especially on the international scene as evident in the last UPR of Egypt in 2019 attended by a large number of GONGOs.

³ As for example the Human Rights Council (HRC) and the Universal Periodic Review (UPR)

In addition to the above-mentioned organizations, a few hands-on, low profile and dialogue oriented organizations not directly working on human rights but representing avenues for dialogue on human rights are operating at the margins of the civil society scene. Usually well connected (to the regime, to other civil society actors and to the international community), relatively critical to the regime but not confrontational, those organizations are interesting sounding boards for the programmatic and policy engagement. Considering their positioning, a comprehensive engagement on human rights cannot only focus on those actors and reputational risks to engage with them must be carefully assessed.

3. Swiss HR Priorities in Egypt

Human rights are at the heart of Switzerland's political model, with its direct democracy and respect of the rule of law. The Foreign Policy Strategy 2020-2023 defines how Switzerland is committed to promote human rights worldwide with four thematic priorities that are all relevant in the Egyptian context: (a) right to freedom of expression; (b) abolition of death penalty; (c) interdiction of torture; (d) protection of minorities and vulnerable groups. The balance between the promotion of human rights and other political objectives is a central component of foreign policy and is carried out in clearly defined structures at all levels of decision-making. The coherence of domestic and foreign policy is closely linked to the ratification of international human rights conventions and their domestic implementation.

The Swiss HR priorities in Egypt with regards to civil and political rights for the coming four years align with Switzerland's recommendations to Egypt in the 2019 Universal Periodic Review4 and are defined as follows:

- 1. Freedom of expression, association and peaceful assembly;
- 2. Prevention of torture, ending the practice of pre-trial detention and prison conditions/rights of detainees (access);
- 3. Right to a fair trial.

4. Suggested Approach and Responsibilities

4.1 Political Level

4.1.1 Positioning of CH in EG:

a) Civil Society/Human Rights Defenders

Since 2012, CH has been able to position itself within the human rights community in Egypt as a credible and reliable partner that offered not only financial support but a wide range of support including safe space for meetings, technical support and visa facilitation. This created a trust relationship and confirmed CH role as an engaged actor in the human rights field. In contrast to several bilateral donors who shifted their HR activities to a regional level or exclusively support international organisations, CH is regarded as one of the last bilateral donors directly supporting civil society, giving it a comparative advantage against its European counterparts consisting in first-hand information through access to local actors to better inform Swiss cooperation and political engagement in Egypt.

To maintain this profile, continued support through programming and advocacy is needed, including fostering partnerships with local partners based in Egypt. Support brought at the multi/ bilateral level when issues related to CH's HR and programmatic priorities are concerned is also necessary to maintain credibility and trust.

Maintaining strong support to civil society in all sectors of cooperation helps it to fulfil its watchdog role contributing to a more balanced state-society relations needed for stability and prospects of better governance. This mostly with a perspective and based on the assumption that the current repression on HR organisations cannot be sustained in the long run. Furthermore, by continuing to engage civil society actors, CH retains its high HR profile among like-minded embassies and reinforces its value-based image as at the multilateral level.

b) The Egyptian State

CH is perceived as an honest actor defending human rights with a strong credibility on certain issues like the death penalty. This is at least the perception at the Ministry of Foreign Affairs and among experienced Egyptian diplomats who served in Geneva and in the UN system and understand the positions and our HR policy well. The MoFA remains the main interlocutor

 $^{4\,}$ $\,$ In addition, Switzerland made a fourth recommendation on the right to health and education

when it comes to HR demarches. Demarches with other ministries, notably the Interior Ministry or the PM office, are instantly rejected. The same goes for joint demarches or letters of like-minded states. CH is not perceived as part of the "EU block" when it comes to joint statements and demarches. However, demarches and statements on HR issues, bilaterally or multilaterally, have often been quite harshly rejected and occasionally led to diplomatic counter-measures (such as the cancellation of visits or bilateral talks). CH is perceived as one of the credible and somehow "harder to manage" interlocutors and has a higher HR profile than several EU member states.

To maintain this profile, CH should not be too impressed by a "bullying" or lecturing tone which is used by certain of our interlocutors on human rights issues, but insist on pragmatically addressing a situation and show perseverance in it. Consistency on certain topics earns respect and attention. Human Rights defenders suggest not to focus on structural reforms but on insisting that granted constitutional rights of citizens be implemented and protected (such as prison conditions and pre-trial detention rules). When it comes to demarches, the focus should lie on areas in the domain of the executive's competence, rather than that of the legislative or the judiciary to avoid being referred to the separation of powers. Pragmatism and discretion when addressing human right situations are appreciated by the Egyptian authorities and have probably led to certain results in recent years, notably regarding the release of certain detainees with links to CH. It is important to always explain why a specific situation is of particular concern for CH and to be familiar with the details of a case.

To bring up human rights and more specifically civil and political rights on a regular basis and with a pragmatic approach in a difficult context like Egypt, through political dialogue, in demarches and in high level meetings, will not only foster the image of CH as a reliable partner for the international community, but make us a reliable counterpart for the Egyptian government on these issues. Several counterparts within the Egyptian diplomatic service who have served in Geneva are aware of our positions and inclined to take up suggestions to improve the situation. Furthermore, it is proof of good bilateral relations that difficult topics such as the human rights situation can and must be addressed. To bring up human rights regularly in our dialogue, and not just on specific occasions, shows that our intentions are honest, consistent and not driven by a political agenda. Although immediate results or reactions may not be observed, political or diplomatic interventions are well noted and registered with the civil society and are an important source of hope for human rights defenders. They can also produce indirect results (for example: the presence of diplomats in court hearings reportedly had an influence on the application of rules granting a fair trial). As nothing goes unregistered in Egypt and according to CH's experience in consular cases, various channels of information between ministries exist and are being used, which might lead to an improvement of the situation (such as an earlier release of prisoners).

c) Likeminded Embassies in Cairo

The most like-minded Embassies with a comparable profile on Human Rights in Cairo are: Germany, the Netherlands, the UK, the Scandinavian countries, Belgium, France, Italy and Spain, as well as Canada, New Zealand and Australia. Those are the most active countries within the EU informal group on human rights⁵. Noteworthy, in the last three years it has not once been possible to issue a joint EU statement of the 27 Member states (with CH and NOR aligned). Certain EU member states have a high interest in the region and therefore are more reluctant to issue statements critical of the HR situation. Some are actively working to prevent a joint action. Among the WEOG countries, the US, CAN, AUS and NZ are regularly aligning positions and most vocal on HR issues. There is an Inter- Embassy group called the "Dream Team" which meets regularly to discuss salient HR issues and tries to coordinate responses and actions or demarches with the Egyptian government. The group has created a burden-sharing system in 2018/2019 in which each country provides an updated factsheet on HR topics, which others can use. Switzerland is focusing on enforced disappearances.

Coordination of action and information between like-minded embassies such as a burden-sharing system saves time and personnel resources when addressing specific topics and updating each other on fast developments. For example, an effective UPR- follow up can be better organised through coordination with other embassies. A regular exchange also prevents like-minded states from being divided and allows them to check on the reliability of information received on a specific situation, in a very in transparent context. A regular participation of Swiss embassy staff in those meetings shows the interest and profile of CH's human rights policy in the international community.

4.1.2 Positioning of CH at the Multilateral level:

There is no specific item agenda of the Human rights Council or at the General Assembly on Egypt (e.g. no Special Rapporteur or resolution on the country). The option to express concerns on the human rights situation in Egypt are mainly the national declaration under item 2 (reactions to the High Commissioner for Human Rights) or item 4 (situation that requires HRC attendance).

⁵ In which CH and Norway are invited to participate

tion). Between 2016 and 2020, CH expressed its concern three times under item 2 (last time in June 2020) and 10 times under item 4 (between the 25th session and the 44th), last time in September 2019. EG had its 3rd UPR in November 2019. CH made four recommendations (see above).

Engaging at the multilateral level allows echoing demands made at the bilateral level ensuring the multi-bi approach chosen by CH. It also creates a momentum with others states as mean of pressure and action on the country. A meaningful engagement at the multilateral level responds to CH's constitutional mandate to promote human rights and supports CH's positioning on the international scene as a credible actor that follows a coherent human rights policy. Considering possible negative effects, statements at multilateral fora should avoid declamatory tone and be facts and results-oriented.

Programmatic Level

4.2.1 Swiss added value

In a context of a deteriorating human rights situation in which several bilateral donors have either stopped their engagement, shifted it to a regional level, or prioritize international organizations, the Swiss human rights program maintains a **minimum** level of activities on sensitive issues and represents a **significant contribution to the survival of locally based civil society organizations**. The complementarity between HSD's short-term/flexible/responsive approach and SDC's long-term/ sustainable/systemic oriented engagement builds a strong profile to CH's human rights program, strengthening its credibility and reputation on the policy level in Egypt and in multilateral fora⁶.

4.2.2 Partner selection

Directly supporting human rights organisations has its advantages and disadvantages for both Switzerland and the HR partners. For Switzerland, it provides the opportunity to have hands on access to data and contacts that otherwise would not have been possible. It is also a message of political support that complements other actions in the HR field. For the HR partner, partnership with a state provides a relative degree of political support/protection compared to being supported by INGOs. However, this type of partnership comes with its own set of political and programmatic challenges: it might involve reputational risk for Switzerland and the transactional costs of managing such a partnership are usually high given the amount of PCM needed regardless of the project's size. Given all of the above, the following criteria need to be carefully assessed before deciding to directly support an organisation or support it through an intermediary to ensure maximum benefit:

- i. Legal status, administrative and institutional structure;
- ii. Added value: access, innovative approach;
- iii. Ties to Switzerland:
- iv. Other sources of funding;
- v. Reputational risk;
- vi. Minimum level of awareness on digital security measures and contingency plans.

The D1 will provide an overall analysis of the above criteria to respectively SDC/HSD- Embassy before engaging with a new partner. The decision to engage or not will be taken on that basis.

4.2.3 HR as a transversal theme for Egypt country program

The human rights-based approach (HRBA) helps *operationalise* HR in programming, providing clarity and orientation in all sectors of intervention. Applying an HRBA means⁷ starting from the international human rights framework which sets out rights and duties to ensure that interventions strengthen duty bearers to promote, protect and fulfil rights and that rights holders are empowered to (know and) claim their rights (e.g. access to clean water, to food, to political participation). Key principles guiding all interventions are based on the international HR framework: non-discrimination, inclusive participation, transparency and accountability. Central to CH's engagement with duty-bearers and rights-holders is the mutual recognition of each other's' roles and legitimacy and CH's comparative advantage as a donor to facilitate constructive engagement.

CH will also endeavor to apply a human rights based approach to development programs in the economic, social and cultural sectors (opening up the possibilities to create spaces for dialogue on human rights and democratic practices around technical issues).

⁶ More information on the program can be found in the D1 portfolio summary

⁷ For more details see SDC Guidance on HR, page. 8-10

4.2.4 Communication

Due to security considerations for partners and staff, internal and external communication regarding the human rights program has to be handled cautiously. Internally, besides the necessary precautionary technical measures, the least staff possible will be working on civil and political rights related issues. When possible, international staff will be preferred to national staff. Information related to the projects and partners will not be communicated to the public and selectively to national staff within the Embassy. For the safety of the staff and partners, a selective list of projects and partners will be communicated to the partner country if/when requested. CH will remain cautious releasing information related to partners and projects to likeminded donors. Oral communication will be preferred over written documents.

4.2.5 Legal framework

A number of laws restrict the public space in EG putting restrictions on freedom of expression for individuals and media outlets alike both online and offline. The legal framework governing the work of human rights organisations in EG is ambiguous. As of September 2020, no executive regulations have been issued to the law organising the work of civil society issued in 2019. This uncertainty provides a grey zone that can be used to navigate this period. It also requires a degree of creativity, financial and contractual flexibility and above all risk taking to be able to continue working in such an environment. This may include increasingly supporting Egyptian organisations "in exile", considering third party funding agreements, going for mandate instead of contribution contracts for EG based partners and making cash payments for small amounts (see Annex 2 for financial payment modalities).

4.2.6 Safety and security

Safety and security considerations are key aspects to maintain a human rights portfolio in EG and ensure minimal protection of the staff. All communications (emails, texts, and calls) related to human rights related issues must be secured and encrypted. A scenario based contingency plan for the national staff has been developed and must be followed at all times (see Annex 3). While it is not foreseen to provide the same level of support and protection to the partners, a range of actions are recommended depending on the situation (see Annex 1).

⁸ Selection made by the D1

5. Risks and mitigation measures

	Type of risk	- V	Likelihood (1-4)	Implications	Mitigation
-	Contextual	Increase crackdown on civil society	High (4)	Complicate the implementation of the cooperation strategy in the three domains as well add an extra risk on the national staff who are in contact with the civil society actors. Limit the direct collaboration between the embassy and the civil society organisations	Coordinate between like-minded donors joint position on both political and programmatic levels Increase support to civil society actors by expanding activities related to organizational capacity development with a focus on legal and security capacities
		Increase of human rights violations lead to political unrest and widespread demonstrations	Medium (2)	Swiss interests are negatively impacted e.g. economic and tourism sectors.	CH remains attentive to the contextual developments and diversifies its sources of information. CH regularly addresses the human rights situation with its Egyptian counterparts underlining the link between respect for human rights and stability
7	Programmatic	Increased difficulty finding local partners	High (4)	Missing out on first-hand account of context from local partners thus losing CH comparative advantage	Support low-profile organisations (new, youth led, non-confrontational etc) Adopt more flexible administrative processes to better respond to the restrictions on the ground Increase coordination with like-minded embassies on joint projects
		Unclarity of the legal framework affecting collaboration modalities with civil society actors	High (3)	Opportunities to reach out to direct partners and beneficiaries are limited.	Increase coordination with like-minded embassies on advocacy efforts related to the international cooperation's operating framework

m	Institutional	CH stance on HR at the bilateral and/or multilateral levels has a negative impact on the coopera-	Medium-high (3)	Government approvals may not be granted for new projects	Increase communication with authorities highlighting CH's position in light of its international obligations
		tion program		Processes for ongoing projects may be delayed or put on hold	
		CH stance on HR at the multilater- al level has a negative impact on bilateral relations	High (4)	Senior Egyptian officials complain to Swiss counterparts, cancel high level visits and delay requests related to Swiss interests	Increase communication with authorities highlighting CH's position in light of its international obligations
		D1 activities in the field of HR jeopardizes the work of the rest of the cooperation program	Low (2)	Activities of Domains 2 and 3 are negatively impacted with regard to governmental approvals for new projects or halt activities and meetings of ongoing projects	Risk assessment conducted in a participatory manner at the management level Risks taken under D1 activities are shared by the WOGA partners

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