Global Partnership for Effective Development Co-operation

Private sector engagement through development co-operation in Egypt

Case Study Report: EGYPT

This case study was prepared by Shannon Kindornay, and Zeki Kocaata and Thomas Boehler from the OECD Joint Support Team. It informed a technical note and inclusive policy dialogue to formulate key issue areas for principles and guidelines for effective private sector engagement supported by development co-operation, a key output of the Global Partnership under its current 2017-2018 Work Programme. The study was updated based on consultations and interviews at country level. It also serves as basis for inclusive dialogue at country level to improve the effectiveness of private sector engagement supported by development co-operation in Egypt.

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I. Key messages

The Global Partnership is facilitating inclusive policy dialogue about challenges and opportunities to make private sector engagement (PSE) through development co-operation more effective. By mid-2019, it aims to produce a set of mutually agreed principles and guidelines promoting the effective use of public resources dedicated to scale up PSE to reach the Sustainable Development Goals (SDGs). The Global Partnership's focus on country-level implementation of PSE and its inclusive approach distinguish it from other on-going work, and highlight its complementarity to ongoing efforts around mobilising private finance for the SDGs. Through this deliverable, the Global Partnership will promote greater checks and balances for PSE through development co-operation, helping all stakeholders to monitor the transparency, development rationale and results of public private engagement that delivers shared value for business strategies and development goals. This will help reinforce the political momentum needed to leverage fully public and private resources for the attainment of the SDGs.

The purpose of this case study is to identify the opportunities and challenges of PSE supported by development co-operation in Egypt. It generates unique country-specific evidence based on: a mapping of 277 PSE projects in Egypt drawn from databases of development partners and publicly available documents presented on their websites.[1] Projects were also provided by the Egyptian government and Egyptian organisations consulted during the research process. The case study is informed by a review of existing literature, interviews with various stakeholders, and a consultation organised by the Egyptian Ministry of Investment and International Cooperation that was used to validate a draft version of this report. The research team placed emphasis on collecting information on projects supported by a variety of different types of development partners. The analysis focuses on the performance of government and development partners in PSE projects that are using official development assistance (ODA) and ODA-like flows.

Context

- *Egypt Vision 2030* represents Egypt's commitment to sustainable development and SDGs. **The strategy includes 45 goals with key economic, social and environmental performance indicators.** Egypt sees the private sector as playing an important role in realising national sustainable development priorities. **Egypt's 2016/17 sustainable development plan envisioned the private sector contributing 55% of necessary financing.**
- Following a period of rapid economic growth, Egypt experienced low levels of growth as a result of decreased investment, savings and tourism revenue during the Arab Spring. In December 2012, Egypt's growth rate was 2.2% down from 5.5% in 2010. Growth is picking up however, with **the economy estimated to have grown at 4.1% over fiscal year 2016/2017.**
- The government has carried out a reform programme since 2015 aimed at improving the **business enabling environment** through new laws and amendments to existing laws, as well as efforts to stabilise the economy such as flotation of the Egyptian pound and liberalisation of the foreign exchange market. The reform process has gained momentum since 2017 through efforts to enhance the business climate, stabilise economic framework conditions, including through the introduction of incentives and guarantees to stimulate inclusive growth, improve governance and transparency in accordance with international standards, simplify industrial licensing procedures and liberalise the economy.
- Egypt has significant untapped potential to use private finance across key sectors. **Public-private partnerships (PPP) remain an important element for future PSE for the Egyptian government.** Egypt has a PPP framework and relevant implementation systems, which

[1] To ensure a wide scope of PSE projects and partnerships are captured by the mapping, the research team examined projects that include a development partner, are supported by development co-operation (ODA, ODA-like flows, i.e., flows with development intention, such as foundation financing, or South-South co-operation) and include a private sector partner. This approach follows the definition of PSE through development co-operation as outlined in the 2016 OECD Peer Learning on PSE in Development Co-operation defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes. See http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf.

require further mainstreaming, including in terms of developing a long-term vision, addressing lengthy procedures for project endorsement and implementation, and ensuring the availability of appropriate financial and technical supports to conduct feasibility studies.

- **The majority of businesses in Egypt (91%) are micro enterprises. They account for 58% of the labour force and tend to have limited capacity and operate informally.** Micro, small and medium-sized enterprises (MSMEs) receive support through a dedicated government agency that provides financial and non-financial assistance, focusing in particular on remote locations.
- Existing structures for **public-private dialogue** include the General Authority for Investment and the Investor Service Center. To be considered as champions for more systematic public-private dialogue, in particular on institutional policymaking, their capacities need to be enhanced. Structures for dialogue with micro-enterprises could be further systematised.
- The government of Egypt organises **annual forums and meetings on corporate social responsibility (CSR)** to discuss priorities and strategies for inclusive growth with the private sector and civil society. Relevant stakeholders need incentives and capacity development to promote the incorporation of CSR into core business practices to enhance the already ongoing move from charity-based approaches to CSR towards producing shared value for development and business profits.
- **Limited institutionalised mechanisms to manage labour-management relations may risk undermining social dialogue.** In addition, parliament approved a law in 2017 institutionalising the Egyptian Trade Union Federation as the sole union body, hindering the establishment of other independent trade unions.
- **The relationship between civil society and the business sector could be strengthened,**[2] including in terms of the creation of an enabling environment for partnership. Civil society organisations (CSOs) could be more transparent in their work to attract private sector contributions, serve as bridge with the business sector and local communities and play a stronger role in holding the private sector accountable.
- Egypt received US$7.1 billion in **official development assistance** commitments in 2016. While development partners are supporting the government's economic reform agenda, there is limited coordination of their efforts, including in the area of PSE through development co-operation.

Key findings

- **PSE through development co-operation largely comes from multilateral development finance institutions (DFIs), followed by Development Assistance Committee (DAC) donors and their implementing agencies and bilateral DFIs.** Of the 84 development partners examined**,** multilateral DFIs represent 52.7% of the 277 PSE projects identified while DAC donors represented 23.5% and bilateral DFIs 15.5%. Providers of South-South co-operation accounted for 7.9% of projects (22).
- **Main private sector partners:** Large domestic private sector actors are the most prominent partners in reviewed PSE projects (62% of projects), followed by large transnational companies (39%). Domestic micro, small and medium-sized enterprises (MSMEs) accounted for only roughly 8%. **Reviewed PSE projects show a predominance of local private sector involvement.**
- **Project volumes and duration:** For the 277 reviewed projects supported by development partners, spanning from 1992 to present in terms of their start dates, **the average budget size was US$ 51.6m. The majority of the projects in the sample had a budget of US$ 50m or less.** Of the 87 projects that provided full information on duration, **the majority had life spans of three to five years (46%).**
- **Private sector role:** For 77% of projects examined, private sector partners are recipients of finance (47.3% of projects overall included debt financing). Following this role, they act as an implementing partner (31%), financier (resource provider) (25%), or on-lenders to MSMEs (20%).
- **Private sector modalities and instruments**: **Finance represents the most common modality of PSE with 90.8% of projects including financing.** Forty-two percent of projects are

[2] In this report, civil society organisations and business associations are treated as two separate entity groups although both are subject to the same law that applies to non-governmental organisations in the country.

blended finance projects according to the definition proposed by the OECD.[3] Capacity development was the next most prominent modality of engagement featured at 15.4% (42 projects), followed by technical assistance (9.2%, 25 projects), policy dialogue (2.9%, 8 projects), knowledge sharing (1.1%, 3 projects) and research (1.1%, 3 projects). In this context, 49 projects (17%) included more than one modality.

- **Sectors of focus: Finance, energy, manufacturing and agriculture** are the main sectors of focus in PSE through development co-operation accounting for 32%, 14%, 13% and 8% of projects respectively. These sectors align with overall ODA flows to Egypt nearly half of which were allocated to economic infrastructure and services on average over 2015-2016.
- The main activities supported by PSE projects include improving access to finance for MSMEs, construction of new facilities in the energy and manufacturing sectors and support for expansion of existing business operations in manufacturing and agriculture.
- **Country ownership and capacity:**
  - **The mapped PSE projects largely align with national development priorities in terms of sectors prioritised by the government**. However, research did not assess the extent to which activities of PSE projects support specific sectoral policy objectives.
  - **Representation of local stakeholders in PSE projects is limited.** Government institutions were included as partners for 17.7% of projects. Other domestic public institutions including state-owned enterprises were included as implementing partners for 5.2% of projects. Domestic CSOs were represented in 6.5% of projects, domestic business associations in roughly 4% of projects and no projects examined included domestic trade unions.
- **The Situation of MSMEs:**
  - **MSMEs receive support in terms of access to finance and capacity development from development partners largely through intermediaries.** The Egyptian government has developed a number of programmes aimed at supporting MSMEs and entrepreneurs. MSMEs are seen as beneficiaries of development co-operation rather than as partners. Large companies (domestic and transnational) remain the most prominent partners in PSE projects in Egypt. The majority of partner firms in the PSE projects examined were domestic (large and small) however.
  - **The MSME Development Agency is the main government entity responsible for coordination of national MSME development policies and direct MSME support.** Commercial financial intermediaries are also active in financial support to MSMEs, in particular to larger MSMEs. Further support is needed to ensure MSME coordination and engagement on issues of relevance to national sustainable development.
  - **The government, as well as the Central Bank of Egypt, are committed to supporting financing windows for MSMEs** through innovative schemes and improvements in domestic financial intermediation.
  - **The capacity of business associations to engage MSMEs could be further strengthened** as a means to improve the extent to which MSME priorities are reflected in public-private dialogue**.**
  - **Efforts in capacitating MSMEs should focus on creating development schemes and partnership models that respect and cater to the structural differences between micro-, small- and medium-sized enterprises.**
- **Leaving No One Behind:**
  - **Only a limited number of the examined PSE projects supported by international development partners (13.4%) explicitly target rural, remote or underserved locations. Only 4.3% explicitly of them target women**. While other examined projects may still benefit those left behind and women, these findings suggest that PSE portfolio of development partners do not sufficiently purposefully target the most marginalised.

[3] The instrument-based approach proposed by the OECD is used to identify blended finance projects. Blended finance instruments include guarantees, syndicated loans, credit lines, direct investment in companies and shares in common investment vehicles. See https://read.oecd-ilibrary.org/development/making-blended-finance-work-for-the-sustainable-development-goals_9789264288768-en#page1

  - **Government efforts are underway** to encourage greater investment in remote areas through the establishment of economic zones, investment law incentives and entrepreneurship campaigns.
  - **A majority of recent cooperation strategies between the government and development partners target private sector promotion in lagging regions as well as engagement of women and youth.**
  - **The PSE project mapping suggests that there is limited PSE in the social sectors (11% of projects) compared to the economic sector**. There is an opportunity for the government and development partners to make greater use of PSE through development co-operation to address social challenges.

- **Development results:**
  - **Over half (56.6%) of the reviewed PSE projects have some type of monitoring system in place.** This tends to include annual or more frequent reporting, and to a lesser extent, field visits. A private sector interviewee noted that it can be challenging for the private sector to engage with multiple development partners given the variation in their reporting requirements.
  - **Results frameworks are available for a limited number of projects (36%). Only 10% of projects provide information on actual results while 43% provide expected results.** Where results frameworks are available, this information is in the form of a general results framework that is used by the organisation. Actual results mainly focus on activities completed, direct beneficiaries and project specific results. Expected results focus on employment generation, demonstration effects of projects, access to finance, clean energy production and improved corporate and/or industry standards.
  - **A challenge in PSE is developing shared results frameworks** that measure the priorities of development partners and the private sector.
  - **There is a significant gap in terms of evaluations available on specific, individual PSE projects.** Only 4.7% of examined projects provided actual evaluation information. Yet, for roughly 41.9% of projects information is available regarding institutional approaches and policies for evaluation.
  - **Limited information in terms of results and evaluations of individual PSE projects means that an assessment of the key factors that promote success in PSE projects in Egypt and how such successes might be scaled up is not possible based on the project mapping.** Nevertheless, one interviewee noted that working with the government is a key means to ensure scaling up of successful initiatives to the national level.

- **Transparency and accountability:**
  - **Many development partners do not provide basic information on their PSE portfolio, nor specific PSE projects such as the type of monitoring and results frameworks used.** Information tends to be more accessible for DAC donors and DFIs that often make use of project databases or specific country websites with projects listed. Information from CSOs is less readily available and rarely provided in a systematic manner that outlines basic information on projects (partners, project budget, duration, overview information, results, etc.).
  - **Lack of information and transparency regarding private sector contributions makes it impossible to provide full figures on the total size of public or private contributions for the PSE projects examined.** This is somewhat surprising given the focus by development partners on catalysing private sector flows through the strategic use of development finance. Nevertheless, information on financial contributions by development partners was available for the majority of projects (90%).
  - **There are low levels of compliance by the private sector with environmental laws and regulations in Egypt**.

- **Realising the SDGs:**
  - **The private sector was consulted in the establishment of Egypt's *Vision 2030* and the private sector is expected to contribute to making progress on the SDGs.** There are a number of ways to engage the private sector on the SDGs including through structured public-private dialogue, promotion of CSR and social

enterprises, support for partnerships between the private sector and civil society, and the use of tax and financial incentives.

- **Making partnerships work:**
  - **Development partners** play a valuable role as **neutral facilitators for cross-sector dialogue and collaboration**. They offer important benefits to private sector partners including knowledge transfer of best practice, technical assistance and access to finance where commercial providers are unwilling to participate.

Policy recommendations

Supporting country ownership and capacity

Greater participation by local stakeholders in PSE projects contributes to the creation of more inclusive partnerships. Current government efforts in promoting investment and entrepreneurship and reinforcing the role of the private sector require further support.

The national government could:

- ✓ Spearhead a process to **create a national policy framework for PSE through development co-operation and beyond** that clearly lays out objectives of PSE, benefits to all relevant stakeholders, opportunities for engagement and conditions of engagement (such as monitoring, evaluation and results reporting).
- ✓ Lead the establishment of a clear agenda, priorities and long-term goals to promote PPPs and build institutional capacity for PPP implementation by strengthening the PPP Central Unit, establishing PPP units in line ministries and providing capacity development to concerned staff.
- ✓ Allocate enough resources for the implementation of the business enabling environment reforms that the government has already put into effect.
- ✓ Continue to take a **stronger role in promoting CSR as a core business practice**, providing clear direction, strategy and support to the private sector to embrace the role of corporate citizen to realise shared value while enforcing stricter policies and regulations for social and environmental compliance. These efforts could include the establishment of a long-term, systematic platform for CSR dialogue between the government, private sector and development actors on national priorities and potential CSR investment opportunities.
- ✓ **Convene development partners and other stakeholders** to identify how policy recommendations to improve the effectiveness of PSE through development co-operation and beyond can be taken forward in terms of identifying short, medium and longer-term priorities, institutional leadership, areas for specific support from development partners and timelines for next steps. Such efforts should include fostering an enabling environment for domestic and international CSOs to enable them to own and contribute to the PSE agenda.

Development partners could:

- ✓ **Ensure *long-term* (five years or more) financing for PSE projects** as a means to build local capacity and ensure the long-term sustainability of results.
- ✓ **Invest more in capacity development** for government, civil society, trade unions, business associations and others to participate in PSE.
- ✓ **Support government institutions** to continue their reform agendas and implement existing policies aimed at improving the enabling environment.
- ✓ **Establish coordination over issues around PSE** to fill gaps in existing approaches to PSE.[4]
- ✓ **Broker partnerships across sectors recognising the important role of development partners as interlocutors and neutral convenors**. Such efforts should include a focus on brokering inclusive multi-stakeholder partnerships with a range of stakeholders where appropriate.

The private sector could:

- ✓ **Articulate where support by development partners and the government is most needed** and identify specific opportunities for engagement across sectors.

[4] Four interviewees from development partners argued that donor coordination over PSE issues is weak.

- ✓ **Take efforts to involve local communities and CSOs in designing and implementing projects** to increase their sense of ownership and improve the sustainability and impact of projects.

The Situation of MSMEs

MSMEs require greater support to benefit from and participate in PSE as well as public-private dialogue.

All actors could:

- ✓ **Adopt targeted and holistic approaches to working with MSMEs** ensuring that programmes combine financial and capacity development to ensure business success.

The national government could:

- ✓ **Continue to identify and create opportunities for public-private dialogue inclusive of MSMEs.**
- ✓ **Ensure the effective implementation of welcome recent financial schemes dedicated to MSME financing.**

Development partners could:

- ✓ **Support intermediaries that facilitate MSME development**, focusing on holistic approaches that include financial and non-financial support.
- ✓ **Support business associations in better organising MSMEs and presenting their positions** in policy discussions. Business associations should follow governance guidelines and be fully representative of their own members in this context.
- ✓ **Streamline and simplify procedures to make partnerships with the private sector more attractive.** Give special consideration to the constraints faced by MSMEs to ensure they are able to access opportunities for financing or risk mitigation.

Leaving no one behind

There is a need to clarify whether and how PSE portfolios could include projects that explicitly target the poorest and most marginalised with appropriate modalities of co-operation as a means to incentivise the private sector to contribute to leaving no one behind.

All actors could:

- ✓ **Identify opportunities to leverage existing official development assistance flows to social sectors through PSE,** adopting approaches that ensure the needs and desires of citizens, and in particular those being left behind, inform projects.

The national government could:

- ✓ **Formulate a strategy at the central level to encourage private investments in remote areas**. Such a strategy could include a well-defined vision and mission with specific targets, a coordination mechanisms and a matrix of responsibilities for all relevant stakeholders. A unified monitoring and evaluation framework for activities in remote areas could also be developed**.**
- ✓ Carry out a needs assessment across governorates to generate data for the identification of investments by the private sector.
- ✓ **Continue to support MSMEs in remote locations,** working in partnership with local partners including non-governmental organisations.
- ✓ **Establish regulatory regimes and promote financing for social enterprises that already target the poorest and most marginalised.**
- ✓ **Support local governments to engage better with the private sector in remote areas.**

Development partners could:

- ✓ **Apply more structural approaches to mitigate financial risks and minimise the costs for the private sector to engage in activities that leave no one behind.**

- ✓ **Identify the most marginalised people in the communities in which companies are interested in supporting** and work with companies to understand the value of dedicating resources to communities most in need.
- ✓ **Ensure a balanced distribution of PSE portfolio supporting not only the large companies but also small enterprises and firms located in underserved regions.** Development partners can play a role in identifying the most marginalised people in the communities in which companies are interested in supporting. Development partners can also provide business support to MSMEs that work in remote areas.

Development results

Publicly available information on monitoring, results frameworks, results and evaluation enables the assessment of PSE through development co-operation, identify lessons learned and best practices, and understand key factors that lead to scale and impact.

All actors could:

- ✓ **Allocate part of PSE financing to monitoring and evaluation**, making them obligatory, with a special emphasis on the development outcomes from PSE. Project monitoring should examine ongoing compliance with international standards and consider the views of beneficiaries of PSE.

- ✓ **Work towards more robust reporting on the sustainable development impacts of PSE.**

- ✓ **Ensure monitoring and evaluation provisions are mutually agreeable to all partners** with responsibilities clearly laid out.

Development partners could:

- ✓ Explore ways to **harmonise and streamline monitoring and evaluation processes** with other development partners supporting PSE to reduce the reporting burden on private partners.

Transparency and compliance

Transparency and accountability in PSE is needed and depends on the timely provision of information on PSE, in particular around tax compliance.

All actors could:

- ✓ **Make publicly available basic information on PSE projects.** This includes information on project duration, monitoring, results frameworks, results and evaluations.

The national government could:

- ✓ **Develop clear lines of accountability with all stakeholders for project performance** when participating in PSE projects.
- ✓ **Continue to support transparency through already developed online and publicly available databases.**
- ✓ **Ensure effective implementation of the recent reforms enacted over 2017 and 2018 addressing transparency and accountability issues.**

Development partners could:

- ✓ **Continue to ensure compliance by the private sector with environmental and social safeguards through PSE project life-cycles.**

Civil society actors could:

- ✓ **Put greater emphasis on ensuring that multinational companies in Egypt adhere to standards.**

The private sector could:

- ✓ **Comply with national and international standards** to ensure that business operations minimise negative impacts on people and the environment, and were possible, maximise benefits.

Realising the SDGs

Generating greater awareness of the SDGs, establishing structured mechanisms for public-private dialogue on PSE, supporting CSR and social enterprises, and making available tax and financial incentives would contribute to greater PSE on the SDGs.

All actors could:

- ✓ **Engage in opportunities for public-private dialogue on PSE and the SDGs,** recognising the importance of such opportunities for building relationships, establishing trust, identifying shared priorities and providing the basis for partnerships.
- ✓ **Showcase successes and best practice in PSE** as a means to further promote PSE and demonstrate its value.

The national government could:

- ✓ **Establish institutionalised mechanisms for public-private dialogue** that include a wide range of stakeholders and are grounded in a recognition of the capacity constraints particular stakeholders have to engagement, notably MSMEs.
- ✓ **Continue support to CSR**, including through annual forums and other ways to raise awareness of CSR as a means for companies to support the SDGs.

Private sector could:

- ✓ **Identify opportunities and challenges to PSE through development co-operation**, including through structured dialogue with development partners, the government and other stakeholders.
- ✓ **Engage in CSR initiatives that explicitly target the SDGs**, working in partnership with others, helping to make CSR and corporate citizenship part of core business practices.

II. Introduction

The development co-operation landscape has seen a significant shift towards creating "shared value" – business profits and positive development results. The private sector is providing financing, job creation, service delivery and innovation. Key international development co-operation agreements, such as the 2030 Agenda and the Addis and Paris accords, have recognised this role and development partners have shifted gear and adapt their policies and practices for private sector engagement (PSE) efforts to build trust, mitigate risks, create incentives for the private sector to engage and, through this, help deliver on global promises.

The Global Partnership for Effective Development Co-operation (GPEDC) contributes to this effort by facilitating evidence-based and inclusive policy dialogue between stakeholders and the private sector on the drivers of effective PSE through development co-operation. The private sector has the potential to bring solutions to scale and create real change on monumental social problems.[5] At the same time, the impact and opportunities of multi-nationals, large domestic firms, micro, small and medium-sized enterprises (MSMEs), cooperatives and their associations to achieve the SDGs - and the commitment to leave no one behind – by working with development partners is currently unclear given limited systemic research and that the impacts of PSE through development co-operation differ and depend on the actors, local context, and sectors involved. In this context, a number of challenges to ensuring the effectiveness of PSE through development co-operation exist including: delivering shared value, measuring impact and outcomes, strengthening the transparency of PSE projects and related accountability structures, and ensuring country ownership with appropriate capacity for local stakeholders to engage.

[5] The private sector – a diverse group of financial institutions, intermediaries, multinational companies, micro, small and medium-sized enterprises and co-operatives who operate in the formal and informal sectors engaging in profit-seeking activities with a majority of private ownership – is widely recognised as engine of growth and ingenious source and driver of knowledge generation and innovation. The definition used as a basis for this report focuses on for-profit entities. Foundations are included as development partners. The definition of the private sector is drawn from OECD (2016).

The aim of the GPEDC's PSE work stream is to provide guidance to scale up positive PSE experiences and proactively address lessons and concerns raised by all relevant actors – governments, parliaments, the private sector, civil society and trade unions. This is not done by any other global body.[6] Case studies in Bangladesh, El Salvador, Egypt, and Uganda will identify and document country-level evidence and experiences in PSE through development co-operation through an inclusive research process that considers the perspectives of all stakeholders. The case studies will contribute to building trust and awareness of concrete opportunities, challenges and investment gaps. This work will ultimately inform guidelines on effective PSE in development co-operation and help development partners further adjust their policies and practices in an inclusive manner to deliver shared value. Finally, the work contributes to the substantial body of literature on PSE through development co-operation by focusing on country level experiences and the perspectives of partner governments and local stakeholders.

This draft summary report presents evidence for Egypt. It is based on a literature review, a mapping of 277 PSE projects and partnerships mobilised through development co-operation, interviews with local stakeholders and a multi-stakeholder validation workshop held on 9 August 2018 and organised by the Ministry of Investment and International Cooperation (see Annex 1 for a full description of the research approach and activities). The interviews and workshop included a range of representatives from government, parliamentarians, the local private sector, business associations, civil society, trade unions, development partners and research institutions.

The report begins with an overview of the context for PSE through development co-operation in Egypt. It outlines key government priorities, regulatory and legal context and key trends with respect to the role of the private sector in Egypt. The report presents the findings of the project mapping – who the main actors are, the modalities they use and the sectors in which they are active. The report then presents practical, country-specific opportunities and challenges to realising effective PSE through development co-operation in Egypt. It concludes with reference to next steps.

III. The Egyptian Context

Political and policy context

Egypt's commitment to sustainable development is outlined in Egypt Vision 2030.[7] Linked to realising the 2030 Agenda and the Sustainable Development Goals (SDGs), this Vision includes 45 goals and key economic, social and environmental performance indicators (Arab Republic of Egypt, 2016). The country's 2016/17 sustainable development plan focused on achieving inclusive economic growth, social justice, and employment, particularly for youth, in support of the Vision.

> Realising sustainable development in Egypt will require resources from the private sector. The government has taken steps to improve the business enabling environment to this effect and has developed a robust PPP scheme to promote partnerships in priority sectors.

The first decade of the 2000s saw a period of rapid economic growth for Egypt (Sherif et al., 2016). In 2008, GDP growth stood at 7.5% and government policies supported economic expansion. However, growth during this time did not lead to shared prosperity and key challenges such rising economic and social inequality, labour rights and declining consumer satisfaction plagued Egypt. Political and social upheaval in 2011 and 2014 led to low levels of economic growth as a result of decreased investment, savings and tourism revenues. In December 2012, Egypt's growth rate was 2.2%, down from 5.5% in 2010 and the budget deficit doubled to 15.8% in 2013/14. Unemployment and poverty rates increased. Foreign and domestic direct investment was reduced (Saif and Ghoneim, 2013). Egypt has now entered a period of greater political stability however its economic recovery is yet to fully follow suit though the government has made a number of positive reforms, noted below. Job creation has been limited and half the population lives below the national poverty line or just above it. According to the World Bank (2017b), Egypt's economic outlook going forward shows signs of improvement with macroeconomic conditions stabilising and fiscal reforms underway, though inflation remains high. The economy is estimated to have grown at 4.1% over fiscal year 2016/2017.

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[6] A review of almost 70 major multi-stakeholder platforms promoting PSE in development, operating at global, regional and sectoral levels, found that only about 25% of PSE platforms have partner country governments as their members. Even fewer of them strategically engage civil society, trade unions and parliamentarians. MSMEs also lack access to these multi-stakeholder platforms. Only about 10% of PSE platforms examine the effectiveness, results and private sector benefits of PSE instruments. About 70% of them do not play a monitoring and accountability function for the PSE efforts they support (the ones that do are mostly sectoral platforms). Based on these findings the work stream focuses on PSE at the country level with a particular focus on country level evidence and multi-stakeholder dialogue, coupled with global level activities. For a full description of the work plan and the mapping of multi-stakeholder platforms, see http://effectivecooperation.org/wp-content/uploads/2017/10/PSE-Concept-Note_17Oct.pdf

[7] See http://sdsegypt2030.com/?lang=en.

The government recognises the importance of the private sector for realising the SDGs and national development priorities. Progress requires greater resources from the private sector, including foreign direct investment, and strengthening the private sector and public-private partnerships (PPPs) (Arab Republic of Egypt, 2016). Egypt's 2016/17 sustainable development plan envisioned the private sector contributing 55% of necessary financing. Priority sectors for private investment include agriculture, infrastructure, petrochemical products, retail, textiles, and tourism (COMESA Regional Investment Authority, n.d).

Since the mid-2000s, Egypt has put in place a number of efforts to improve the business enabling environment. These include reducing red tape in starting a business, legislative and institutional reforms to improve the investment climate, reforms in the capital market and restructuring of the insurance sector, and advancement on establishing a comprehensive PPP scheme (Box 2). More recently, the Government of Egypt has taken serious measures to transform the investment landscape in Egypt and promote private sector led growth, including by responding to private sector demands to improve legal and regulatory frameworks.[8] In November 2016, the government allowed the flotation of the Egyptian currency and liberalised the foreign exchange market to stabilise the economy. This led to elimination of overvaluation and foreign exchange shortages. A three-year fiscal consolidation programme was launched to reduce high budget deficits and monetary policy was tightened in order to control inflation pressures. The Egyptian government carried out reforms to introduce the Value Added Tax and limit inefficient energy subsidies. Ongoing energy subsidy reform is playing a major role in fiscal consolidation. The Egyptian government has also worked to enhance and strengthen social safety nets. The reform programme has contributed to restoring macroeconomic stability, strengthening private sector confidence and improving the investment climate.

A number of laws were also established and amended as part of the reform programme. In 2017, the Investment Law No. 72 was established, substituting previous legislation and introducing a new set of incentives and guarantees aimed at increasing domestic and foreign investment inflows, especially those directed to the productive sectors and lagging regions. The goal is to reinstate the country amongst the top investment destinations in the region, in turn stimulating inclusive growth and development, job generation, exports, entrepreneurship and MSME development.[9]

In December 2017 a set of amendments to Egypt's law on Joint Stock Companies, Partnerships Limited by Shares and Limited liability Companies, known as the Companies Act No. 159 of 1998 occured. The new amendments will encourage and attract more domestic and foreign direct investments.[10] Amendments to the Capital Market Law No. 33, also in 2017, serve to promote the government's policies developed to improve the investment climate by attracting, facilitating and safeguarding domestic and foreign investments. The reforms aim to improve governance and transparency in accordance with international standards. They also introduce new financial instruments into the Capital Market to enhance MSMEs' access to finance. In addition to promoting the non-banking financial sector and investor protection, the amendments target enhancing the effectiveness of market regulations' enforcement by organising the merger and acquisition contracts, and imposing fines for violations of the law. The amended law also gives the Egyptian Exchange the flexibility to set lower listing fees to attract smaller companies to the market. In January 2018, Egypt's parliament approved a law aimed at reforming the role of the General Authority for Industrial Development (IDA). The IDA became an independent economic authority, which works in coordination with the Ministry of Industry and Trade to promote investments in the industrial sector through the regulation of the industrial activities, the provision of lands necessary for industrial projects and the facilitation of industrial licensing procedures for investors. The law on the Simplification of Industrial Licensing Procedures No. 15 also came into effect in May 2017. The law streamlines licensing procedures, making licenses issued by the IDA the only license required for establishing and operating an industrial facility. The government has also established a number of initiatives to complement and consolidate legal and regulatory reforms (Box 1). The government's reform programme has been supported by development partners (discussed further below).

[8] Information on the recent reforms provided through personal communication with the Ministry of Investment and International Cooperation (March 2018).

[9] The main features associated with the new law include pro-investor policies, administrative reforms, streamlined business procedures and services and reduced red tape, new investment zones, provisions related to corporate social responsibility (CSR) and conflict resolution.

[10] The main modifications to the law include the establishment of sole proprietorship companies as well as other types of companies such as: joint stock companies, partnerships limited by shares and limited liability companies.

Box 1. Egypt's initiatives to improve the business enabling environment

The Government of Egypt has established a number of services and initiatives to promote a business enabling environment. The Investor Service Center was launched to reinforce and make actionable legal and regulatory reforms, streamline and simplify procedures and act as sustainable platform for constructive engagement between the government and business sector. It operates as a one-stop-shop and resource hub that offers a complete package of consultations, advice and information about available investment opportunities in Egypt. The Center also includes a dedicated facility to promote entrepreneurship, providing specialised activities directed at entrepreneurs, including co-working space, trainings and workshops, mentorship, capacity building and partnership programmes.

The Ministry of Investment and International Cooperation introduced an Egypt Investment Map that provides a comprehensive view of investment opportunities across the country by geographical location and/or economic sector. The map also provides information on all major national projects, different sectors and incentives, and development projects categorised by relevant development partners. The first phase of the investment map was finalised in 2017. This phase included the design, structure and data collection for the map. The investment map is accessible at www.investinegypt.gov.eg.

The Ministry of Investment and International Cooperation also adopted the Egypt Entrepreneurship Program (EEP) as a comprehensive platform designed to catalyse the entrepreneurial ecosystem. The program consists of funding, accelerators, entrepreneurship service centers, and legislative and regulatory reforms. As part of the initial phase of EEP, an innovative campaign "Fekretak Sherketak" was initiated to encourage start-ups and cultivate entrepreneurship ideas in Egypt. The campaign included a comprehensive platform designed to catalyse the entrepreneurial ecosystem through identifying entrepreneurial talents with potential to build fast-growth companies. Through the kick-off phase of the campaign (September – October 2017), Fekretak Sherketak used a bus to tour 16 governorates to ensure equal access and engagement of youth across Egypt. The initiative received more than 3600 project ideas from 27 governorates, conducted over 700 screening and selection interviews, and concluded with a training camp that offered entrepreneurial support training to 116 candidates.

Source: Ministry of Investment and International Cooperation, Annual Report, 2017

Interviewees from the private sector are positively viewing the government's reform package (March 2018). They noted the importance of new laws and programmes to support start-ups, particularly in terms of updating modalities of support in line with what is available in other parts of the world. One private sector representative (March 2018) noted that the "recent reforms put Egypt back on the right track for economic recovery, providing more confidence for the private sector to invest in Egypt, […] strengthening opportunities for private sector engagement." Working with the national statistics office, the government is planning to solicit feedback from the private sector on the reform programme, including with respect to addressing opportunities and challenges going forward. Results are expected for some time following September 2018 (interviewee, March 2018).

The government has also taken steps to support MSMEs. The Micro, Small and Medium Enterprise Development Agency was established in 2017 by Presidential decree (White, 2017). The new agency reforms the previous Social Fund for Development, which was active since 1991, and mandated to support MSMEs through loans and technical assistance.[11] The Agency has two programmes. The financial programme provides loans to MSMEs through the Agency's development partner network. The agency receives funds from development partners and implements at the local level through non-governmental organisations (who tend to know local challenges best). Technical support includes issuing documents to establish MSMEs and this programme is supported by offices in each governorate. Other non-financial services include entrepreneurship training and other capacity development activities as well as match-making, connecting entrepreneurs and providers of financial and non-financial services. The Agency contributes to job creation not only through its operations but also by hiring from the local community. It supports both local employment and enables the transfer of local knowledge to the Agency. With the Presidential decree, the mandate of the Agency has expanded to the national level including coordinating MSME services and integrating services in collaboration with other government institutions. The Agency also has a greater focus on fundraising. The Agency has prepared a policy regarding MSME promotion.

Egypt has a long history of PPP implementation dating back to the 1990s (Kamel, Montaser and El-Rashid, 2017). The Public Private Partnership Central Unit, established in 2006, is part of the

[11] According to Central Bank of Egypt, the limit Paid-in Capital for micro enterprises is 50,000 and less than 10 employees and the maximum can be up to 10 million for industrial projects and 5 million for non-industrial projects. See http://www.cbe.org.eg/en/Pages/HighlightsPages/Circulardated7122015e.aspx.

Ministry of Finance and has responsibility for coordination of PPP programs at the national level. The unit serves as a centre for expertise on PPPs, and is meant to act as a centre for capacity building and resolution for PPP investor complaints.[12] PPP units also exist in administrative authorities. A PPP Supreme Committee also exists, chaired by the Prime Minister that includes membership from a range of Ministers responsible for finance, investment, economic development, legal affairs, housing and utilities, and transportation. The committee approves PPP projects for tender and plays an oversight role. Under the law, the committee is responsible for preparing a report on its activities at the end of each fiscal year on results and the consequences for the public budget and debt. The report is submitted by the Minister of Finance to parliament.[13] PPPs are governed by the 2010 PPP Law. The law sets out guidelines for procurement, tendering processes and dispute resolution. PPPs are to be implemented according to principles of publicity, transparency, free competition, equal opportunity and fairness and in accordance with the legal and regulatory frameworks that govern PPPs.[14] Egypt is seen as 'ahead' in comparison to other countries in the region on PPPs. Its efforts in this area of have been recognised, including through the PPP 2009 award for best government organization in Africa (Markab Advisory, 2012; Box 5).

Box 2. Egypt's PPP scheme

Egypt adopted a PPP scheme to promote private investment and enhance the quality of services. As of July 2016, the Ministry of Investment, now the Ministry of Investment and International Co-operation, is managing 46 projects totalling $16 billion in sectors such as roads, railways, ports, sewage plants, water plants and integrated development projects. It is also using PPPs to develop technological industries, tourism, medical cities and integrated civil and commercial centres.

Source: Arab Republic of Egypt, 2016.

Notwithstanding the country's success in developing PPPs, participants at the workshop noted a number of challenges regarding the PPP mechanism. These include: lack of clarity in the allocation of land for PPP projects, the absence of a long-term vision for prioritised PPP projects, lengthy procedures for the endorsement and implementation of PPP projects, and financial and technical limitations encountered in conducting necessary feasibility studies for PPP projects. There is a need to improve institutional capacities to further enhance the PPP scheme and promote the role of the private sector in confirmed PPP projects. The establishment of PPP units in all line ministries under the direction of the Central Unit is one way that the government could better promote and facilitate PPP projects.

According to the World Bank 2018 Doing Business report, Egypt ranks 128 out of 190 countries. The key challenges facing companies in Egypt relate to trading across borders, paying taxes, and contract enforcement (World Bank, 2018). Though the country strengthened minority investor protections according to the 2018 report, there are concerns regarding the higher cost to verify and ratify a sales contract. In comparison to the region, firms in Egypt face a higher number of days to access electricity, however once connected electricity tends to be reliable (World Bank, 2017a). Forty-three percent of firms surveyed through the World Bank Enterprise Survey in 2016 noted that they face competition from informal firms, however 91% of firms surveyed formally registered their business when their operations began.

The recent policy measures taken by the government on stabilising the economy and enhancing an investment conducive environment discussed above are in response to private sector concerns and decreases in investment in the aftermath of the 2011 upheaval. The results of these reforms will become more apparent in the coming years.

The private sector

The private sector plays an indispensable role in the Egyptian economy, providing the largest share of aggregate production (around 60% of the GDP) and employment (74% of total employment) (EBRD, 2017). Based on a head count of private firms, micro enterprises constituted approximately 91% of all firms, small and medium ones around 8%, and large firms less than 1% (EMNES, 2017). Micro-enterprises tend to have limited capacity, operate informally, and be less likely to benefit from government programs. Working conditions in microenterprises are poor, profit margins are narrow and workers do not tend to be organised. MSMEs face limited access to finance, poor labour skills and do not have strong linkages to large firms. Operating in the manufacturing and service sectors, they tend to follow standards inconsistently and their inability to meet social security requirements has forced some to enter the informal sector. The government participates in meetings and events with the private sector (GPEDC, 2016; interviewees,

Egypt's economy is dominated by MSMEs, the bulk of which are micro enterprises that tend to have limited capacity and operate informally.

[12] See http://www.pppcentralunit.mof.gov.eg/Content/About%20us/PPP%20Central%20Unit/Pages/PPP%20Central%20Unit.aspx
[13] The most recent report available on the PPP Unit website is for 2009.
[14] See ALSF and PPIRC (n.d.) for a summary of the legal and institutional framework for PPPs.

March 2018). However, one interviewee argued that meetings take place on an ad hoc basis and discussions are unstructured and not necessarily aimed at problem-solving (March 2018). Limited institutionalised spaces for public-private dialogue is a key challenge, though some engagement is occurring through roundtables and other events by interested members of parliament (interviewee, March 2018). Public-private dialogue also occurs at the governorate level however, and tends to focus on issues related to sustainable development and addressing the needs of local communities (interviewee, March 2018). Development partners are providing support for public-private dialogue (Box 3).

Box 3. CIPE's support for public-private dialogue in Egypt

Since 2012, CIPE has been supporting open and free dialogue between government, the private sector, and civil society through a bi-annual National Dialogue retreat. This inclusive dialogue focuses on key economic reform priorities. It is led by Egypt Tomorrow Economic Forum (ETEF), a select group of reform-minded young entrepreneurs convened by CIPE to promote engagement across the public and private sectors and works towards meaningful consensus on economic reform priorities and sustainable development goals. The 2017 and 2018 national dialogues were led by ETEF in cooperation with key private sector players such as the Alexandria Business Association, Federation of Egyptian Industries, Federation of Economic Development Associations, and Suhag Investors Association, senior government representatives from the Ministry of Trade and Industry, Ministry of Public Enterprise, think tanks, media institutions, and parliamentarians.

CIPE's approach to building the capacity of its local partners, specifically members of ETEF, Federation of Economic Development Associations, and the Suhag Investors Association is best characterized by the provision of mentorship and technical assistance by experienced members of the Egypt field staff. Capacities are then use through advocacy and policy reform programs. For example, policy seminars connected ETEF members to key figures in the reform arena and provided them a venue to improve their ability to effectively communicate recommendations.

Ongoing advocacy at the National Dialogue Retreat in April 2017 contributed to two policy wins: the Ministry of Trade and Industry issued a decree standardizing the definitions of micro, small, and medium enterprises and it adopted executive regulations of the Industrial Permits Act, which makes it easier for businesses, especially MSMEs, to receive licenses to operate. The Ministry of Trade and Industry also committed to incorporating the Federation of Economic Development Associations' draft MSME law into its own draft following the April 2017 National Dialogue Retreat. Furthermore, parliamentary participation in the retreats increased from three members of parliament in 2016 to more than fifteen in 2018. All parliamentarians who attended the retreats committed support to recommendations and legal reforms that National Dialogue Retreat participants agree would improve the Egyptian business environment. The changes, commitments, and increased participation demonstrate continued support for the National Dialogue Retreats as an important mechanism for public-private dialogue.

Source: personal communication, CIPE, 2018.

The Global Compact Network Egypt was launched in 2004 and has 117 members.[15] Hosted by the Egyptian Corporate Responsibility Center, the network aims to empower the private sector to develop sustainable models and improve national capacity to design and monitor sustainable, responsible policies. The network raises awareness, promotes private sector commitments and multi-stakeholder engagement for business globalisation, and promotes sustainable practices and responsible business. The Egyptian Corporate Responsibility Center acts as a knowledge hub on corporate social responsibility (CSR), carries out policy advocacy and provides advisory services and training on CSR.[16] According to the Center, CSR in Egypt tends to be in the traditional forms of philanthropy and social investments that though strategic to core business are not necessarily incorporated into inclusive business models (see also Sherif et al., 2016). The landscape has yet to shift towards policy dialogue and advocacy on more effective rules, policies and processes and the development of inclusive business models that sustainably provide positive development impacts (El Shorbagi, n.d.). Stakeholders lack a shared understanding of what CSR entails though overall companies are beginning to have more mature understandings of CSR, moving away from a focus only on philanthropy. According to participants at the validation workshop, CSR has already shifted away from charitable contributions to responsible practices with CSR activities focused on achieving international and national development goals. Participants noted the importance of linking CSR projects to core business for resource utilisation.

CSR in Egypt is not yet linked to core business practices. Existing government efforts should be coupled with promoting a shift in the mind-set of the private sector from charity towards shared value.

Research by the Center on CSR in agriculture found that there is a need for a CSR framework for the sector (see Egyptian Corporate Responsibility Center and kks Advisors, 2015). In textiles there is a need for a national CSR strategy as well, particularly given the absence of social and

[15] See http://www.gcnetworkegypt.org/gcne/.
[16] See http://ecrc.org.eg/.

environmental codes and standards, informality, lax implementation of the law, weak regulatory system and lack of monitoring and control. There is also an absence of funding for sustainability initiatives. Finally, in its financial sector research the Center showed that companies tend to serve mainly corporate clients, are risk averse and driven by short-term profit rather than longer-term strategic sustainability visions. There is a need for better and more environmental, social and governance reporting in the financial sector, better corporate governance that focuses on inclusive business and the promotion of inclusive finance for smaller businesses, entrepreneurs and poor households.

A post revolution survey of 104 companies carried out by the American Chamber of Commerce in Egypt provides a different view on the status of CSR in Egypt (Barma, 2012). It found that almost 90% of respondents reported being engaged in CSR and that all but one company are looking to engage in CSR activities within two years. The most common area of support by the private sector according to the survey was education, followed by poverty alleviation, environmental sustainability and gender equality issues. Two-thirds of survey respondents also noted that they carry out their CSR activities in partnership with other organisations such as universities and civil society groups. Nevertheless, the American Chamber of Commerce in Egypt is also working to change perceptions of CSR, recognising that most firms continue to see CSR as philanthropy rather than part of responsible business operations and an integral part of the business model. One interviewee noted a similar experience when working with the private sector. Engagement is usually in terms of companies' CSR activities, though over the course of the partnership the development partner works to raise issues related to the business model outside CSR (March 2018). One interviewee argued that a challenge for PSE in Egypt is that the private sector is often seen as a source of funding, rather than a more engaged partner in development projects (March 2018).

The Government of Egypt supports CSR activities through several channels. The government organises annual conferences on CSR, which provides a necessary platform for companies, universities, MSMEs, ministries and CSOs to negotiate and establish CSR partnerships targeting developmental issues.[17] The government also organises annual CSR forums, aimed at providing the opportunity for the private sector and civil society to present their development plans and discuss the most important and crucial issues with relevant ministries.[18] The Ministry of Communications and Information Technology has a CSR strategy in the field of telecommunications. Moreover, the role of CSR is emphasised in Article 15 of the New Investment Law of 2017. It provides incentives where investors allocating up to 10% of annual profit to community development are to receive tax reductions in accordance with the income tax law. These efforts need to be coupled with incentive schemes by regulators and capacity building by relevant stakeholders to ensure a shift in the mind-set set of the private sector from charity towards shared value in its CSR practices. Participants at the validation workshop called for a detailed regulatory framework for CSR with a clear definition of the practice, relevant terminologies and eligible projects, particularly to clarify the difference between CSR and philanthropy. Mandatory reporting on contributions to CSR activities could be an element of this framework. Sectoral strategies could also be developed through participatory approaches to identify the main challenges and opportunities for CSR and encourage greater investment.

Prior to the 2011 revolution, co-mingling among political elites and business associations contributed to a negative perception of the private sector, particularly as the business sector was successful in ensuring their interests through its engagement with parliament and the government. Despite the existence of a range of business associations, a 2013 study noted the need for the private sector to develop a viable economic vision going forward and clear positions issues such as accountability, minimum wage, taxation, subsidies and competition regulations (Saif and Ghoneim, 2013). It also noted the need for the private sector to build on existing efforts to engage MSMEs and other stakeholders, such as labour unions and civil society.

Trade unions and civil society

According to official statistics, there were 1,229 trade union committees in 2004 (CAPMAS, 2017). Since then, the country saw a small but steady decline to 1065 trade union committees in 2016. Nevertheless, the number of union members has consistently grown since 2004 from 4,536.4 thousand to 7,369.1 thousand in 2016. Though the majority of employees work in microenterprises, they are not organised and as such, are unable to improve their working conditions through political representation and bargaining.

> The limited institutionalised mechanisms to manage labour-management relations has potential to undermine social dialogue should tensions arise in the future.

According to the Fair Labor Association (2016), the government historically only recognised trade unions associated with the Egyptian Trade Union Federation. Labour issues were a key element of the 2011 revolution and thereafter (Sherif et al., 2016; Saif and Ghomein, 2013). At the time,

[17] See http://www.ilo.org/addisababa/events-and-meetings/WCMS_549239/lang--en/index.htm
[18] See http://www.egyptcsrforum.com/

the country was facing high unemployment, weak worker representation and low wage levels. One interviewee (April 2018) notes that the increasing number of labor strikes led to a deadlock for many trades and industries. Private investors demanded that the government intervene to regulate these movements and establish legal channels for communication. Following the revolution, space opened up for the creation of independent trade unions. However, in 2015, the Egyptian Trade Union Federation filed a court case arguing that the independent unions were illegitimate (Fair Labor Association, 2016; see also Acconcia, 2016). In November 2017, a draft law was submitted to and approved by the parliament. Critics argue it essentially institutionalises the Egyptian Trade Union Federation as the sole union body for Egypt by setting membership thresholds that are too high for independent trade unions to meet (in addition to no longer allowing trade unions the ability to determine their own rules and structures) (for details, see ITUC, 2017; Egypt Today, 2017). The 2014 Constitution however, does include guarantees with respect to Egyptian workers' right to form trade unions (Fair Labor Association, 2016).

Labour strikes were sporadic following the revolution, fuelled by distrust and a lack of formal communication channels between employers and workers. The economic climate that hindered the ability of companies to meet the demands of workers exacerbated tensions. Eventually the minimum wage was increased and existing attitudes towards philanthropy in the private sector meant that some businesses continued to operate to keep employees employed. Egypt needs to improve institutional mechanisms to formalise the labour-management relationship. The regulatory basis for effective communication and dispute mitigation processes was established in 2017, which includes a Dispute Settlement Unit and a Legal Dispute Settlement Committee. According to one review there is a room for improving the sustainability of employee-employer relationships and concrete efforts are needed to address this issue going forward (Box 4) (Sherif et al. 2016).

Box 4. Improving employee-employer relations in Egypt

A 2016 report on the rising role of the private sector in Egypt points to a number of steps that could be taken to improve employee-employer relations. The report calls for:

- the creation of formal, consistently applied forms of worker representation through the redefinition of unions and/or the adoption of legal frameworks that set out communication channels, including with respect to grievances, enforced by law.

- adoption of a transparent policy for the calculation of the minimum wage level, including provisions for re-assessment within a set timeline

- training for managers and leaders in the labour force

- awareness raising on organized forms of social dialogue, and rights and duties

- reform of existing regulations and enforcement of labour laws based on stakeholder consultation to accommodate collective action and social dialogue.

Source: Sherif et al., 2016; see also Saif and Ghoneim, 2013.

Relationships between civil society and the business sector are not strong (Sherif et al., 2016; interviewee, March 2018). Both groups also do not tend to see engagement with one another as part of their role (interviewee, March 2018). Only a limited portion of the private sector understands the value of working with civil society on one hand, while on the other only a limited number of CSOs that are large enough to have outreach with the private sector exist (interviewee, March 2018). There is space for civil society to work towards holding the private sector accountable for its actions and work with the private sector on key issues such as gender equality (Sherif et al., 2016). Similarly, they could put more pressure on multinational companies to adhere to basic labour standards, particularly for companies headquartered in countries that subscribe to international CSR standards (Saif and Ghoneim, 2013). There is also a need for greater transparency among CSOs on their spending and impact to encourage greater private contributions (Sherif et al., 2016). Potential exists for CSOs to serve as a bridge between the private sector and local communities, particularly in terms of informing CSR initiatives. CSOs have local knowledge and an intimate understanding of challenges (interviewees, March 2018). Some limited partnerships do exist however, particularly in the areas of human capital development, entrepreneurship support and governance training programmes (interviewees, March 2018).

The relationship between civil society and the business sector is not strong. Civil society organisations could be more transparent in their spending and work to attract private sector contributions and can play a stronger role in holding the private sector accountable. Potential exists for civil society to work as a bridge between the business sector and local communities.

Development partners

According to statistics from the Ministry of Investment and International Cooperation, Egypt received US $7.1 billion in official development assistance commitments in 2016, of which US $1 billion was committed in ODA grants and US $6.1 billion in ODA loans. The country's top five ODA providers include Saudi Fund for Development (US $1.6 billion), the World Bank (US $1.5 billion), Japan (US $1.2 billion), African Development Bank (US $501 million) and Saudi Arabia ($500 million). According to statistics from the Organisation for Economic Co-operation and Development (OECD), over 2015-2016, economic infrastructure and services received the largest

While development partners are playing an important role in terms of supporting Egypt's economic reform agenda, coordination on PSE is limited.

share of bilateral ODA (49%), followed by other social infrastructure (27%) outside education (11%), and health and population (1.57%)[19].

The Ministry of Investment and International Cooperation is responsible for concluding loan and grant agreements with development partners.[20] It also manages a database of development programs.[21] Information is available on programme details (including financing, start and closing dates, sector, location and implementing entity), as well as objectives and impact. A national ODA policy and strategy is also under development (GPEDC, 2016). According to Egypt's 2016 GPEDC monitoring profile, development partners are largely aligned with national objectives and results frameworks (69% and 64% respectively). A requirement also exists for foreign funded projects to be recorded by the Ministry of Finance in the budget and approved by parliament.

Development partners have played a significant role in supporting Egypt's reform efforts, particularly in terms of investment promotion and support for business enabling environment reforms (interviewee, March 2018). Development partners such as the World Bank, African Development Bank, Saudi Grant Committee, International Finance Corporation and China had been supporting investment promotion in sectors such as renewable energy, trade and entrepreneurship, working in partnership with the government. The World Bank and the United States are supporting regulatory reforms related to simplifying the investment climate and improving competition respectively. In its approach, the World Bank also engages the private sector regularly in policy dialogue (interviewee, March 2018). Its report on the business enabling environment also serves as an important basis for dialogue between the government and the private sector to agree on common priorities. Germany and the World Bank are also supporting financial services for MSMEs and regulations for microfinance respectively. The PPP Unit is receiving support from the European Bank for Reconstruction and Development.

With respect to donor coordination on PSE, development partners have a coordination group that includes those who want to participate and a range of sub-discussion groups that include issues related to PSE (interviewee, March 2018). For example, there is a sub-group on MSMEs where development partners can exchange their views, including with the government. However, subgroups do not go beyond knowledge sharing. Though coordination tends to be better in some sectors, such as agriculture (interviewee, March 2018), there is generally no donor coordination in the field with respect to division of labour.

IV. Current State of Play on PSE: Mapping & Consultation Findings

Development partners

The project mapping exercise included a systematic examination of **84 development partners'** websites with the aim of identifying PSE projects. These projects include a development partner, private sector partner and make use of ODA or ODA like flows, i.e., flows with development intention, such as SSC and foundation funding.[22,23] These included Egypt's top 7 DAC donors accounting for 87% of ODA on average over 2014-15,[24] 20 bilateral development finance institutions (DFIs), ten (10) multilateral DFIs, 18 foundations, 12 prominent CSOs operating in Egypt (local and international), six (6) of the top United Nations programmes and agencies in Egypt according to ODA flows, and 11 providers of SSC. Annex 1 provides a full list of the development partners examined and whether their portfolio revealed PSE projects. The project mapping identified **277 PSE projects**. A general finding with respect to the mapping is that there is a need for greater transparency on PSE projects. As discussed below, basic project information is often unavailable including for the projects identified as well as on the websites of major development partners. In some instances, though the research team was aware that a particular development partner engages in PSE, no information on PSE activities was publicly available.

Multilateral development finance institutions, DAC donors and their implementing agencies and bilateral development finance institutions are the main PSE partners in Egypt.

The project mapping identified PSE projects from all sectors based on the review of development partner websites and databases, secondary literature and inputs from development stakeholders involved in the research process. Projects that focus on private sector development and do not

[19] See http://www.oecd.org/dac/stats/aid-at-a-glance.htm
[20] See http://www.miic.gov.eg/english/cooperation/pages/agreementsprocedures.aspx for details.
[21] See http://www.miic.gov.eg/english/cooperation/pages/developmentprograms.aspx.
[22] See Annex 1 for description of projects included. The information presented below is based on the projects identified through the methodology as noted in Annex 1 and the information that was publicly available through development partners. Greater transparency on PSE projects will be critical for future updates to this work.
[23] For the definition of ODA, please see http://www.oecd.org/dac/stats/What-is-ODA.pdf
[24] In addition to these, the literature review led to the identification of a number of projects. Members of the work stream working group also supplied projects.

include a private partner – e.g. development partner to government support for the business enabling environment – were excluded (unless there was a private partner involved in the project).[25,26]

Table 1 provides an overview of the number of projects in terms of their main development partner sponsor(s). It shows that the bulk of projects identified through the mapping process are from multilateral DFIs followed by DAC donors and their implementing agencies and bilateral DFIs. Providers of SSC are the next most prominent stakeholder supporting PSE projects followed by the UN agencies examined and finally philanthropic institutions and CSOs.

Table 1. Number of PSE projects associated with different development partners as main sponsors[27]

Development partner	Number of projects	Percentage of total projects
DAC donors and their implementing agencies	65	23.5
Bilateral DFIs	43	15.5
Multilateral DFIs	146	52.7
Philanthropic institutions and CSOs	10	3.6
UN agencies	11	3.9
Providers of SSC	22	7.9
Projects including multiple development partners	32	11.6
Not available	1	0.3

Private sector partners

Figure 1 provides an overview of the private sector partners involved in the PSE projects examined: Large domestic firms have the highest representation across projects, engaged in nearly 62% of projects. Large transnational firms were included as partners in 39% of projects while roughly 8% of projects included domestic MSMEs. Transnational MSMEs were not included in projects examined. Around 4% of projects included domestic business association representation while transnational business associations were included only in 1% of projects. Across the projects, 81, or 30% included more than one type of private sector partner. Five (5) percent of projects did not provide information on the type of private sector partner involved. Overall, the PSE projects identified through the mapping exercise show a predominance of local private sector involvement when large and MSMEs are considered.

Large domestic private sector actors are the most prominent partners in PSE projects in Egypt, followed by large transnational private sector. For 77% of projects examined, private sector partners are recipients of finance, in fewer cases they act as on-lenders to MSMEs, implementers or provider of finance.

[25] Within the context of Egypt, some state-owned intermediaries directly supporting MSMEs and having unique partnership models are also included based on request from the government focal point.
[26] This approach follows the definition of PSE through development co-operation as outlined in the 2016 OECD Peer Learning on PSE in Development Co-operation, where PSE is defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes. See http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf.
[27] Total is more than 277 as the table shows the number of projects that include each type of development partner as a main sponsor of the project rather than the total number of projects. Similarly, the percentage of total projects does not add up to 100%.

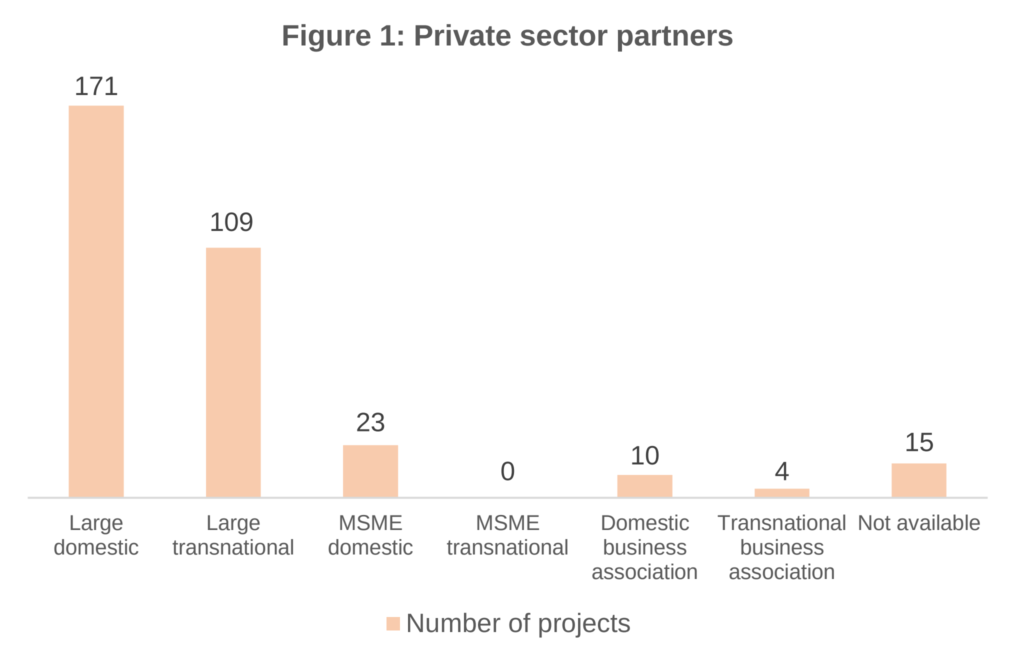


Table 2 provides an overview of the main roles of the private sector in the PSE projects examined. It shows that for a significant proportion of projects – 77% – the private sector is a recipient of finance (grants, debt financing, equity, guarantees, etc.), capacity development or other modality of PSE (discussed further below). For 31% of the PSE projects examined, the private partner is listed as an implementing partner. Following these roles, the private sector serves as the resource partner – i.e. provider of finance – in 25% of projects and an MSME on-lender in 20% of projects. In the projects examined, there were instances where the private sector also provided on-lending services to large companies and was capitalised to invest in MSMEs and large companies through equity.

Table 2. Role of private sector partners

Role	Number of projects
Recipient	212
Financier – resource partner	69
Implementer	84
On-lender to MSMEs	55
On-lender to large private sector	3
Equity[28] financing for MSME	12
Equity financing for large companies	14
Not available	2

Other partners

While the domestic private sector is well represented in the PSE projects examined, the mapping showed limited representation by other stakeholders (Table 3).[29] Government institutions – national and local – in Egypt were listed as partners in 49 of the projects examined, or roughly 17.7% of the time. Other domestic public institutions including state-owned enterprises as implementing partners are represented in 14 projects (5.2%). Domestic CSOs are represented in 18 projects (6.5%). No projects listed international or domestic trade unions as partners. Only four (4) research institutions were listed as partners (1,4%), 3 of which included specialised domestic research institutions (1.1%). International organisations were also listed as partners, to a limited extent – Bilateral DFIs (2 project 0.4%), DAC donor implementing agencies (2, 0.4%), UN agencies (2 projects, 0.7%), philanthropic institutions (2, 0.7%) and international CSOs (1 projects,

[28] Cases where equity is invested in a large institution by a development partner for distribution in terms of equity for the domestic private sector.
[29] Table 3 presents figures for the projects that listed additional partners beyond the main sponsors as listed in Table 1.

0.4%). 2 projects (0.7%) listed multi-stakeholder partnership initiatives as a partner. 3 (1.1 %) projects include SSC providers as implementing partners.

Table 3. Other partners		
Partner type	**Number of projects**	**Percentage of overall projects**
Domestic CSO	18	6.5%
Domestic research institutions	3	1.1%
Domestic trade union	0	0.0%
International CSOs	7	2.6%
International research institutions	1	0.4%
International trade union	0	0.0%
Local government	3	1.1%
DAC donors and implementing agencies	1	0.4%
Other platform, partnership, initiative	2	0.7%
Partner country government	46	17.0%
Philanthropic Institutions	2	0.7%
United Nations	2	0.7%
Other domestic public sector	14	5.2%
Bilateral DFI	2	0.7%
Providers of SSC	3	1.1%

PSE project timelines and budgets

The projects in the mapping span from 1992 to present in terms of their start dates.[30] At the time of project mapping, 28 projects provided information that showed they were ongoing. It is likely that a much higher number of projects are ongoing given that 190 projects did not include an end date, of which 62 started in 2016 or later. For the projects that provided full information on project start and end dates, the longest project spanned 40 years, followed by four projects with 30 year lifespans and another two projects with 25 years. The majority of projects had life spans of three to five years (40 projects). Eleven projects had life spans of 2 years or less. Nineteen projects were between six and nine years in length.[31] Projects with longer term financing (five years or more) were found across sectors though DAC donors and multilateral DFIs were sponsors for 32 of the projects with longer term financing (five years or more).

Of the 277 projects examined, 27 did not provide budget information over the course of this period. For more than half of the projects supported by philanthropic institutions and CSOs (7 out of 10 projects) no budget information was available. Multilateral DFIs account for the largest amount of finance – US $8b – followed by bilateral DFIs (US $ 3.3b), DAC donors and their implementing agencies' projects accounted for US $1.74b, SSC providers (US $883m), UN agencies (US $164m), and philanthropic institutions and CSOs (US 70.3m) for the projects examined. The majority of the projects in the sample are $50 million or less in terms of budget size based on available information.[32]

The majority of projects (90%) provided budget information though 7 out of 10 projects by philanthropic institutions and CSOs did not include this information. The average budget size of the PSE projects examined was US $51.6m.

[30] To be included in the data set, a project had to start in 2000 or later, or still be ongoing as of 2000. The bulk of the projects examined began in 2000 or later. Only five projects started prior to 2000, one of which having started in 1992 and being planned to end in 2022.
[31] Eleven projects were for six years, four for seven years, three for eight years and one for nine years.
[32] Several PPP projects which tend to span 15 years or more have very high budgets. They read as outliers in the budget information.

Table 4. Budget of projects that involve the private sector by development partner type			
Development partner type	Projects for which budget is available, % and #	Total budget of projects for which budget is available (Million US$)[33]	Average budget size of projects for which budget is available (Million US$)
DAC donors and their implementing agencies	86.2%, 56	1,739	31.06
Bilateral DFIs	93% , 40	3,332	83.31
Multilateral DFIs	99.3%, 145	7,960	54.90
Philanthropic Institutions and CSOs	30%, 3	70	23.45
UN Agencies	72.7%, 8	164	20.50
Providers of SSC	72.7%, 16	882.9	55.18

Modalities of PSE mobilised through development co-operation

Finance is the most prominent modality for PSE, underpinning 90.8% of the projects examined. Debt financing is the most commonly used type of finance, supporting 47.3% of projects overall.

Projects were categorised according to the modality of co-operation between the private sector and development partners. The modalities examined include policy dialogue, capacity development, technical assistance, knowledge sharing, research and finance (see Annex 1 for full description). The most prominent modality of PSE captured in the project mapping is finance representing 90.8% – or 248 – of the projects examined. Capacity development is the next most prominent modality of engagement featured at 15.4% (42 projects), followed by technical assistance (9.2%, 25 projects), policy dialogue (2.9%, 8 projects), knowledge sharing (1.1%, 3 projects) and research (1.1%, 3 projects). In this context, 49 projects included more than one modality.

Table 5. Most prominent co-operation modality by development partners	
Development partner	**Modality, Number of projects**
DAC donors and their implementing agencies	Finance, 56 out of 65
Bilateral DFIs	Finance, 41 out of 43
Multilateral DFIs	Finance, 143 out of 146
Philanthropic institutions and CSOs	Capacity development, 6 out of 10
UN agencies	Capacity development, 9 out of 11
Providers of SSC	Finance, 18 out of 22

Table 5 shows the most prominent modalities of co-operation according to development partners. DAC donors and their implementing agencies, bilateral and multilateral DFIs as well as SSC providers mostly engage through finance; whereas philanthropic institutions' and CSOs' and UN agencies' most prominent co-operation modality is capacity development.

The finance modality includes grants, debt financing, equity and shares in collective investment vehicles and guarantees and other unfunded liabilities. Debt financing represents the largest share of development finance (US $8.9b, 131 projects) followed by guarantees and other unfunded liabilities (US $2.2B, 34 projects), equity and shares in collective investment vehicles (US $1.4b, 46 projects) and grants (US $836m, 59 projects) (see Table 6). Of these finance-based PSE projects included, 26 include multiple forms of finance, such as the use of debt financing and a guarantee for the same project. Bilateral and multilateral DFIs are most prominently represented, unsurprisingly, in projects supported by debt financing. DAC donors, UN agencies and philanthropic institutions and CSOs are most prominently represented in grant-funded PSE projects.

[33] The following currency conversion tables are used: https://data.oecd.org/conversion/exchange-rates.htm; https://data.worldbank.org/indicator/PA.NUS.FCRF

Table 6. Overview of financing instruments supporting PSE projects in Uganda				
Instrument type	**Total budget (million USD)**	**Total # of projects**	**# of projects budget available**	**% of projects as share of all projects**[34]
Debt financing	8,937	131	131	47.3
Equity and shares in collective investment vehicles	1,455	46	45	16.6
Grants	835.9	59	43	21.3
Guarantees and other unfunded liabilities	2,223	34	34	12.3

Given the Government's focus on PPPs as a key mechanisms for PSE, it is worth highlighting the role of development partners in supporting this type of partnership. The information provided by development partners makes it difficult to determine the extent to which the projects financed are PPPs. Twenty-eight of the projects are explicitly referred to as PPPs. However, given the role of development partners in supporting large scale infrastructure and construction projects, including energy, which account for 19% of projects, development partners are supporting PPPs more broadly. The challenge in the mapping is that development partners do not always explicitly refer to a partnership as a PPP and some development partners use the term PPP to refer to any kind of partnership with the private sector, rather than "an arrangement in which the private sector provides infrastructure assets and services that traditionally have been provided by the government" as defined by the OECD.[35] Box 5 provides an overview of one example of development partners' long term support for a PPP.

Box 5. Donor support for New Cairo's Wastewater Plant

In June 2009, the Egyptian government awarded a concession for a wastewater treatment facility to improve sanitation services in New Cairo to Egypt's Orascom Construction Industries and Spain's Aqualia (Orasqualia). The PPP includes efforts to build, operate and transfer the treatment plant, which will service nearly three million people over the life of the project. The International Finance Corporation supported the government to develop and implement the PPP model, to be replicated for other large scale infrastructure projects. The wastewater plant has been heralded as the first successful PPP project in Egypt. Residents have benefits from the increased availability of freshwater leading to improved public health. According to one review of the project, good PPP features were present in the project, namely competitive bidding, bundling of construction with operations and bringing in efficiencies through the partnership with an experienced multinational enterprise and a local operator. The project received a number of awards, including Water Deal of the Year by Global Water Intelligence and PPP African Deal of the Year by Euromoney/Project Finance magazine in 2010, and the Bronze Award – Middle East and North Africa by Emerging Partnerships in 2013.

Source: IFC, 2010; Salvador et al., 2016.

Sectoral distribution

Figure 3 shows the sectoral distribution of projects according to their main sector of focus.[36] It shows that finance (32%), energy (14%), manufacturing (13%) and agriculture (8%) are the primary sectors of focus in the PSE projects examined. Communications, education, water and sanitation (WASH), economic growth, natural resource extraction, other, infrastructure, construction, environment and climate change, and health are the next most prominent sectors, representing between two and four percent of projects. All remaining sectors represent one percent or less of the projects examined.[37,38] Sector information is not available for one project.

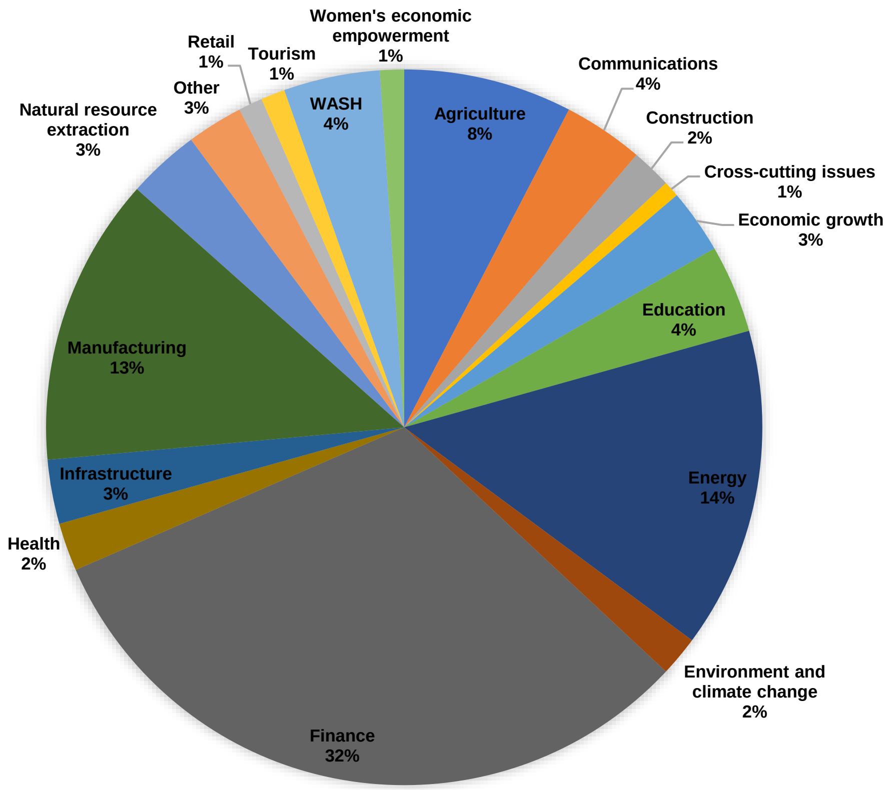
Finance, energy, manufacturing and agriculture are the primary sectors of focus in PSE projects in Egypt. These sectors align with overall ODA flows to Egypt nearly half of which were allocated to economic infrastructure and services on average over 2015-2016.

The bulk of projects supported by bilateral and multilateral DFIs focus on the energy, the manufacturing and the financial sector. Projects supported by DAC donors and their implementing agencies, as well as philanthropic institutions and CSOs tend to be dispersed across a range of

[34] Type of finance instrument is unavailable for 13% of the projects.
[35] See: https://stats.oecd.org/glossary/detail.asp?ID=7315.
[36] Some projects are linked to more than one sector. Figure 3 represents only main sectors of focus.
[37] Infrastructure projects for energy such as power plant construction are included in energy sector. This explains why the share of infrastructure is small in Figure 3.
[38] Other includes: Aircraft renewal, consulting services, corporate social responsibility, entrepreneurship, offshore services to oil companies, and refugee resilience.

sectors. Projects supported by UN agencies focus mainly on agriculture and education. Finally, projects supported by SSC providers tend to focus on finance, economic growth and energy.

Figure 3. Sectoral distribution of projects



Activities supported

Table 6 provides an overview of the main activities supported by top main sectors of focus – finance, energy, manufacturing, agriculture, and WASH. It shows the activities in the financial sector are mainly geared towards improving access to finance for MSMEs. The focus in energy and manufacturing sectors is on the construction of new facilities. Financing expansion activities and other operations is also prominent in manufacturing and agriculture. In the WASH sector, the bulk of activities aim to improve or establish water management or supply systems.

The main activities supported by PSE projects include improving access to finance for MSMEs, construction activities in the energy and manufacturing sectors, and financing company operations, including expansion activities and upgrades.

Table 6. Main activities supported by PSE projects, top sectors		
Sector	**Activity**	**Number of projects**
Finance (87 projects) [39]	MSME on-lending	50
	Provision of finance (not MSME targeted)	16
	Equity for MSMEs	13
	Capacity development/technical assistance	8
	Operations or expansion activities	5
	Support to establish the housing loan market	3
Energy (40 projects)[40]	Construction of new facilitates	33
	Capacity development	2
Manufacturing (36 projects)[41]	Construction of new facilities	11
	Operations / expansion activities	9
	Improve sustainability of operations	3
Agriculture (21 projects)	Support for expansion / operations	10
	Improving quality / productivity	5
	Technical assistance / capacity development	5
	Improving market linkages	4
	Access to agricultural inputs	7
WASH (12 projects)	Improvement or establishment of water management / supply systems	7
	Capacity development	4

V. More effective PSE in Egypt: Opportunities & Challenges

Country Ownership & Capacity Development

More participation by local stakeholders in PSE projects would contribute to making partnerships more inclusive and support country ownership. Nevertheless, there is a need to ensure a balanced approach in terms of government involvement in the economy to allow space for private initiatives to flourish.

The limited representation of the Government of Egypt and other local stakeholders in the PSE projects the mapping exercise captured suggests that there may be room to improve country ownership in PSE projects. The extent to which PSE projects are explicitly tied to government priorities or include consultation with the government and other local stakeholders in their development is difficult to decipher from the information obtained through the project mapping. Additional information such as project proposals, background documentation and interviews with development partners would be needed for each project to make a full assessment. Nevertheless, an interviewee (April 2018) notes that development partners' strategies are created in coordination with the government and approved officially in development plans. Through the new investment law and the investment map, the government provides incentives and support services to promote investments in national priority sectors (interviewee, May 2018). Also, some development partners, such as the European Investment Bank, specifically note that their projects align with the priorities of the government. The OPEC Fund for International Development also includes developing country priorities as part of its results framework while Japan assesses the relevance of its PSE projects in terms of government priorities as a part of project evaluations. Interviews with development partners note that their work is always in line with the government agenda (March 2018). One development partner makes use of annual meetings with the government where it promotes private sector interests and tries to build Egyptian ownership into its contracts.

Overall, the project mapping appears to reflect alignment with Government of Egypt priorities from a sectoral perspective. PSE projects focus on MSME financing, an important priority in terms of government support for MSMEs. The government is also looking to increase private sector investments in agriculture and infrastructure (including energy infrastructure). Nevertheless, it was outside the scope of the research project to assess individual projects against specific sectoral plans and policies, making it unclear the extent to which PSE projects reflect more specific sectoral priorities.

In terms of government capacity and ownership over PSE, the government has taken on a greater role following the revolution (interviewee, March 2018). Prior to the revolution there was no shared vision on how to engage the private sector and capacity for engagement was limited. After the revolution, the role of the government is changing in terms of seeing the private sector as a partner

[39] Figures vary from above on MSME support because the data only includes projects for which finance is the primary modality. MSME on-lending, for example, is also supported in projects whose main focus is in another sector such as agriculture.
[40] It is worth noting that the projects represent a range of financial modalities used to support the construction of renewable energy facilities with a number of the same projects including multiple development partners and financial modalities.
[41] Description of activities is unavailable for 12 of the PSE projects in manufacturing.

that can contribute to public goods and job creation. While there was a tendency by the state to play a significant role in the economy, the culture and views towards the private sector is changing with time. Recognising the importance of greater PSE, some ministries, such as the Ministry of Investment and International Cooperation and the Ministry of Energy are allowing greater partnering with the private sector and work on common agendas. However, a more unified vision for PSE and harmonized approach is needed across the ministries. A clear agenda, priorities and long-term goals are also needed to promote PPPs, which could be established among relevant entities and stakeholders under government leadership (validation workshop, 2018). Nevertheless, the importance of PSE is fairly well established for the government owing to the need to drive job creation and increase human capital (interviewee, March 2018). In general, development partners are supporting this shift in government and tend to agree on the need for the government to play a more limited role to allow the private sector to crowd in (interviewee, March 2018).

Representation of the private sector in the national parliament through representation of business associations is high. This provides the private sector a space for engaging in dialogue with the public to lobby their interests in policymaking and for coordination. The private sector has been able to use this window to influence the process of law making so far. Permanent councils within the parliament exist for MSMEs (interviewee, June, 2018). However, challenges persist for MSMEs that mostly reside in the informal sector and lack capacity to coordinate their voice in business associations. This directly translates into an inability of MSMEs to engage in the policy making process through the parliament (interviewees, March 2018).

A number of challenges exist with respect to capacity for PSE. The government began with a policy reform agenda as the first step. The government needs to further advertise and promote changes, in particular on the New Investment Law of 2017 according to participants at the validation workshop. Additional institutional and legal frameworks are also needed. For example, the government is working on labour market laws to address labour market inflexibility. Once this work is complete, implementation will require institutional change and capacity development to support enforcement (including for other existing laws). The government is now in a position to develop a shared vision at the central government level, translated into key development indictors and support for implementation. In addition, the government's PPP scheme would benefit from the creation of a platform for exchange experiences and knowledge among ministries, the private sector and development partners on successful practices and models to strengthen the PPP mechanism (validation workshop, 2018).

The bureaucracy in Egypt also presents challenges (interviewees, March 2018). The bureaucracy is large with seven million public employees. Each office is responsible for a small fraction of work. This has led to fragmentation. Decisionmaking is complicated and agreement on PSE issues in the public domain is lacking. In their experiences collaborating with the government, large companies and non-governmental organisations have noted that while the government makes decisions regarding projects quickly, bureaucratic processes tend to slow down implementation in practice (Egyptian Corporate Social Responsibility Center and kks Advisors, 2015). An interviewee from the private sector claimed that their main challenges when engaging the government include the bureaucracy, slow adaptation to change, including inability to embrace emerging or new trends (March 2018). The new regulatory reforms adopted in 2017 and 2018 is directed towards addressing these challenges by streamlining and simplifying procedures, identifying mechanisms to combat corruption and promote adaptive regulations to emerging business trends.

Development partners can support the government on PSE. They can take greater steps to supply technical cooperation and capacity development related to PSE when requested (interviewee, March 2018). Similarly, they can provide technical assistance alongside financial support when promoting PPPs, support PPP feasibility studies through consultation and technical expertise and provide capacity development support to the staff in the PPP Central Unit and concerned staff in line ministries (validation workshop, 2018). Investing in government agencies offers an opportunity to ensure the sustainability of PSE and availability of qualified resources (interviewee, March 2018). Development partners could also coordinate efforts better with the government, starting with government priorities and dedicating support to realise those priorities (interviewee, March 2018). Representatives from the development partner community also noted that development partners could do a better job of aligning their messages to the government and their resources to target the poor, recognising their comparative advantages. The government needs more support in raising its capacity to analyse every bottleneck in development and development partners could provide more assistance in this matter.

In terms of increasing participation by non-state actors in PSE, development partners could also support civil society to engage as partners in PSE (interviewee, March 2018). CSOs tend to have a local focus that makes them an important stakeholder in formulating programmes. Greater investments in CSO capacity would help to strengthen CSOs as a qualified partner and ensure sustainability (interviewee, March 2018). Efforts could also be made to raise awareness of how the private sector can engage civil society, including through the identification of best practice (interviewee, March 2018). A representative from the private sector noted that CSOs could also be supported to engage in public-private dialogue to identify key challenges and solutions going forward, including incentives for the private sector to partner more with civil society (such as through reduced pricing or taxation) (March 2018). With respect to trade unions, they could be encouraged to participate more in discussions on PSE, particularly given their in-depth knowledge of their industry (interviewee, March 2018).

For its part, the private sector could coordinate better on where they share interests with the government and development partners (interviewee, March 2018). Members of the private sector could also show willingness to engage through better articulation of needs and interests, and the creation of an action plan that sets out a vision for the longer term (interviewee, March 2018). This however requires coordination among the private sector.

Fair Access to PSE for MSMEs

The project mapping clearly shows that development partners tend to partner with large domestic private sector firms overall. Where domestic MSMEs are engaged in projects, engagement tends to be in the form of on-lending to MSMEs or equity investments. For the most part, MSME engagement across projects tends to place MSMEs as a beneficiary of PSE projects rather than an active partner. In addition, by supporting the MSME Development Agency, development partners support efforts to target MSMEs in remote locations and coordination of MSME development in the country, including through matchmaking between large and small firms.

Besides large domestic companies, MSMEs tend to receive support in terms of access to finance. They require additional support to engage in CSR and business associations and opportunities for public-private dialogue.

As noted, the government is also targeting services to support entrepreneurship. In Egypt, start-ups have been developing rapidly since 2012 with venture capital funds and accelerators being launched and growing. The growth of venture capital has increased demand with more start-ups emerging. Though not always the case, many start-ups also focus on social outcomes. The project mapping revealed a number of projects supported by the International Finance Corporation and others that aim to support start-ups and young entrepreneurs through a mix of access to finance, technical assistance and other business supports (see, e.g. Box 6).

Box 6. Accelerating start-ups and supporting entrepreneurs

The International Finance Corporation (IFC) is investing in the Flat6Labs Accelerator Company to promote entrepreneurship in Egypt. The company is a Cairo-based accelerator that is raising capital to support 100 early stage companies, primarily in the information and communication technology sector in Egypt. IFC's support will contribute to filling a void in early stage capital in the country, support local entrepreneurship and job creation (including 1,500 direct and indirect jobs). In addition to financing, Flat6Labs Cairo offers training, acceleration cycles, mentorship, network opportunities, access to legal support, and office space to support entrepreneurs. IFC's support also includes assistance to the fund manager on ESG frameworks.

See http://www.flat6labs.com/location/cairo/ and https://disclosures.ifc.org/#/projectDetail/SII/38087.

In its efforts to capitalise on the entrepreneurial potential of the country, transform the investment landscape in Egypt and create a vibrant and supportive investment eco-system, the Ministry of Investment and International Cooperation adopted the Egypt Entrepreneurship Program. Framed by the new investment law (No. 72) of 2017, the comprehensive platform aims to catalyse the entrepreneurial eco-system and tackle the main challenges that impede the creation of new (small) businesses and start-ups. These challenges include limited access to financial resources, capacity development, competitiveness, connection with national and international markets, and enabling regulatory frameworks. The programme thus supports four key dimensions, namely: (1) innovative funding; (2) an accelerators' programme; (3) entrepreneurial services; and (4) an enabling regulatory framework. The four dimensions represent the foundation of a robust and comprehensive trajectory to advance entrepreneurship across the country.

For this purpose, the Ministry of Investment and International Cooperation inaugurated the Egypt Ventures Company in March 2017. The company is financed by the government together with the Saudi Fund for Development with an initial endowment of EGP 451 million (USD 4 million) to provide early and growth-stage financing, sector-agnostic investment to enable entrepreneurs to build fast-growth companies (MIIC, 2017).[42]

None of the eight reviewed PSE projects that make use of policy dialogue to engage the private sector include MSMEs. As noted above, MSMEs have very little influence in business associations (Saif and Ghoneim, 2013). Start-ups are also not represented (interviewee, March 2018). Though they may be members of business associations as a requirement by law or voluntarily,

[42] See "Fekretak Sherketak" (Box 1; MIIC, 2017)for more information on the programme that encouraged youth and women to propose ideas for the programme in 16 governorates in Egypt. The programme received more than 3600 application for entrepreneurial ideas/projects from 27 governorates

their influence in business associations tends to be minimal and their ability to effectively communicate their concerns to policymakers is limited (Saif and Ghoneim, 2013). MSMEs in the informal sector (the informal sector represents roughly 30% of the Egyptian economy), are not represented nor officially acknowledged. Newer business associations established following the revolution claim to be making space for MSMEs. Efforts are needed to support MSMEs to better engage in public-private dialogue (interviewee, March 2018).

Overall, MSMEs face a range of challenges including operating in the informal sector, lack of access to value chains and skills to market their products, and insufficient support from non-governmental organisations that focus on capacity development. At the same time and as noted above, challenges for entrepreneurs to engage with the bureaucracy need to be addressed through the simplification of procedures and reductions in cost, issues that are set to be addressed as a result of the recent regulatory changes in the country. One interviewee noted that entrepreneurs also avoid working with development partners owing to overly complicated procedures that have high transaction costs.

Supporting the MSME Agency to implement its mandate overall is critical going forward, particularly in terms of offering financial and non-financial services to the most remote locations (interviewee, March 2018). Some development partners prefer to support only financial or only non-financial modalities. However, the success of MSME development relies on the provision of both. Moreover, support for MSME development should not necessarily be sector or issue specific. Development partners often want to support their particular area of interest. This can leave gaps and does not allow flexibility given the macro-level mandate of the Agency and the connections that exist across sectors.

In addition, development partners should encourage MSMEs to export and focus on the creation of value chains for them. The provision of support for non-financial services is also key with companies needing capacity development and training on how to manage their business and market their products. Working through intermediaries that support start-ups is also important. Such intermediaries can serve as a bridge between the government and entrepreneurs, which have historically mistrusted one another (interviewee, March 2018). Support for entrepreneurs should be provided on longer-term horizons with development partners prepared to commit for the long run. While some development partners provide support on a medium term horizon of three to five years, this still tends to be short for start-ups. Efforts could also be made to better link local start-ups with international organisations to support knowledge sharing and matchmaking. A representative from the private sector also noted that importance of supporting reliable credit guarantee schemes and attractive credit pricing for MSMEs and start-ups as a means to ensure their sustainability and engagement in future development projects (March 2018).

Finally, the government adopted innovative ways to finance MSMEs such as equity investment and leasing through the Ministry of Investment and International Cooperation. Also In 2017, the Central Bank of Egypt committed banks to increasing loan sizes granted to MSMEs to 20 per cent of the total of loan portfolio over four years. The Central Bank of Egypt also upgraded a number of national banks with wide outreach, specifically, the Agriculture Bank of Egypt, the Export Development Bank of Egypt, and the Credit Guarantee Company. Unlike the MSME Agency, commercial banks tend to be risk adverse and provide loans to larger MSMEs rather than smaller companies or those operating in poorer areas. Government can provide incentive schemes both in the form of cost reductions – tax cuts or subsidies – at balance sheet level or guarantees at individual investment level to commercial banks to increase their risk appetite. This would enable relatively smaller and risky MSMEs to be included in commercial banks' asset portfolios, ensuring a better targeting of the most in need firms (interviewees, March 2018).

Targeting: Private Sector Engagement and Leaving no one behind

A review of the project mapping reveals that only 20 projects (7.2%) explicitly target rural locations or underserved locations or markets. One project specifically referred to poor people, one to supporting indigenous populations and two to addressing the needs of indigenous people. An additional 17 projects (6.1%) included participation by the Egyptian government's Medium, Small and Micro Enterprise Development Authority which specifically targets lagging regions and remote areas where there is limited access to finance. Twelve (12) projects (4.3%) noted explicit targeting of women. According to the Ministry of Investment and International Cooperation's project database, development partners have launched a number of large projects that aim to benefit remote locations and will facilitate an enabling environment for PSE in this context.[43] Nevertheless, the

> Only 13.4% of examined projects explicitly people living in underserved or rural locations. This suggests that PSE projects do not sufficiently purposefully target leaving no one behind yet.

[43] The database includes: the World Bank sponsored USD 500 million Upper Egypt Local Development Program that supports needed infrastructure for private investments; six lines of credit worth USD 191 million targeting MSMEs with special focus on lagging regions, women and youth, supported by a number of development partners; 31 projects worth USD 2,611 million targeting infrastructure to support investments and social services and two projects worth USD130 million to establish connecting road networks to facilitate

examination of the results and expected results of examined PSE projects shows that no projects provided information on overall results disaggregated by gender or in terms of outcomes for poor people (though one project that targeted women only provided data on the number of women reached). These findings do not mean that other projects examined do not benefit those left behind in Egypt, however they do suggest that PSE projects supported by development partners do not sufficiently purposefully target leaving no one behind as of yet.

The mapping also shows that PSE is largely occurring in economic and hard infrastructure. Roughly 11% of the PSE projects examined focussed on social sectors including health, education and water and sanitation. These trends are in line with overall reviews of blended finance that show that middle-income countries and economic sectors are the main focus of PSE through development co-operation. Given the high proportion of ODA flows going to social sectors overall and the limited PSE projects in this area, there is an opportunity for the government and development partners to make greater use of PSE through development co-operation to address social challenges.

A challenge in Egypt is that business interests are not always the same as those of the most marginalised (interviewee, March 2018). Companies are interested in working on areas related to their core activities or where they operate. This may not coincide with the needs of those left behind. Though most communities include individuals with greater needs, in remote communities, the private sector faces challenges including the absence of a proper needs assessment, limited data on different economic activities, and limited local government capacity to address private sector needs (workshop participants, 2018).

The government's MSME Development Agency works with local non-governmental organisations as a means to leave no one behind. Such organisations tend to have local stakeholders' trust and know their needs (interviewee, March 2018). Nevertheless, the government can support further the leave no one behind agenda. It can formulate a strategy at the central level to encourage private sector investments in remote areas. According to workshop participants, such a strategy should include a well-defined vision and mission with specific targets, a clear coordination mechanism and matrix of responsibilities for all relevant stakeholders. It could also conduct a needs assessment across governorates in key sectors such as rural development, the food industry, water efficiency and irrigation, renewable energy and the transfer to the green economy, as a means to collect necessary data to inform private sector investments (workshop participants, 2018). The government can also increase the role of local governors in encouraging and empowering the private sector to invest in remote areas.

There are other steps the government can take to promote private sector engagement on the leave no one behind agenda. It can offer incentives to businesses to address developmental challenges, particularly for the poorest and most vulnerable, adopt inclusive procurement practices, and stablish appropriate regulatory frameworks to the benefit of those left behind such as through the promotion of social enterprises and businesses that target socio-economic needs (Sherif et al. 2016). Historically, corporate foundations and social enterprises tend to fall outside existing legal and regulatory frameworks (Egyptian Corporate Social Responsibility Center and kks Advisors, 2015). This makes it difficult to harness their contributions towards sustainable development. Two types of social enterprises exist in Egypt- those that target access to services and those that tackle the agency of individuals at the bottom of the pyramid (e.g. as consumers, entrepreneurs or employees) (Sherif et al., 2016). Government and financial institutions do not yet distinguish between social enterprises and other modes of business operations. Social enterprises have limited access to capital owing to the longer time horizons for returns as a result. The post-revolution climate has made this issue more challenging with banks having concerns over funding non-traditional business operations. However, new regulations aiming at financial inclusion were adopted during the past few years allowing for new actors and lending companies to operate and target the underserved.

For their part, development partners can play a role in identifying the most marginalised people in the communities in which companies are interested in supporting. They can also work to convince companies of the value in dedicating some resources to communities most in need through evidence and by demonstrating knowledge of the importance of such investments. Participants at the validation workshop also noted that development partners can:

- Invest in capacity development for local government units, local community actors, civil society, trade unions and business associations to guarantee the sustainability of PSE projects in remote areas;

trade and investment with the Sinai governorate. See http://www.miic.gov.eg/English/Pages/default.aspx for more information.

- Provide further support to MSMEs that work in remote areas;
- Focus on blended finance to increase investment benefits, with long-term financing (5+ years);
- Promote South-South co-operation and knowledge sharing on successful practices; and provide institutional support to help formalise the informal sector as a way to improve the business enabling environment.

There are also steps the private sector can take to improve its impact in remote locations. Validation workshop participants argued that the private sector should involve local communities and CSOs in the design and implementation of their projects to increase local ownership and social impact, and ensure the sustainability of projects.

Monitoring, results and evaluation

The findings from the PSE mapping in terms of monitoring, results frameworks, results and evaluation are consistent with other reviews of PSE through development co-operation. Transparency around monitoring and evaluation processes, results and results frameworks is an ongoing issue (OECD, 2016; Oxfam, forthcoming 2017; Heinrich, 2017; Tewes-Gradl et al., 2014).

For roughly 56% of the projects examined, development partners suggest that some form of monitoring occurs. At a minimum, it appears that partners are required to submit progress reports annually, or more frequently. Yet, despite monitoring provisions, there is limited information made publicly available on preliminary results or more generally, the status of project implementation. Combined with the lack of available evaluations on PSE projects, it is very difficult to assess the impacts of PSE in an aggregate or meaningful way with such limited information. This also means that an assessment of the key factors that promote success in PSE projects in Egypt and how such successes might be scaled up is not possible based on the project mapping.

> The majority of PSE projects have some monitoring systems. However, there is limited information made publicly available on actual results, which are available for 10% of projects. Information is also often unavailable on the status of project implementation. This makes it difficult to assess success factors of PSE projects in Egypt.

Monitoring

The project mapping revealed that 12 development partners accounting for 138 projects provide general or project specific information on their monitoring frameworks. For 17 projects monitoring information, which is otherwise not available, was received through an interview. For 68 projects, monitoring information was in the form of general organisational monitoring frameworks whereas project specific information on monitoring was available for 87 projects. Five bilateral and multilateral DFIs accounted for the majority of these projects with DAC members and their implementing agencies participating in two of the projects with project specific monitoring information. In terms of general monitoring frameworks, six development partners note what they monitor, such as overall progress on the project and compliance with contractual obligations, and how monitoring occurs, including through reports by private sector partners and site visits. Two development partners include information on how they monitor projects while another two focus on what is monitored, such as overall project performance and compliance with environmental and social standards. Where project specific monitoring information is available, DFIs tend to include information on the ESG assessment for the project, focus areas for monitoring and how monitoring will occur, usually in the form of regular reporting and site visits.

One interviewee (March 2018) mentioned monitoring as a crucial factor preventing partnership arrangements between the private sector and development partners to take place in Egypt. For instance, development partners tend to couple with public MSME on-lending institutions over supporting commercial banks' MSME portfolios because commercial banks tend to put more emphasis on financial monitoring, which, at times, can have priority over monitoring for development impact. Also, enforceability of monitoring terms is often vague in partnership arrangements involving the private sector owing to a lack of clarity on the extent to which development partners are allowed to oversee private decisions. These considerations partially explain why project specific information on monitoring was limited in the project mapping.

Results frameworks

One hundred and five (105) projects, or 38%, provided some information on result frameworks. Of the projects that did include a results framework, 60 projects, or 22%, provide a general results framework that is used by the organisation. This is the main approach of bilateral and multilateral DFIs) which account for 54 of the projects with general results frameworks. These frameworks tend to be in the form of an overarching approach to results measurement by the development partner, and make reference to standardised results indicators – such as jobs supported, taxes paid, reductions in greenhouse gas emissions and sectoral indicators.

> A minority of PSE projects provide information on the results frameworks that inform individual projects. There is a need to make project specific results frameworks for PSE projects more publicly available.

The 45 projects for which results frameworks are available tend to be in the form of performance indicators. Eight development partners account for the available results frameworks, five of which are bilateral and multilateral DFIs. Across the 45 projects, there were no examples of projects with extensive results frameworks that include expected impacts, outcomes, and outputs, matched with targets, and information on data sources and risks.

Results

Nearly 53% of the projects examined (147) provide information on results or expected results. Twenty-seven projects, or 10%, provide actual results while roughly 43%, or 120 projects, provide expected results.[44] Projects supported by DAC members or their implementing agencies, and UN agencies comprise majority of the projects with actual results (22 of 27 projects). Projects supported by multilateral and bilateral DFIs comprise the majority of the projects with expected results (119 of 120 projects).

The majority of PSE projects – 53% – examined provide information on expected or actual results in terms of outputs and/or development outcomes.

Table 7 provides an overview of the type of results listed. In terms of actual results, nearly half of the 27 projects included information on the completion of project activities. Some projects provided information on direct beneficiaries (9) and/or project specific results related to performance of the project, usually in terms of service provision (8). Employment (as a general outcome or in terms of specific figures) was the most commonly cited expected result for projects (50). The demonstration effect of projects was also commonly cited (43 projects), which is unsurprising given the predominance of DFI projects (DFIs tend to prioritise the demonstration effects of projects when making financing decisions). Clean energy production and improvements to corporate and/or industry standards were the next most commonly cited results, each with 23 projects.

Table 7. Actual and expected results listed for PSE projects

Result	Number of projects
Actual	
Activities completed	13
Direct beneficiaries (e.g. # of individuals to receive training, access to services)	9
Project specific results such as improved traffic flows or water supplied (quantitative and/or qualitative)	8
Direct employment (quantitative)	3
Improved incomes (qualitative)	2
Expected	
Demonstration effect	43
Access to finance (including for MSMEs, the private sector more generally and individuals)	29
Employment (no figures provided)	26
Employment (quantitative figures included)	24
Clean energy production (figures inconsistently provided)	23
Improved corporate / industry standards	23
Market expansion or improved competition within the market	20
Capacity development	18
Tax revenues (no figures provided)	15
Knowledge or technology transfer	10
Positive impact on foreign exchange earnings	10
Positive environmental impact	7

In terms of scaling results, one interviewee noted that it is critical to work with the government (March 2018). Though it can be difficult to work with the government, partnership is the only way to guarantee that programmes can be scaled up to a national level. For programmes to be highly successful, they ideally must include government participation from the beginning. While this requires flexibility by all partners, programmes can be more effective as a result.

Evaluation

Evaluations of the reviewed PSE projects are limited. Only 13 projects (4.7%) provide information from evaluations. Only four development partners account for the 13 projects, the bulk of which are supported by Japan (10 projects). Two evaluations only focus on activities and compliance by the company with ESG standards rather than development outcomes. Evaluations for the Japan International Cooperation Agency tend to assess the efficiency, impact, effectiveness and sustainability of project, and include a focus on lessons learned (Box 7). For the majority of projects, 116 (41.9%), information is only available regarding institutional approaches and policies for evaluation. For 158 projects (57%), no evaluation information is available.

There is a significant gap in terms of evaluations available on PSE projects: Only 4.7% of projects provided evaluation information. 41.9% of projects only provide information on institutional evaluation procedures.

[44] We assume that many of the projects in the mapping are ongoing. It is difficult to decipher how many projects are ongoing as many do not list end dates. Including all projects that have no end date suggests that there are approximately 130 projects that are likely ongoing beyond 2017.

Box 7. Evaluating PSE projects through development co-operation: Japan's experience

Projects supported by the Japan International Cooperation Agency in the project mapping include basic project information (duration, partners involved, budget size, etc.) and project evaluations. The project evaluations assess the relevance of the project to the Government of Egypt and Japan's official development assistance strategy. They assess whether activities were completed on time, as planned and on budget. The assessment of outputs and outcomes provides quantitative and qualitative information, and where necessary, information gaps are noted. Projects are also evaluated in terms of their long-term sustainability. The evaluation scores against these dimensions in terms of whether progress was good, fair or low, with justification for scores. In addition, where projects include service provision or target particular beneficiary groups, the evaluations tend to include beneficiary surveys. Most reports include recommendations and lessons for the Japan International Cooperation Agency. The evaluations offer a frank assessment of development outcomes and do not shy away from pointing to key challenges in terms of partner capacities, donor coordination, the role of the government and other factors that impact project success.

The government has a number of mechanisms in place for monitoring and evaluation that relate to PSE. A Monitoring and Evaluation Department, the Center for Project Evaluation and Macroeconomic Analysis was formed under the Ministry of Investment and International Co-operation.[45] It has the responsibility of monitoring and evaluating foreign-funded development interventions. This includes project, programme, sectoral, thematic and Policy levels (GPEDC, 2016; interviewee, April 2018). The MSME Agency monitors at regional and headquarter levels (interviewee, March 2018). Regional offices provide monthly reports on the performance of projects with data classified by development partner, project, impact area, etc. At headquarter level, the Agency monitors development partner agreements. It also has an internal audit system that includes regular visits to regional offices. Each development partner also assigns an external auditor. This enhances accountability for results. In addition to these initiatives, participants at the validation workshop noted that the government could also develop a unified monitoring and evaluation framework of private sector activities in remote areas to measure their results and impact on the local community.

One interviewee noted several challenges related to results monitoring and evaluation when working with the private sector (March 2018). One challenge relates to the time horizon on projects. The private sector tends to either move too quickly or too slowly. Some companies want to be able to report on results through their quarterly reports, for example, however development results take time. Working with private partners to understand and be patient on development results is important. While is important for the development sector to learn from the private sector, it is also important for the private sector to understand the issues on the ground.

A second issue relates to the priorities of the private sector for monitoring and evaluation. The private sector does not always want to measure impact per se (interviewee, March 2018). Rather, they prefer stories and photos that they can highlight. While companies also want to see results from their investments in development, rigorous impact assessment is not always welcome when working with the private sector, particularly for companies that contribute owing to a sense of obligation (to carry out CSR) rather than because they are passionate about contributing to development outcomes. Moreover, companies do not want to hear that they have not achieved a specific result. They tend to want results metrics, but not at the level of impacts. Qualitative data tends to serve as the basis for decisions to scale up initiatives.

The private sector also faces challenges with respect to monitoring and evaluation. According to a representative from the private sector, a challenge when engaging development partners is that their reporting requirements tend to differ (March 2018). They also differ depending on project scope and the target group. In general, the main challenges in this regard include level of detail on end-users and socioeconomic data, which is not always available, the frequency of reports and the volume of data required, integration of a wide range of activities into a common assessment system and monitoring missions which sometimes interrupt the progress of the business or the project. Another representative from the private sector similarly noted that development partners require high levels of detail and frequent reporting that can sometimes take time away from meeting objectives (March 2018).

[45] The department conducted a number of project evaluations on the private sector development projects. These include projects funded by DAC donors and the UN Agencies from 2004 to 2012.

Transparency and accountability

Table 8 presents the key data gaps identified in the mapping process. In addition to the gaps noted in the previous sections, the table shows that there is a lack of information on project duration and timeline of donor support. Areas where information is largely available include information on budget, development partners, the type of private sector partners engaged and who they are, project descriptions, and the roles of various partners. The most significant information gaps pertain to monitoring, results and evaluation, as noted above.

Table 8. Mapping components for which information was not available

Mapping component	# of projects	% of total projects
Financing instrument	36	13%
Duration, no information	10	4%
Duration, no end date	192	69%
Budget	27	10%
Development partners	1	0%
Private sector type	15	5%
Private sector partners	21	8%
Other development partners	5	2%
About	40	14%
Role of partners	2	1%
Monitoring	122	44%
Results framework	172	62%
Results	130	47%
Evaluation	158	57%

With respect to the role of the private sector, the government's ability to make the private sector accountable, including in terms of following national and local laws and regulations has been limited (Egyptian Center for Social and Economic Rights, 2017). Some have suggested that CSOs could put greater pressure on multinational companies in Egypt to adhere to standards, particularly as many are headquartered in Europe. Better behaviour by these companies would set a good example for Egyptian companies (Saif and Ghoneim, 2013). However, civic watch dogs on corporate accountability have received limited support in the past (Sherif et al., 2016). For its part, the government could use its procurement power to mandate compliance with ESG standards as a prerequisite for sourcing from any company (Sherif et al., 2016).

The Ministry of Investment and International Cooperation has committed to enhancing transparency in development co-operation activities. The Ministry disseminates information on all current PSE portfolio projects with all development partners, including agreement documents, project duration, loan and grant components and involved stakeholders on its website. The Ministry also publishes a monthly bulletin with all updates on financial flows from development partners as well as investments and the number of companies established and expanded. Development partners are also required to provide quarterly updates on their current projects to the monitoring department within the Ministry and financial data of these reports are cross-examined with the Central Bank of Egypt and the Ministry of Finance for accuracy, consistency and transparency. With respect to PSE projects that do not involve the government, the Ministry of Investment and International Cooperation does not have data as not all development partners disseminate data transparently, especially when they do not involve governments (interviewee, April 2018).

In the area of CSR, companies need to exert more effort in demonstrating the results of their CSR initiatives (interviewee, March 2018). Participants at the validation workshop suggested that a national CSR entity could be developed to enforce laws, monitor, and evaluate projects to ensure their effectiveness. Such an initiative would contribute to improving the accountability of private sector stakeholders for their CSR activities.

Increasing PSE through development co-operation to support the SDGs

Egypt's Constitution adopted in January 2014, includes a commitment to sustainable development and securing the rights of citizens to education, health, protection and development. It seeks to strengthen governance, equality and social justices (The Arab Republic of Egypt, 2016). The country has also established a Sustainable development Strategy: Egypt Vision 2030.[46] There is an expectation that the government, private sector, civil society and development partners will implement Egypt Vision 2030 together. Preparations for Egypt Vision 2030 included participation by private sector representatives (and other stakeholders), and the private sector and civil society

A greater focus on the SDGs through structured public-private dialogue, promotion of CSR and social enterprises and the use of tax and financial incentives offer ways to increase private sector contributions to the SDGs.

[46] See http://sdsegypt2030.com/?lang=en

are expected to participate in the monitoring of progress on the SDGs. Egypt also requires that all ODA-funded projects contribute to the SDGs.

Despite these efforts, some interviewees claimed that the government does not put a sufficient focus on the SDGs (March 2018). This makes it difficult to ask companies, large and small, to join the conversation. Engagement by the private sector on the SDGs is very low. Similarly, CSO involvement could be greater, particularly in terms of championing the SDGs. Development partners could also promote greater alignment between public-private dialogue and the SDGs and development plans (interviewee, March 2018). Overall, there is a need, as one interviewee from the private sector put it, to spread "awareness among the business sector, the government and CSOs through a structured dialogue mechanisms to identify ways to collaborate with the private sector" (March 2018). At the validation workshop, participants similarly emphasised the importance of public-private dialogue as a priority area to facilitate the identification of SDG-related needs and inform the private sector of priorities. However, the willingness of the private sector to engage in development has also been slow. Momentum in the private sector for engagement with governments and development partners for development outcomes has yet to pick-up internationally and; hence, in Egypt (interviewee, April 2018).

According to a stakeholder from the private sector (March 2018), there needs to be more consultation and inclusion of the private sector in the structuring the country's economic agenda and national development priorities, despite the efforts noted above. The establishment of a National Economic Council with representatives from both the public and private sector could facilitate the setting of shared national priorities and pave the way for sustainable future co-operation between the public and private sectors.

A positive trend that supports private sector contributions on the SDGs is that companies are increasingly setting up corporate foundations, moving beyond their CSR teams (interviewee, March 2018). Companies with foundations tend to be more hands on due to their involvement in global conversations. Moreover, according to a 2016 study on CSR in Egypt, there is potential for the private sector to move beyond CSR to partnership on the SDGs (Sherif et al., 2016). There is a need for companies to revisit their approaches to community engagement, particularly in terms of working more with smaller companies and others in their supply chain to improve sustainability (Box 8). Participants at the validation workshop noted the importance of small companies in the context of CSR as well. They also noted that there is an opportunity for companies to be more strategic in their approaches to CSR by ensuring that efforts complement those carried out by development actors and civil society. Finally, Egypt would benefit from the establishment of a long-term, systematic platform for CSR dialogue to ensure continuous policy dialogue between the government, private sector and development actors on national priorities and potential CSR investment opportunities.

Box 8. Steps companies can take to improve community engagement to support the SDGs

Large companies in Egypt could contribute to the SDGs by addressing sustainability issues within their supply chains and through their community engagement efforts. Companies should clearly define stakeholders and company priorities, and listen to local stakeholders, which is key to learning from previous experiences, evolving approaches and ensuring relevance. They should also look to a wide range of partners – communities, civil society and smaller companies – to realise their priorities for sustainability and community engagement. Partnering with surrounding communities and others beyond the provision of financial resources allows for co-creation and implementation of initiatives, and greater mutual accountability between companies and their partners.

Source: Sherif et al., 2018.

According to an interviewee from the private sector, in addition to tax incentives, the government could supply co-financing and work to reduce costs of doing business to promote greater action on the SDGs. At the same time, development partners and others have noted that non-financial supports are also important, emphasising the need to focus on capacities and policy engagement as well as finance.

Support for engagement between civil society and the private sector would also contribute to greater private sector involvement on the SDGs, particularly where co-funding of development projects is possible (interviewee, March 2018). Such engagements allow for integrated approaches to sustainable development that build on reliable technical support and local knowledge, market information and attractive pricing (through the use of development partner financing such as grants).

Other issues in PSE through development co-operation: A national perspective

Making partnership work

Through partnerships companies see the value of development partners and the competences they have, which tend to complement those of the private sector. Establishing more partnerships and showcasing their results are important means to change perceptions and bolster future opportunities for engagement. Events and opportunities for dialogue are important as they offer an opportunity for different partners to see their compatibilities and shared priorities.

According to one interviewee representing a development partner, emphasising cost sharing and development expertise are important ways to bring in the private sector. Indeed, this view was supported by an interviewees from the private sector that noted that by working with development partners, they benefit from knowledge transfer, particularly in terms of world trends, and access to information, experience and people (March 2018). The private sector benefits from international knowledge of best practice and risks, access to new technologies and relevant technical assistance, and from finance that for-profit institutions are reluctant to give owing to higher risks or lower returns (though it should be noted that sometimes smaller development partners can also be risk adverse).

It is important that development partners demonstrate their commitment not only by providing finance through their PSE projects, but also by showing private partners the advantages of working with them to design and implement programmes, identify possible other partners and carry out monitoring and evaluation work that companies may not be equipped to do. In one interviewee's experience, once a company sees that a development partner has experience working with a number of other private partners they are more open to partnership. Projects are also more likely to succeed when they draw on the core competency and expertise of the private partner (rather than solely financial contributions).

Multi-stakeholder partnerships are difficult but worthwhile (interviewee, March 2018). For partnerships to succeed, it is critical that interests align and a "win-win" situation exist for everyone. A common objective needs to be established and stakeholders must be flexible to ensure that the needs of all stakeholders are met. The creation of such partnerships is time consuming but can pay off. It takes much more time to design programmes but they often lead to better results.

Education

Education is an important area of concern with respect to PSE in Egypt. It is a priority area for the private sector to engage with development partners, particularly as education is a key issue facing the country though it is difficult to show results quickly (interviewee, March 2018). Egypt faces significant challenges in terms of creating education for employment (Egyptian Corporate Responsibility Center and kks Advisors, 2015). In Egypt, there has been an emphasis on university education rather than vocational education and training. For the private sector, there is a mismatch between university graduates and their readiness for the business environment (EBRD, 2017). Moreover, technical and vocational education and training (TVET) in Egypt is not sufficiently linked to market demands. Curriculum development and technological advancements are not sufficiently accounted for in training, limiting the applicability of skills obtained in the marketplace. There is a need to change negative perceptions of TVET by parents and students in Egypt that see TVET as a path taken by those unable to succeed in higher education institutions. Emphasis rather should be placed on TVET as a successful pathway to employment and decent work. In addition, reform of the TVET system to ensure that graduates are highly skilled is needed. The quality of TVET is being addressed by the Government of Egypt with the aim of ensuring youth have the necessary skills to contribute to economic growth (Sherif et al., 2016). Educational institutions and companies in Egypt have also begun to focus efforts on upgrading human resources with a growing number of companies investing in education.

Women's economic empowerment

According to the World Bank's Enterprise Survey, which surveyed over 1,800 small, medium and large firms across a range of sectors in Egypt, in 2016 13% of employees in firms were female, five percent had a female top manager and 18% has female participation in ownership (World Bank, 2017). On employment and ownership, Egypt trails behind averages for the Middle East and North Africa. Women's economic empowerment can in some cases be hindered by the conservative norms and traditions. Though regulations aim to promote gender equality, in practice women are often denied jobs and limited to working in particular sectors. Harassment in the work place and discrimination such as towards pregnant women, are ongoing issues with women in blue collar employment suffering from the harshest conditions. Many women also work in agriculture informally and lack protection of basic rights in the workplace (Sherif et al., 2016).

Conclusion

This report has provided an overview of the current state of play on PSE through development co-operation in Egypt. Based on a review of 277 PSE projects, literature review, and interviews and a validation workshop with a wide range of stakeholders, the report has highlighted a number of opportunities and challenges. The report serves as a starting point and basis for ongoing discussions on how to improve the effectiveness of PSE through development co-operation.

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Annexes

Annex 1. Research Approach

Introduction

The report is informed by primary and secondary resources, interviews with local stakeholders and a country-level multi-stakeholder workshop. Interviews, secondary resources and the project mapping provided an indication of country specific issues that were worth further analysis in the report. The project mapping provided information against which to assess the main issue areas as identified in the private sector work stream concept note,[47] such as how PSE through development co-operation leaves no one behind, and how public-private contracts supported through development co-operation can meet transparency and accountability requirements. In this sense, the framework collects evidence on PSE based on the interests of development co-operation actors as well as key issues in PSE through development co-operation as identified through research on this topic. Interviews and secondary resources were used to identify context specific issues that cannot be assessed through the project mapping.

Literature review

The literature review provided the framing for the current status of PSE through development co-operation in Egypt, including with reference to the regulatory framework, private sector landscape, public-private dialogue, key sectors and the role of different non-state actors. In addition to informing the report, this review provided context of the interviews and country level workshop. Projects identified through the literature review were also included in the project mapping. Resources from a wide variety of stakeholders were collected and examined, including from government, parliament, the private sector, civil society, development partners and independent research institutions.

Project mapping

Primary research for the report included an examination of ongoing PSE projects at country level that utilise financial and non-financial development co-operation through desk review. The project mapping provided the factual basis for the analysis of the current state of play of PSE at the country level and for the paper as a whole (what is happening on PSE, by whom, where, etc.). As outlined in the mapping framework below (Table A.1), the mapping focused on evidence-gathering related to key issues in PSE (e.g. availability of results, monitoring frameworks, type of private sector partner engagement, key sectors, etc.). The mapping contributed to analysis of how small and medium-sized enterprises benefit from PSE; examination of the transparency and accountability of PSE supported through development co-operation; evidence of measurable results; and insights on country ownership in PSE, particularly in terms of the involvement of local stakeholders in projects and partnerships. Where information is available, the mapping also contributes to an assessment of the extent to which PSE through development co-operation at country level is working to leave no one behind.

Table A1.1. Project mapping framework

Category	Definition
About	Overview description of the project and its main objectives. Use direct quote where possible.
Modality	Knowledge and information sharing; policy dialogue; technical assistance; capacity development; finance. List all that apply. See Annex 3 in the PSE work stream concept note for full definition of each.
Instrument	Specific instruments supporting the project. These instruments are associated with formal private sector partnerships and create contractual obligations when used. Options include: grants, debt instruments, mezzanine finance instruments, equity and shares in collective investment vehicles, guarantees and other unfunded liabilities.
Programme type	Specific programme supporting the project. A subset of private sector instruments, refers to the specific mechanisms through which private sector partnerships are pursued. Includes: Blended finance, business support, business-to-business, capacity development, challenge funds, multi-stakeholder partnerships, non-profit private sector partnerships, output-based aid, PPPs, technical assistance, mezzanine finance, asset-backed securities, reimbursable grants, loans, bonds, credit lines, impact investing, equity finance, guarantees. List all that apply. See Annex 3 in the PSE work stream concept note for full definition of each.
Programme name, project title	Name of the programme that supports the project and project title. Include acronym / abbreviation in brackets where relevant. E.g. Dutch Good Growth Fund (DGGF), Flowers in Ethiopia
Duration	Start and end date. If information missing, say 'no start date' or 'no end date'.

[47] See http://effectivecooperation.org/wp-content/uploads/2017/10/PSE-Concept-Note_17Oct.pdf.

Budget	Total budget for the project. If available, include and indicate the private sector financing contribution.
Sector	Aggregate and specific sector, e.g. Agriculture, cocoa.
Development partner(s)	List development partners providing finance to support the project.
Type of private sector partners engaged	List all that apply. Large domestic, MSME domestic, large transnational, MSME transnational
Private sector partners	List names of the partners. If more than 5, can provide link to this information.
Other development partners	List development partners that are involved in the project but may not be financing it. Includes international and local partners.
Role of partners	Description of what each partner involved is responsible for. Use direct quote where possible.
Monitoring	Overview of how project is monitored. Link to monitoring framework if available.
Results framework	Description of the results that are being monitored. Provide link if a full framework is available (e.g. only gender equality and increases to incomes is listed, that should be included. Only link to comprehensive results frameworks).
Results	Headline figures that are available on the project. If a lengthy report is available, provide link.
Evaluation	Top level findings, particularly on development impact if available and link to report.
Additional notes	Any other information that may be relevant but is not captured by the framework.

To limit scope of the work, projects were drawn from the following:

- Top official development assistance (ODA) providers from the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee and traditional multilateral development banks that account for 75-80% of ODA in country.
- BRICS and other key southern partners, as identified by the country in question, through OECD data, and through a review of secondary resources.
- Top five United Nations (UN) institutions operating in the country based on ODA flows.
- Development finance institutions (DFI) that are active in the country, identified through a systematic examination of DFI websites.
- Philanthropic institutions active in the country identified by OECD specialist and through secondary resources.
- Civil society organisations active in the country identified by the country in question, through secondary resources, and based on suggestions from civil society members of the GPEDC.
- Projects already identified for the country in question from the initial mapping work and as put forward by members of the GPEDC.

It should be noted that projects that focus on private sector development and do not include a private partner were excluded – e.g. development partner to government support for the business enabling environment will be excluded (unless there is a private partner involved in the project). The criteria for project selection is sector agnostic – PSE projects from a wide variety of sectors will be included in the mapping, such health, education, private sector development, water and sanitation, etc. To ensure a wide scope of PSE projects and partnerships are captured by the mapping, the research team examined projects that include a development partner, are supported by development co-operation (ODA, ODA-like flows such as foundation financing, or SSC) and include a private sector partner. This approach follows the definition of PSE through development co-operation as outlined in the 2016 OECD Peer Learning on PSE in Development Co-operation.[48] Though the approach to the project mapping aims to be as comprehensive as possible, invariably some development partners were not included in the group of stakeholders as outlined above.

The project mapping was conducted over January - March 2018. To limit the scope of the research, projects that began in 2000 or started before but continued during 2000 were considered. The research team selected 2000 in an effort to limit the scope of projects reviewed while ensuring that the projects selected offered a large enough time span to show results, scale and impact. For each project, the review team looked at key issues in PSE such as modalities, instruments, programmes, roles of partners, results as well as monitoring and evaluation frameworks. Top DAC donors and their project implementing agencies, top 5 UN institutions, multilateral development institutions, and philanthropic institutions were identified through publicly available

[48] PSE is defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes (Crishna Morgado et al., forthcoming; Di Bella et al., 2013). See http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf.

as well as confidential OECD databases. DFIs active in Egypt were identified through a systematic examination of DFI websites. Interviews with local CSO representatives and CSO members of the GPEDC as well as review of secondary resources enabled the team to identify active CSOs in Egypt. For south-south co-operation providers, projects were drawn from secondary resources and other publicly available databases.[49] After identifying partners, the review team visited websites of individual partners and looked for information on partners' project portfolios. Table A.2 presents the development partners reviewed.

Table A1.2. Development partners reviewed	
Development partners	**Project identified based on publicly available resources**
DAC donors and their implementing agencies[50]	
European Union	Yes
Germany – BMZ and GIZ	Yes
France – AFD	Yes
Japan – JICA	Yes
United States – USAID	Yes
Italy - Italian Agency for Development Cooperation	Yes
Switzerland – Swiss Agency for Development and Cooperation	Yes
Bilateral DFIs	
Austria – Development Bank of Austria (OeEB)	Yes
Belgium – Belgian Corporation for International Investment (SBI-BMI)	No
Belgium – Belgian Investment Company for Developing Countries (BIO)	No
Denmark – the Danish Investment Fund for Developing Countries (IFU)	Yes
Finland – Finnish Fund for Industrial Cooperation (FINNFUND)	No
France – Proparco	Yes
Germany – German Investment Corporation (DEG) -– KfW	Yes
Italy – the Italian Development Finance Institution (SIMEST)	No
Japan – Development Bank of Japan	No
Japan – Export-Import Bank of Japan	No
Japan – Japan Bank for International Cooperation	Yes
Netherlands – Netherlands Development Finance Company (FMO)	Yes
Norway – the Norwegian Investment Fund for Developing Countries (NORFUND)	Yes
Portugal – the Portuguese Development Finance Institution (SOFID)	No
Republic of Korea – Korea Development Bank	No
Spain – Compañía Española de Financiación del Desarrollo (COFIDES)	Yes
Sweden – the Swedish Development Finance Institution (SWEDFUND)	Yes
Switzerland – Swiss Investment Fund For Emerging Markets (SIFEM)	Yes
United Kingdom – the Commonwealth Development Corporation (CDC)	Yes
United States - Overseas Private Investment Corporation (OPIC)	Yes
Multilateral DFIs	
Arab Fund for Economic and Social Development	Yes
African Development Bank (AfDB)	Yes
European Bank for Reconstruction and Development (EBRD9	Yes
European Investment Bank (EIB)	Yes
International Finance Corporation (IFC, World Bank Group)	Yes
Global Environment Fund	Yes
Islamic Development Bank (IsDB)	Yes[51]
Middle East and North Africa Transition Fund	Yes
Multilateral Investment Guarantee Agency (MIGA, World Bank Group)	Yes
OPEC Fund for International Development (OFID)	Yes
Others (Philanthropic Institutions)	
Bloomberg Family Foundation	No
Bill and Melinda Gates Foundation	No
C&A Foundation	No
Carlos Slim Foundation	No
Children's Investment Fund Foundation	No
Dutch National Postcode Lottery	No
Dubai Cares	No
Ford Foundation	No
H&M Foundation	No
IKEA Foundation	No
Itaú Social Foundation	No
Li Ka Shing Foundation	No

[49] See http://aiddata.org/datasets.
[50] Review team came across to projects from Australia, Spain and the UK and their implementing agencies during the literature review phase and as a result of suggestions from the government focal point and GPEDC members. These projects were included however a systematic review of the websites of these development partners was not conducted.
[51] It is unclear from the project database of IsDB if projects can be categorized as PSE projects. Some project are included as a result of suggestions from the government focal point.

MasterCard Foundation	No
Oak Foundation	No
Sawiris Foundation	Yes
Susan T. Buffett Foundation	No
Tata Trusts	No
Wellcome Trust	No
Others (CSOs)	
ActionAid	No
Alexandria Friends of the Environment Association	No
BRAC	No
CARE	Yes
Caritas	No
CIVICUS	No
CHF International	Yes
Egyptian Center for Women's Rights (ECWR)	Yes
Freedom House	No
Goal International	No
Oxfam	No
Plan International	Yes
United Nations agencies	
International Fund for Agricultural Development (IFAD)	Yes
United Nations Development Programme	Yes
United Nations High Commissioner for Refugees	No
United Nations Children's Fund (UNICEF)	No
United Nations Industrial Development Organization (UNIDO)	Yes
World Health Organization (WHO)	No
South-South Co-operation Providers	
Arab Fund for Economic and Social Development	Yes
China	Yes
Islamic Development Bank (IsDB)	Yes
Kuwait – Kuwait Fund for Arab Economic Development	Yes
OFID	Yes
Qatar	Yes
Saudi Arabia	Yes
Saudi Arabia – Saudi Fund for Development	Yes
Saudi Arabia – Saudi Grant Committee	Yes
United Arab Emirates – Abu Dhabi Fund for Development	Yes
United Arab Emirates – Khalifa Fund for Enterprise Development	Yes

Interviews

The report is informed by open-ended, semi-structured interviews and group discussions in person and by telephone with representatives from government (2), bilateral development partner (DAC (1)); multilateral development partners (2); bilateral development finance institution (1); philanthropic institutions and CSOs (1); the private sector (large (2) and MSME (1)); and business associations (3). Potential interviewees were put forward by the Government of Egypt and the GPEDC working group on PSE (a multi-stakeholder advisory group consisting of members of the Steering Committee). Representatives from the following organisations were interviewed:

- Association for Small Businesses
- Center for International Private Enterprise, Egypt
- Chemblex (Medium-sized private enterprise)
- Commercial International Bank - Egypt
- German Embassy
- Egypt Ventures
- Federation of Egyptian Banks
- International Fund for Agriculture and Development
- Khalifa Fund for Enterprise Development
- Ministry of Investment and International Co-operation
- MSME Development Agency (Government of Egypt)
- Sawiris Foundation for Social Development
- World Bank

It should be noted that interview findings are provided as suggestive evidence and may not necessarily truly reflect the current state of play of PSE in Egypt.

Workshop

In support of the case study on private sector engagement through development in Egypt, the Ministry of Investment and International Cooperation organised a participatory multi-stakeholder workshop on August 9th, 2018. The objective of the workshop was to share the preliminary findings of the study and to consult with participants on the roles of different stakeholders in promoting PSE and to provide policy recommendations, by and to all involved parties, on the way forward. Forty-five stakeholders participated in the workshopin, including representatives from government (20), development partners (12), private sector (5), civil society (9), business associations (1) and research centers (3). This is in addition to representatives from the General Authority for Investment, Advisors to the Minister and PSE team members at the Ministry of Investment and International Co-operation. Participating organisations are listed below.

- Association for the Development and Enhancement of Women
- British Egyptian Business Association
- Care International
- CIB Foundation
- Coptic Evangelical Organization for Social Services
- CSR Egypt
- Embassy Of Canada
- El Re7la
- European Bank for Reconstruction and Development
- General Authority for Investment and Free Zones
- Information Technology Industry Development Agency
- International Labour Organization
- Japan International Cooperation Agency
- Ministry of Communication & Information Technology
- Ministry of Electricity and Renewable Energy
- Ministry of Environment
- Ministry of Finance
- Ministry of Housing, Utilities and Urban Development
- Ministry of Investment and International Cooperation
- Ministry of Petroleum
- Ministry of Trade & Industry
- Ministry of Water Resources & Irrigation
- Misr El Kheir Organization
- New & Renewable Energy Agency
- New Horizon Association for Social Development
- Professional Development Foundation
- Raya Holding
- The American University in Cairo
- Threio
- United Nations Development Programme
- United States Agency for International Development
- World Bank

Workshop Agenda

Agenda
Workshop: Global Partnership for Effective Development Cooperation (GPEDC)
Private Sector Engagement (PSE) in Development

Ministry of Investment and International Cooperation
9 August 2018

9:00 - 9:30 am	Registration and Coffee
9:30 - 10:00 am	Welcoming remarks by H.E. Dr. Sahar Nasr, Minister of Investment and International Cooperation
10:00 – 10:30 am	The preliminary results of the case study on the effectiveness of private sector participation and its engagement in sustainable development in Egypt
10:30 – 11:30 am	Focus Group Discussions ▪ Group (1): Promoting Private Sector Contribution to Ensure More Inclusive Development in Remote Areas. ▪ Group (2): Strengthening Public-Private Partnership (PPP) in Supporting the Sustainable Development Goals (SDGs). ▪ Group (3): Exploring New Opportunities for Promoting Corporate Social Responsibilities (CSR).

11:30 -12:00 noon	Coffee Break
12:00 – 12:30 pm	Feedback from group discussions and suggested Policy Recommendations
12:30 - 13:00 pm	Closing Statement