



Sustainable Development in an Ever-changing World



Dr/Hala Helmy El-Saeed
Minister of Planning and Economic Development

In recent years, the world has witnessed rapid economic, social, and geopolitical changes and circumstances that were not probably experienced for decades. These changes began in early 2020 with the spread of the COVID-19 pandemic that threatened humanity and led the world into a state of complete closure. The pandemic resulted in disruption of supply chains, contraction in global trade, and slowdown in economic growth rates, ultimately resulting in millions of people worldwide falling into unemployment and poverty.

As the pandemic began to show signs of easing and the global economy began to recover, new geopolitical crises emerged with the outbreak of the Russian-Ukrainian war, the repercussions of which affected all countries of the world without exception, and led to a stagflation phase in the global economy resulting from rising energy and food prices.

The negative effects of the economic recession and debt problems, especially in emerging markets, were compounded by unprecedented inflation rates, and the situation was further complicated by the environmental issues and the need for countries to implement broad financial stimulus packages, which represent one of the most important pillars of efforts by countries to confront the repercussions of these successive crises and achieve recovery.

These challenges arose at a time when the Egyptian government had already made significant progress in its reforms and serious efforts to achieve comprehensive and sustainable development after the launch of "Egypt Vision 2030" in February 2016, which represents updates in line with the current status quo and developments - the national version of the UN Sustainable Development Goals. It also included the implementation of the first phase of the national program for economic and social reform since November 2016, which included

The negative effects of the economic recession and debt problems, especially in emerging markets, were compounded by unprecedented inflation rates, and the situation was further complicated by the environmental issues and the need for countries to implement broad financial stimulus packages, which represent one of the most important pillars of efforts by countries to confront the repercussions of these successive crises and achieve recovery

a number of institutional and legislative reforms, as well as incentive measures to create a favorable business environment and expand infrastructure projects.

These projects were crucial at this stage and followed the period of political and economic turmoil in 2011, during which the state had to take the lead role in stimulating the economy, restoring confidence, encouraging local and foreign investment, and achieving breakthroughs that would positively impact the lives of citizens through massive investments in a short time at high rates of achievement. Moreover, such projects entered into areas that the private sector may not have been fully prepared to invest in during this critical period of the country's history.

As the state continued its reforms, it began implementing the National Structural Reform Program in April 2021, which aims to transform the Egyptian economy into a productive, knowledge-based economy with competitive capabilities in the global economy in order to encourage inclusive growth, create decent and productive job opportunities, diversify and develop production patterns, localize industry, increase the competitiveness of Egyptian exports, improve the business environment and enhance the role of the private sector.

Reform is achieved by facilitating and developing trade, creating a supportive environment for competition, and organizing development partnerships with the private sector, providing mechanisms to enhance partnerships, including the Sovereign Fund for Development and Investment, which is the ideal investment partner for the private sector, especially as it operates according to a special law that gives it flexibility in implementing investments in multiple sectors and exiting in the optimal way to maximize their value. In October 2022, the state also adopted the "State Ownership Policy" document, which clarifies for investors the role of the state in various sectors as a regulator of

economic activity according to market mechanisms and how the state will exit activities where the private sector will play a greater role, such as various industries, broad infrastructure, health, education, traditional infrastructure, and communications. This document contributes to providing a fertile and stimulating environment for investment and development, aiming to increase local and foreign investments and improve the efficiency and effectiveness of public investments.

The state also continues its serious efforts towards the transition to a green economy and preserving the sustainable use of natural resources. This was embodied on the ground by hosting, on behalf of Africa, a historic and distinctive version of the United Nations Framework Convention on Climate Change (COP27) in Sharm El-Sheikh in November 2022, where the state adopts the environmental sustainability standards that aim to make green projects represent 40% of the state's investment plan for the fiscal year 2022/2023/ and 50% of the plan for 2024/2025/. The state also coordinates and cooperates with the private sector to adopt these standards, as evidenced by the launch of many projects in various sectors, including infrastructure, smart transportation, and the generation of new and renewable energy, such as the Benban project, which is the largest and most important solar energy project in the world in recent years.

Furthermore, Egypt also seeks to maximize the benefit of its human resources by intensifying investment in people through expanding training programs and building the capacity of youth and women, keeping pace with developments in the global economy, especially in the field of future jobs. This is meant to achieve the maximum benefit from the young human resources and direct the potential of youth to be compatible with the requirements of the era and to form one of the tributaries of efforts to reach comprehensive development. This has coincided with taking serious measures to improve the efficiency and flexibility of the labor market, rehabilitate the technical and vocational education system, encourage entrepreneurship, and establish small and medium-sized projects to provide more job opportunities and bridge the gap between labor supply and demand. This will also help in continuing human capital development programs by expanding investment in education, health, and social protection programs.

Therefore, the serious reforms implemented by the Egyptian government have enhanced the economy's ability to withstand challenges; they provided the necessary financial space to expand social protection networks and allow comprehensive development opportunities for all. Moreover, they continue to implement national projects and development initiatives, and mobilize the vast resources and financing required for these initiatives. At the forefront of these initiatives is the "Decent Life" initiative launched by President Abdel-Fatah El-Sissy in January 2019 as a comprehensive initiative aimed at making a qualitative leap in the lives of millions of Egyptians.

This initiative, which is the largest in Egypt's and the world's history in terms of its funding value and the number of beneficiaries, covers all sustainable development goals. Its objectives are to improve the living conditions for rural residents by improving the quality of human development services such as education, health, sports, youth services, and cultural services. It also provides social protection and care, enhances the level of basic infrastructure and urban services such as drinking water, sanitation, paved roads, and suitable housing. Besides, it promotes development, increases productive employment opportunities by stimulating investment and providing easy financing for small projects, and expands vocational training services. These efforts reinforce the state's efforts to localize sustainable development goals and achieve balanced regional development, which is one of the main pillars of Egypt's 2030 vision.

Therefore, this initiative has received praise from international organizations. It was registered on the United Nations Development Accelerators platform in July 2020 and on the Best International Practices platform in July 2021, both managed by the United Nations Department of Economic and Social Affairs (UNDESA). This is due to several considerations, including the initiative's geographic coverage, the inclusion of all sustainable development goals, targeting specific measurable results, providing monitoring and follow-up mechanisms to ensure transparency and accountability, and relying on community participation and full coordination among all relevant agencies, whether at the planning, financing, implementation, or monitoring levels.

Regarding the success achieved by the "Decent Life" initiative and other development programs implemented by the state, the Egyptian economy has indeed accomplished a number of positive indicators



All in all, the achieved results have been made possible through the Egyptian state's constant efforts, comprehensive approaches, and short, medium, and long-term measures to turn these challenges into opportunities that contribute to attaining the quick recovery of the economy and strengthening its resilience in the face of future challenges. The Egyptian state fully realizes that there are still other challenges that need to be confronted with collective will and responsibility, the most prominent of which is the increasing population growth

despite the difficult challenges it faced. These include achieving a growth rate of over 5% in some years, reaching 6.6% in the fiscal year 2021/ 2022, which is the highest growth rate since 2008 before declining slightly in the first half of the current year 2022/ 2023 to reach 4.2% due to the variables and geopolitical crises witnessed by the world. Additionally, unemployment rates fell to about 7.1% in the first quarter of 2023, and overall, due to the developmental efforts of the Egyptian state, Egypt maintained its positive performance in achieving the Sustainable Development Goals Indicator and obtained a grade of 68.7% out of 100 in the general indicator in 2022, compared to 68.6% in 2021, ranking 87th out of 163 countries covered by the indicator in 2022, despite the regional average decline in the Middle East and North Africa region from 67.1 in 2021 to 66.7 in 2022. Egypt's ranking also witnessed an increase according to the Human Development Report, as it jumped 19 places (from 116th in last year's report to 97th in 2021/ 2022), maintaining its ranking in the high human development group of countries. This is due to Egypt's higher ranking in sub-indicators related to decent living standards, economic growth, decent work, and quality education.

All in all, the achieved results have been made possible through the Egyptian state's constant efforts, comprehensive approaches, and short, medium, and long-term measures to turn these challenges into opportunities that contribute to attaining the quick recovery of the economy and strengthening its resilience in the face of future challenges. The Egyptian state fully realizes that there are still other challenges that need to be confronted with collective will and responsibility, the most prominent of which is the increasing population growth that exacerbates the imbalance between the population size and available resources, negatively affecting the individual's share of development returns. Egypt has always considered this challenge as a strategic decision for Egyptians to choose between a future in which dependency rates increase, thus widening the gap between resources and population needs and reducing the individual's share of development fruits, and another future that takes into account the desired balance in which every child born has a suitable opportunity to obtain their rights, whether in healthcare, quality education, or decent housing.

In conclusion, Egypt is committed to facing the challenges and attaining comprehensive and sustainable development, which it considers as a collective responsibility that everyone shares in achieving and benefiting from. Egypt also maintained a balanced growth based on reforming the economy, and protecting priority groups through the fundamental principles laid down in the development plan and following the participatory approach that ensures continuous dialogue and joint action between the government, private sector, and civil society. Finally, the state has also emphasized its commitment to the right to development, which lies at the heart of the broader and more comprehensive development approach of the Egyptian state to ensure human rights.