



United Nations Environment Programme



Egyptian National Competitiveness Council



Egypt Green Economy National Initiative

Sustainable and Green Growth: A Main Pillar of the Egyptian National Competitiveness Strategy

Helmy Abouleish, Chair, ENCC
Cairo, 23rd January 2011

Why does Egypt need a Competitiveness Strategy?

Egypt is in a competition ... a competition that it is currently losing

THE WIDENING GAP

in meeting basic needs of the population: **food, health, education, housing & decent & secure jobs**

GLOBAL & REGIONAL LEADERSHIP

in **political and economic terms**

THE RACE AGAINST TIME

before **water, energy, and food** become **national security risks**

THE ECONOMIC CONTEST

for **export market share** and investment in 21st century technologies, growth sectors & industries

LABOR

Egypt is facing a serious unemployment problem now and in the future

- High rate of unemployment reaching 9.4% in 2009*.
- Additionally, informal employment accounts to 7.9 million workers*.
- Over the next 10 years labor force will reach 34 millions in 2020 with an annual addition of 790,000 in 2015-2020**.

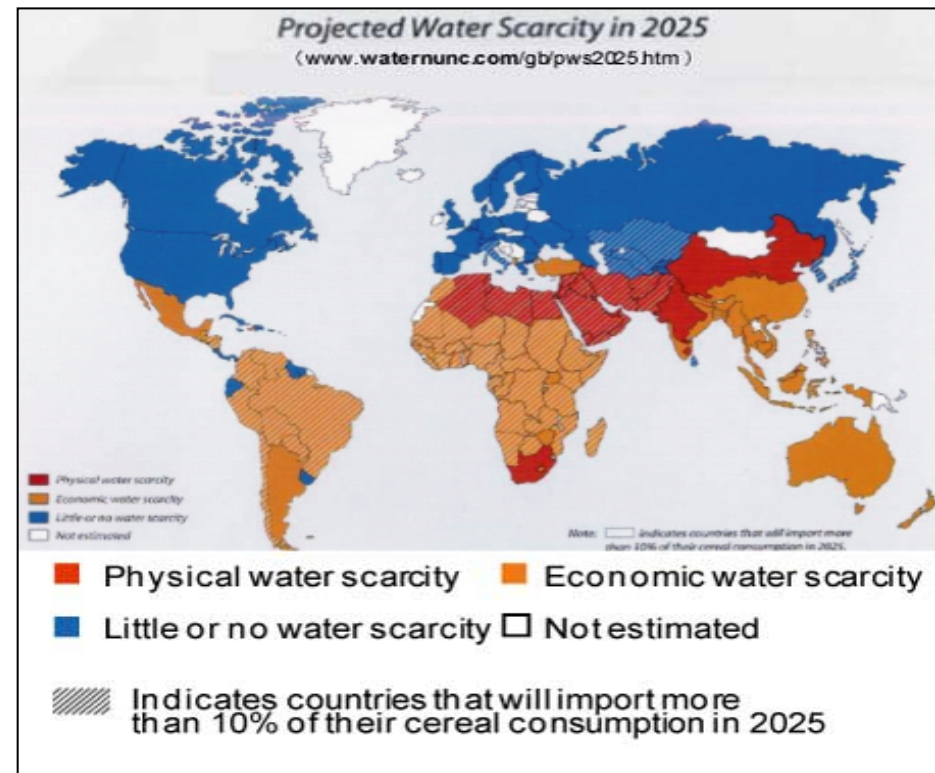
→ All together Egypt needs more than ONE million Jobs per year!

Increased competitiveness = Higher Productivity = More Jobs

WATER

Egypt is already experiencing “Water Poverty” — and will soon face “Water Deficits”

- **Water scarcity is already being felt.** Egypt has already crossed the line into the UN’s official statistical definition of water poverty.
- **Water deficits are just around the corner.** Egypt’s water supply will no longer cover its needs by 2017. Egypt will face serious water shortages by the year 2025, described as a possible drought.
- **Available water resources must be used more efficiently and new water resources must be found.**



ENERGY

Egypt is rapidly depleting its primary sources

- **Egypt became a net oil importer in 2008.** It has largely replaced diminishing oil with increased natural gas production.
- Egypt is selling off its natural gas and calculating it as an income or contribution to GDP however **it should be taken in consideration that Egypt is depleting a natural asset.**
- Current accelerated extraction rates are much greater than other similar natural gas producers. **Egypt could become a net natural gas importer within a decade.**
- **Egypt is in imminent danger of losing its energy independence.**

Figure 3. Oil Production and Consumption in Egypt, 1980–2008

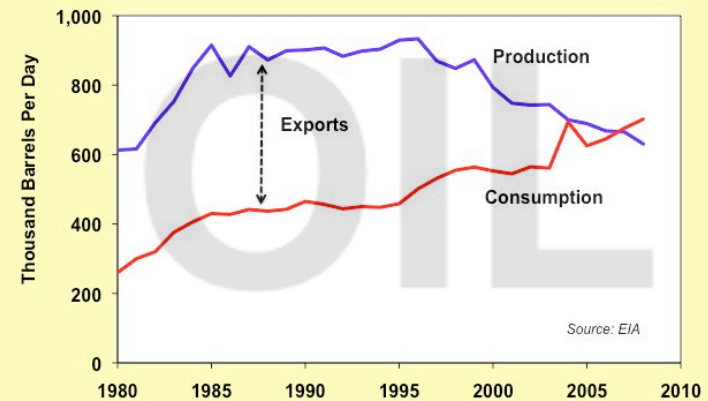
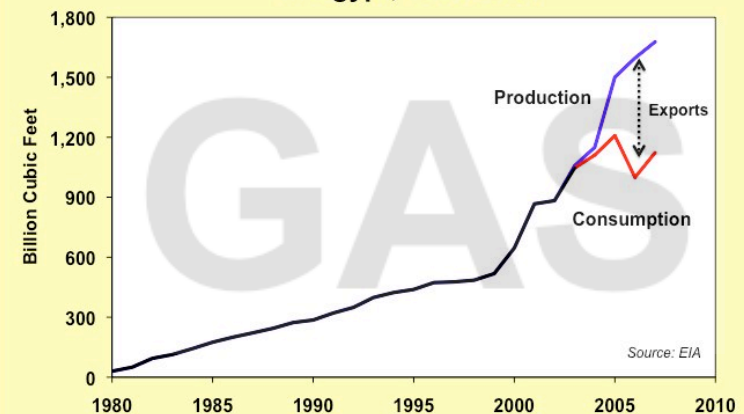


Figure 4. Natural Gas Production and Consumption in Egypt, 1980–2007



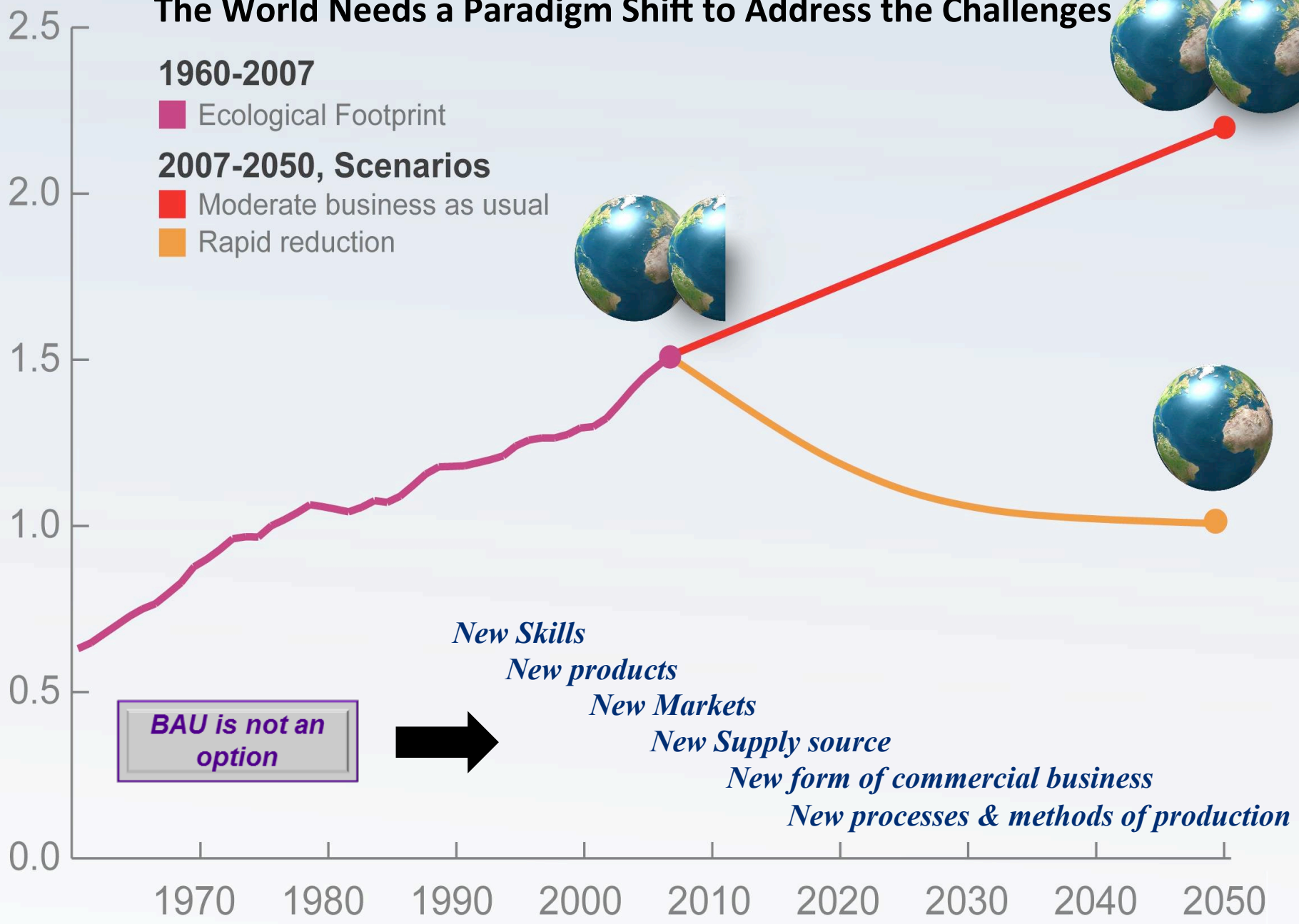
FOOD

Egypt's food security will be threatened by water scarcity and climate change

- Egypt currently has no difficulty feeding its people
- That situation could quickly reverse, because of the inter-linkages between water scarcity, climate change, and global food prices
- Food riots and other social disruptions are the inevitable result.



The World Needs a Paradigm Shift to Address the Challenges



y-axis: number of planet earths, x-axis: years

Source: Global footprint network

The Egyptian Competitiveness Strategy (ECS) is the most effective way for Egypt to ...

CREATE THE BRIDGE

to a 21st Century economy by reforming education and investing in people

TAKE THE LEAD

as a regional beacon of hope and source of new ideas, solutions, and technologies

WIN THE RACE

and avert the crisis in resources with new technologies and social change

ATTRACT THE MONEY

from investors, international financiers, and donors

ECS can help Egypt become a supplier of choice for key markets taking advantage of global trends in demand

Trends

High fossil fuel prices are driving up the cost of transportation and final products



Rising **labor costs** in China are driving enterprises all over the world to look for new suppliers



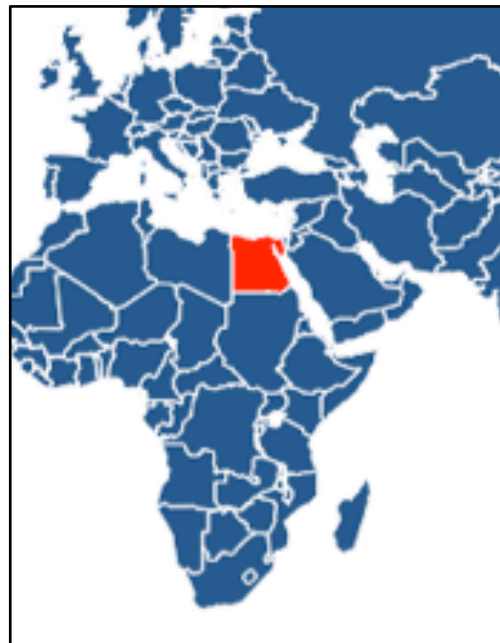
European demand increasingly favors sustainable, low-carbon products



Climate change is increasing the cost of energy and generally final products

Implications

Egypt with it's location can be the supplier of choice for key markets



✓ Producer of sustainable products including renewable energy

✓ Supplier of an affordable, well-educated, productive workforce

✓ Source of innovative solutions to mutual resource challenges such as water, desertification and food scarcity

Egypt can address these challenges and leverage new opportunities if change starts now

Vision for the ECS

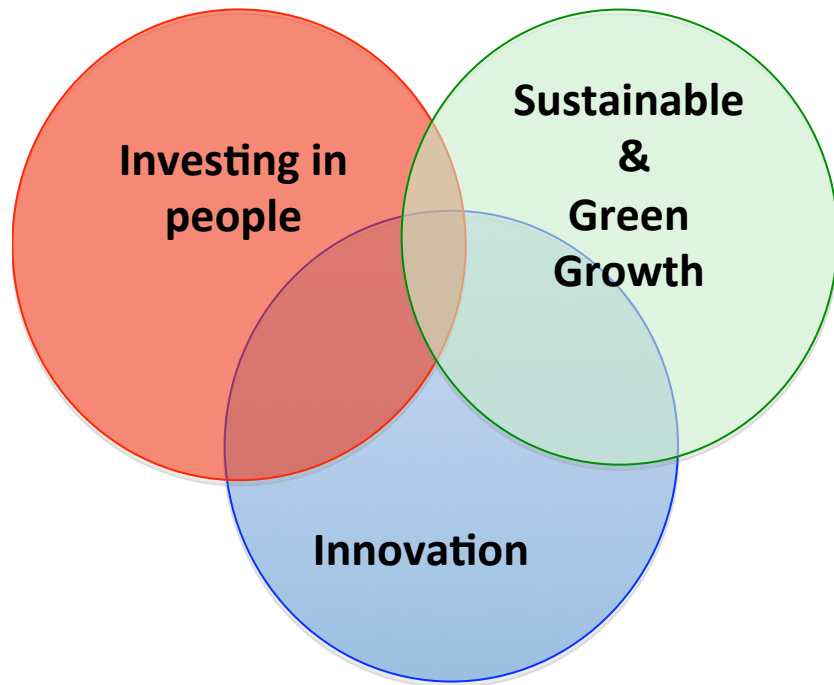
“To be among the world’s top competitive countries.”

Mission for the ECS

- *To create a globally **competitive and productive workforce** in an **efficient labor market** with a special focus on a **modern educational and training system** that equips them with skills, critical thinking and technologies to adapt to a constantly changing environment*
- *To build a model of growth based on a **Green Transformation** of the economy assuring a **modern, efficient, competitive, and low-carbon economy** that uses the unique availability of abundant renewable energy resources and builds on its strengths in **tourism and logistics***
- *To establish an outcome driven **innovation** model that addresses the major societal challenges and strengthen our leadership in key potential technologies **Renewable Energy, Agri-business, and Information and Communication Technology (ICT)***

1. The Egyptian Competitiveness Strategy will focus on three key pillars

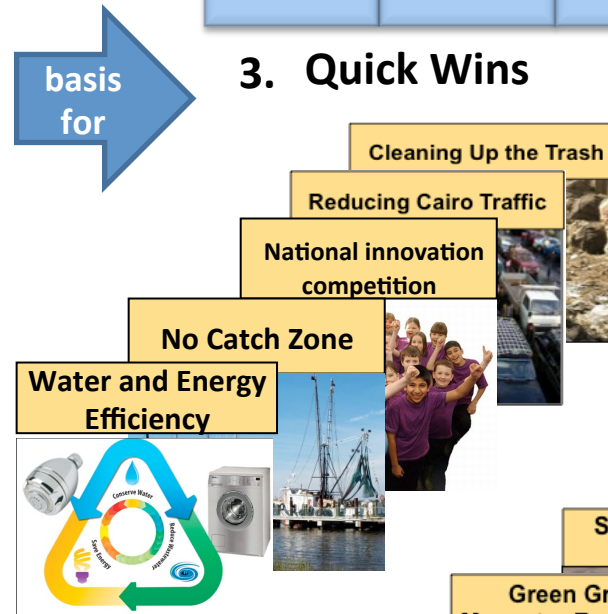
1. Key Pillars



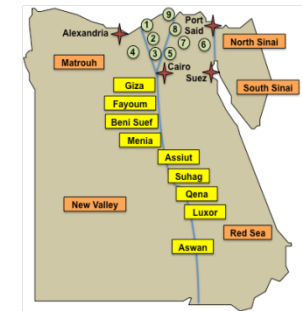
2. Sector Initiatives

Agriculture	Tourism	ICT
Industry and Trade	Renewable Energy	Construction and logistics

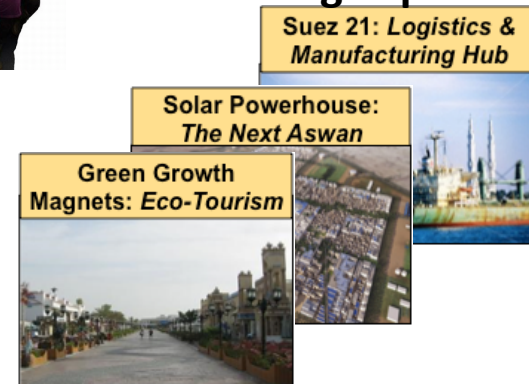
3. Quick Wins



5. Governorate Initiatives



4. Flagship Initiatives



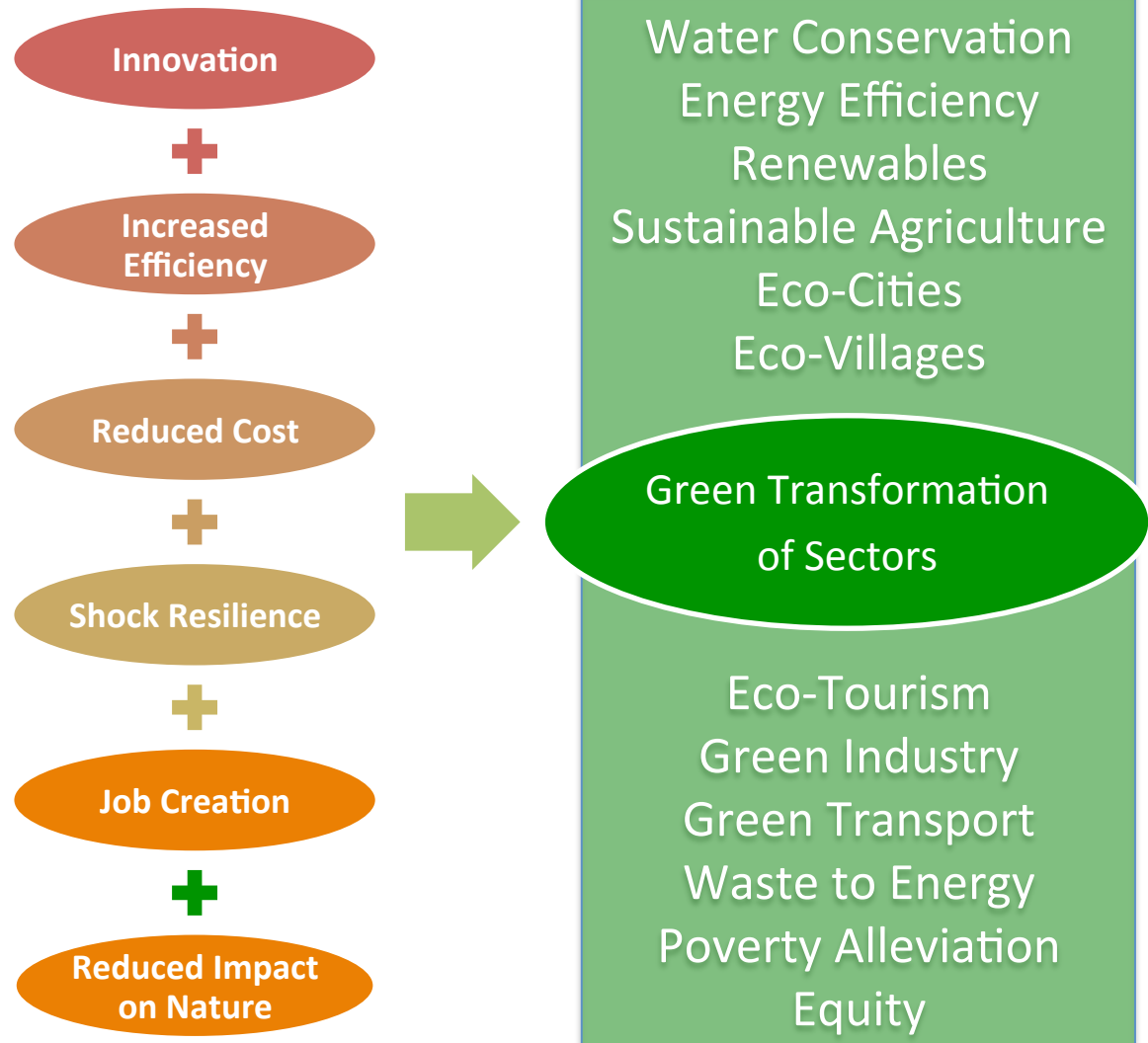
2. Green Transformation of the sectors helps to build up and secure long-term competitiveness

Successful emerging economies around the world are learning that **Green Transformation pays**.

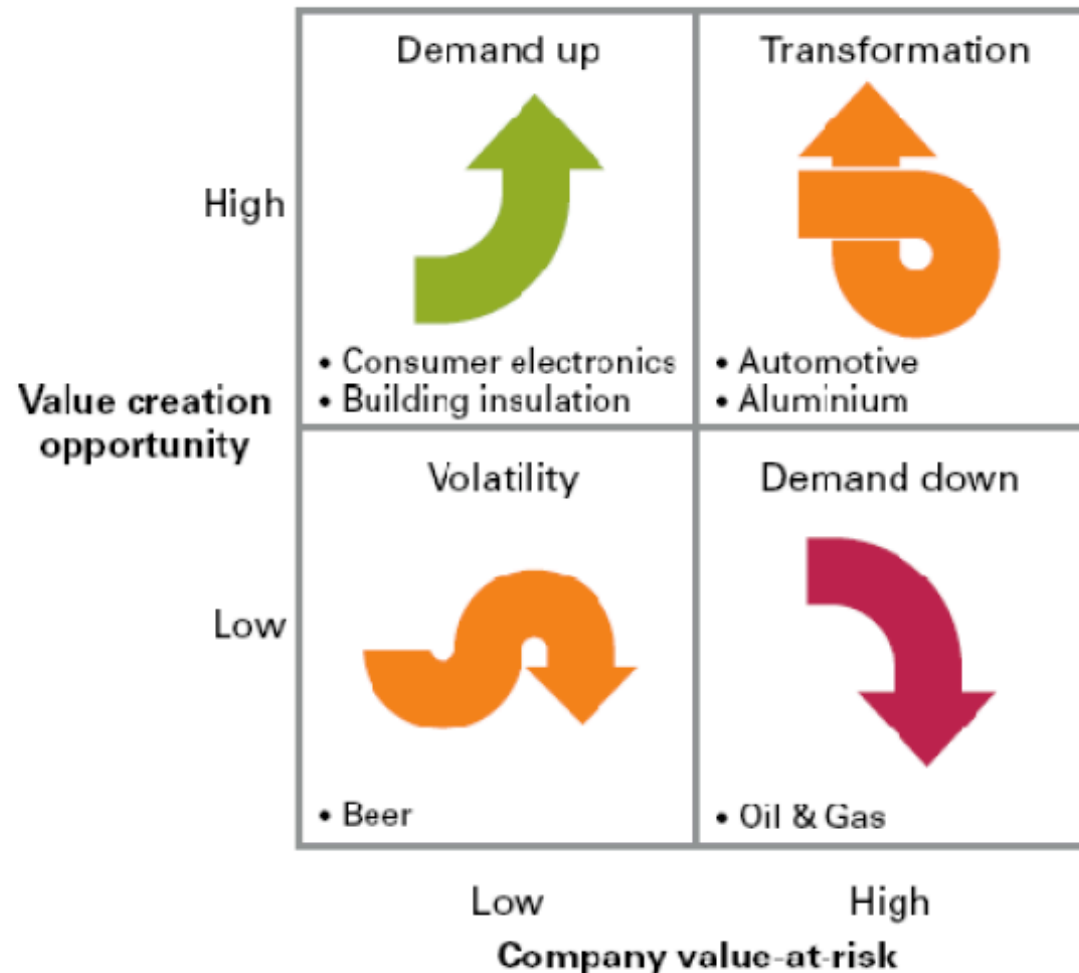
Egypt is already heading in this direction as well — but needs to **move more decisively**.

The Green Transformation is not a “cost” — it is a secure, high-return investment.

Countries with development challenges similar to Egypt’s are **already making this investment**.



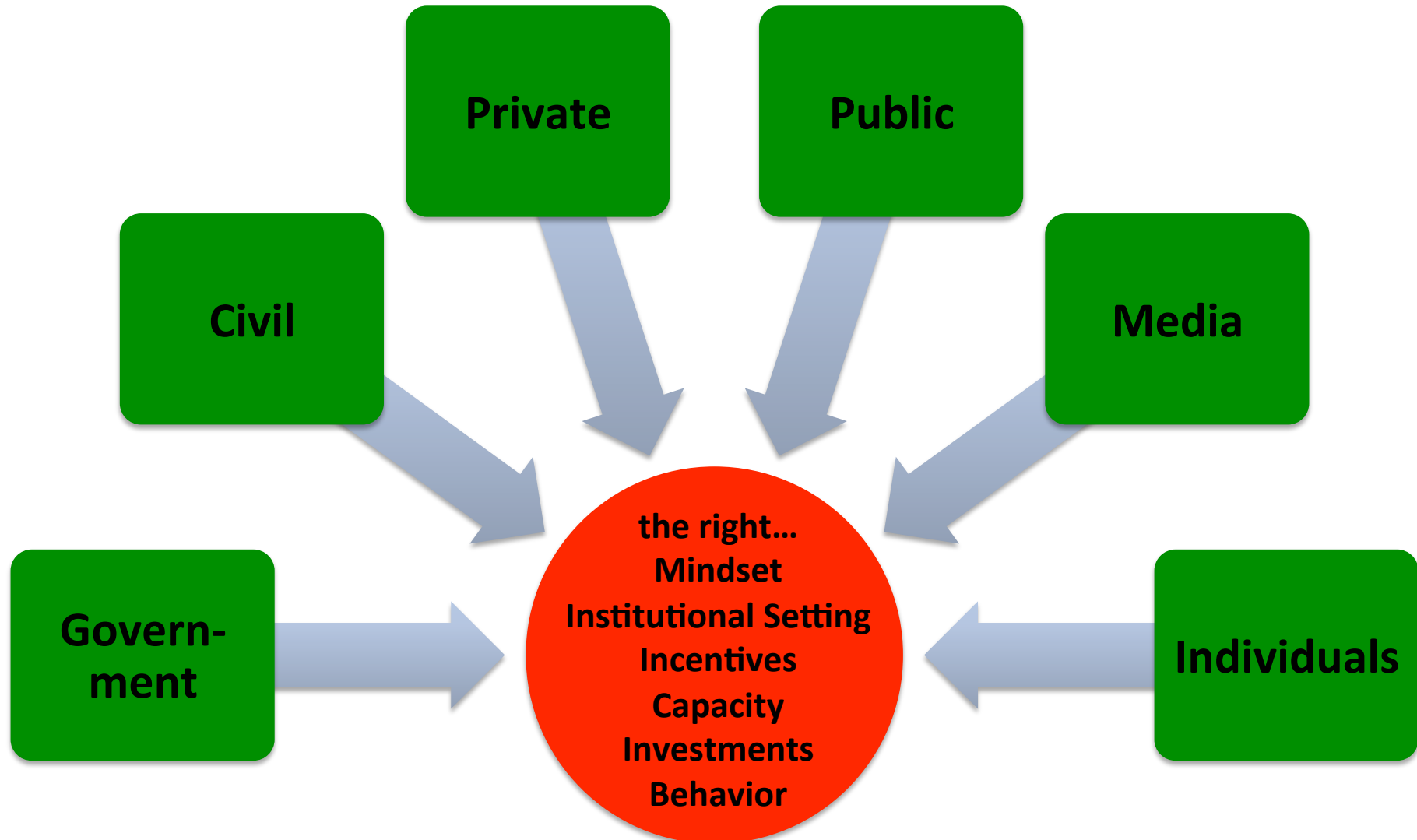
The world of tomorrow changes the 'economics' of sectors radically



Key drivers of change

- Technologies
- Consumer demand
- Nat. Regulation
- Int Agreements

2. It is crucial for a successful Green Transformation that all key stakeholders get aligned



3. Quick Wins will create momentum through immediately visible results

Water and Energy Efficiency



*Saving energy and optimizing its usage will reduce operating and energy cost, increase operational efficiency and reduce impact on the environment and GHG. **Water efficiency** is mainly relevant in the agriculture sector and will avoid future water crisis.*

Cleaning Up the Trash



***Trash is cash:** Garbage cleaning and recycling could be a new way of generating jobs, conserving resources, improving people's quality of life and reducing pollution.*

...and many others!

Reducing Cairo Traffic



***A greener, more productive Cairo:** cost effective public private initiatives to reduce Cairo traffic will increase health and well-being, improve productivity, and ensure sustainable development in the Greater Cairo Area.*

National competition for schoolchildren's and student's innovations and ideas: IGNITE



Stimulate Idea generation, prototype development or actual products by school children from primary school up to high school and universities across the country

4. Flagship initiatives will accelerate positive change and show regional leadership

Eco-Tourism



Climate neutrality is the future, where the world is moving, and Egypt is determined to be part of the leadership in this sector

Made in Egypt Solar Powerhouse: The Next Aswan Dam



Develop solar power using locally manufactured PV cells in Egypt to be the equivalent of the Aswan High Dam in the 20th century in terms of electricity for domestic use and export

...and many others!

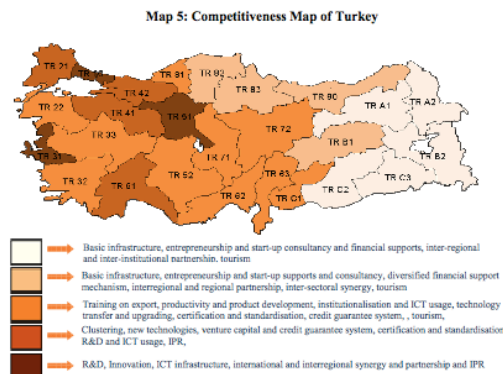
5. Governorates get evaluated on their own initiatives to support implementation

input

Develop the Governorate Competitiveness Index

1. IDSC, ENCC and UNDP partnership
2. Modeled after best practices from Vietnam, United Kingdom and Turkey
3. Includes qualitative inputs (survey) and quantitative inputs (statistics)
4. Tailored to the Egyptian context

Example:
Competitiveness
Map of Turkey



output

Implementation of Governorate Competitiveness Initiatives

1. Solidarity among governorates in supporting competitiveness effort
2. Encourage governorates to come up with their own initiatives
3. Reward dynamic initiatives with financial support and recognition
4. Provide governors with data to prioritize investment and monitor results
5. Advise national government on governorate development priorities
6. Drive regional economic development

The role of the ENCC is to bring together all key stakeholders + **help with implementation (!)**



The ENCC represents a neutral platform

and...

- ✓ ...acts as a catalyst, convener, coach and coordinator
- ✓ ...provides an inventory of government initiatives
- ✓ ...secures government consensus
- ✓ ...identifies working groups and facilitates dialogue
- ✓ ...gives technical support for all components and initiatives
- ✓ ...builds awareness
- ✓ ...provides guidance on implementation
- ✓ ...monitors and evaluates key initiatives
- ✓ how to help with implementation???

Thank you