
The Republic of Korea's Country Partnership Strategy for Egypt

The Government of the Republic of Korea

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I. Overview

CPS Goal for Egypt		To support Egypt's economic growth and encourage economic exchanges between Korea and Egypt	
Egypt's Medium-Term National Development Strategy (Sustainable Development Strategy for Egypt's Vision 2030)		Development strategies in 10 fields for economic growth, market competitiveness, and human resource development <ul style="list-style-type: none"> ▪ (Economic Growth) Achieve macroeconomic stability, enforce industrial competitiveness, and create jobs ▪ (Energy) Promote energy security and reduce greenhouse gas and pollutant emissions ▪ (Knowledge/Innovation/Science) Establish an integrated innovation system and create knowledge generation infrastructure ▪ (Government Efficiency) Establish a digital-based administration system and improve the level of transparency in policy-making processes 	
Korea's Assistance Objectives		Promote balanced regional economic growth through the expansion of transport infrastructure and improvement of logistics systems Enhance the capacity to mitigate and adapt to climate change and support an integrated management system for pollutants Establish an ICT-based public administration system and provide high-quality services Build quality tertiary education institutions, provide technical and vocational education and training, and develop human resources	
Direction of Assistance in Each Priority Area	Transportation	<ul style="list-style-type: none"> ▪ (SDG 8) Create jobs and promote sustainable tourism ▪ (SDG 9) Establish sustainable social infrastructure ▪ (SDG 11) Establish highly accessible and sustainable transport infrastructure 	
	Environment and Energy	<ul style="list-style-type: none"> ▪ (SDG 7) Increase the share of renewable energy in the energy mix ▪ (SDG 13) Integrate climate change measures into national policies (strategies) ▪ (SDG 13) Improve education, human, and institutional capacity on climate change mitigation, adaptation, and impact reduction 	
	Public Administration	<ul style="list-style-type: none"> ▪ (SDG 16) Develop effective and transparent government ministries and institutions 	
	Education	<ul style="list-style-type: none"> ▪ (SDG 4) Ensure equal access to quality vocational and tertiary education ▪ (SDG 4) Increase the number of youths trained in relevant technical and vocational skills 	
	Communications	<ul style="list-style-type: none"> ▪ (SDG 9) Expand access to information and communications technology 	

II. Analysis

[1] Priority Areas for Cooperation

- **(Agreed Areas Between Two Countries)** An agreement was made to **cooperate in the large-scale infrastructure sector, including transportation, energy, and ICT**, by adopting the Joint Declaration between the Republic of Korea and the Arab Republic of Egypt at **the Korea-Egypt Summit** in March 2016.

* In March 2016, Korea and Egypt signed the Korea-Egypt Framework Agreement Concerning Loans from the Economic Development Cooperation Fund (EDCF) and a memorandum of understanding (MOU) amounting to a total of USD 3 billion in funding for infrastructure projects in Egypt focused on priority sectors, including transport, energy and ICT

- **Improvement efforts are mainly focused on metro and railway infrastructure** in order to reduce traffic congestion in urban areas, boost tourism and key industries, and accelerate balanced regional development.

- **(Identification of Additional Priority Areas for Cooperation)** In addition to the previously-agreed areas for cooperation, the two governments reached an agreement to identify additional areas for cooperation with a focus on digital and green infrastructure including ICT-based smart **transport, eco-friendly energy, and education** at **the Korea-Egypt Summit** in January 2022.

* In January 2022, Korea and Egypt signed an MOU concerning financial cooperation through the EDCF for the years 2022 through 2026 amounting to a total of USD 1 billion.

- Along with an increase in demand for energy efficiency through **climate change mitigation** and **acceleration of green growth**, there are rising development needs **to accelerate digital transformation in the public sector**, **provide quality tertiary education**, and **foster the technical workforce**.

[2] Reasons for the Selection of Development Priorities

- 1 **Transportation** : The development of transport infrastructure such as metro and railways is a priority task for the national development strategy and the long-term development plan for the transport sector*, which will play **a pivotal role in boosting trade, stimulating tourism, and achieving balanced regional development** in the Egyptian economy in which tourism takes up a large portion.
- Due to the frequent occurrence of recent safety-related accidents caused by aged railway facilities, the Egyptian government is **promoting the national development plan concerning the modernization of railway**, expecting the increase in cooperation demand for the development of railway infrastructure.
 - * High-speed railway line construction plan (Alexandria-Aswan), Cairo Metro Line 5 and Line 6 construction plan, Egypt National Railways Modernization Project, etc.
 - In addition, as one of **the few African countries with a rail network**, Egypt has a significant potential for cooperation with Korea, whose railway industry has a dense supply chain and competitive technologies.

* Korea and Egypt signed an MOU concerning the provision of financial support up to USD 3 billion (USD 0.7 billion from the EDCF + USD 2.3 billion from export financing) for large-scale infrastructure projects including the establishment of metro and railway systems (March 2016).

— In particular, the Egyptian government hopes to **expand the bilateral cooperation between the two countries** in recognition of the EDCF's high level of concessionality and technological capacity with regards to the previously-approved Metro Car Supply Project (2017) and Railway Modernization Projects (2014, 2021*).

* Luxor-High Dam Railway Modernization Project (2022-2027, approx. KRW 390.7 billion, Export-Import Bank of Korea)

② **Environment and Energy** : The Egyptian government established the **Integrated and Sustainable Energy Strategy 2035** in 2015 in response to the economic and social impacts driven by climate change, such as an increase in carbon emissions, rising global temperature, diminished precipitation, etc.

○ Against this backdrop, the Egyptian government is preparing for a new leap forward to become **an energy hub linking Europe, Africa, and Asia**, while managing the rising energy demand due to industrialization.

* Egypt is planning to host the COP27 (27th session of the United Nations Climate Change Conference) to join the ranks of regional leaders in the Asia and the Middle East regions in terms of climate change response (2022).

○ Furthermore, as Egypt has **abundant renewable energy sources** such as solar and wind power, there is a significant potential for cooperation with Korean businesses that are equipped with relevant technologies, and it is expected to produce synergy effects as its **policy direction aligns with** the Korean government's **Green New Deal policy**.

* With the aim to join the ranks of the world's top 30 countries by 2030, the Egyptian government has launched sustainable development strategies under Vision 2030 (March 2015) that aims to undertake reforms in 12 targeted areas including economy, energy, urban development, and the environment.

[3] Public Administration : The Egyptian government is **promoting digital transformation in infrastructure for the public sector** as one of the three main planks* of **Digital Egypt**.

* Digitalization of infrastructure in the public sector, fostering of the technical workforce, and establishment of a startup-friendly ecosystem.

- Korea has competitive advantages and various aid experience in the **digitalization of administrative systems**, and is therefore expected to meet development needs of Egypt.

[4] Education : Due to recent rapid population growth, more than half of the Egyptian population are **youths**. Consequently, the proportion of the **economically-active population** is high as well, representing significant potential for growth.

- The Egyptian government is actively engaged in the development of the quaternary sector, improvement of science and technology to respond to climate change, fostering of working-level personnel, and the establishment of tertiary education institutions, indicating potential to expand areas of cooperation by transferring Korea's exceptional educational institutions and systems.

- In order for Korea's private sector to enter the Egyptian market, it is important to procure a skilled local workforce. In this regard, expanded cooperation in the education sector centered on demand from Korean businesses is likely to generate economic synergy effects.

5 Communications : The Egyptian government is actively pursuing the **development of the ICT sector through Digital Egypt initiatives** and pursuing **transition to the digital economy** based on such efforts.

- When considering recent trend from Egypt, the **need for ICT infrastructure is increasing in various sectors** such as transportation and education, thereby enabling cooperation through the convergence aid model*.

* E.g. Green smart schools, digitalization of safe SOC, etc.

III. Proposed Assistance

[1] Transportation

☐ Basic Direction

- Enhance the effectiveness of projects by **utilizing various financial resources**, while **supporting the expansion and renovation of large-scale infrastructure** in connection with long-term development plans in the transport sector of the recipient country.

☐ Area-specific Goals (Detailed Implementation Plan)

- **(Linkage with the Establishment of Large-scale Infrastructure)** Enhance the capacity of the technical workforce in order to increase operational efficiency along with the introduction of modernized equipment, while **newly establishing and renovating outdated metro and railway infrastructure**.
- **(Various Financial Resources)** Actively seek **export financing, the Economic Development Promotion Facility, and cooperation with multilateral organizations** in consideration of large-scale capital investment and the potential for the duration of projects to be extended.

[2] Environment and Energy

☐ **Basic Direction**

- **Enhance the capacity to respond to climate change** by supporting the **establishment and improvement of green energy infrastructure** in line with measures to respond to climate change and Egypt's national plans.

☐ **Area-specific Goals (Detailed Implementation Plan)**

- **(Response to Climate Change)** Support the **establishment of green infrastructure** and **policy measures** to reduce carbon emissions and enhance the climate change response capacity of the recipient country.
- **(Capacity Building in the Public Sector)** Support **capacity building** in areas required for cooperation such as green growth, climate change management, and the **establishment of a foundation for relevant policy systems**.
- **(Collaboration with International Organizations and Other Donor Organizations)** Strengthen **cooperative systems** with international organizations and other donor organizations specializing in climate change and the environmental sector, and identify and promote **mutual cooperation projects**.

[3] Public Administration

☐ **Basic Direction**

- Support the **improvement of the e-government system and capacity building of human resources in the public sector** to achieve policy goals such as Digital Egypt.

☐ **Area-specific Goals (Detailed Implementation Plan)**

- **(Support for the Digital Government)** Enhance the efficiency of public services and improve the transparency of state governance by transferring **knowhow on the establishment of the e-government system and the managerial and operational experience** accumulated by Korea.
- **(Capacity Building of Human Resources in the Digital Sector)** Support the fostering of next-generation leaders in the public administration sector through seminars on the e-government system and **public administration** for the public-sector personnel of the Egyptian government.

[4] Education

☐ Basic Direction

- Expand access to affordable and quality tertiary education and foster talented individuals by presenting **case studies** regarding Korea's **education system, its experience in managing and operating the education system, and its establishment of tertiary education institutions**, in which Korea has a competitive advantage.

☐ Area-specific Goals (Detailed Implementation Plan)

- **(Support for the Establishment of Education Institutions)** Provide access to high-quality vocational training and tertiary education for all women and men by supporting the **establishment of an integrated innovation system** and the **establishment of science education institutions** to enhance the capacity to generate knowledge.
- **(Capacity Building of Human Resources)** Transfer Korea's successful experience and technologies related to the development of human resources such as the **development of education curriculums, the establishment of education infrastructure and ICT education systems, fostering of skilled teachers and an industrial workforce**, the introduction of technology education, and knowhow for operating schools.
- **(Linkage with the Private Sector)** Build a foundation for accelerating medium-to-long-term economic cooperation between the two countries by supporting the education sector in consideration of the demand for human resources among Korean private-sector entities that are operating in Egypt.

[5] Communications

☐ **Basic Direction**

- Support the establishment of infrastructure in the ICT sector, the identification of projects linked with other sectors, capacity building for human resources, and reduction of the digital divide in order to achieve policy goals such as Digital Egypt.

☐ **Area-specific Goals (Detailed Implementation Plan)**

- **(Strengthening of Competitiveness in the ICT Sector)** Establish infrastructure in the ICT sector and support capacity building for related human resources based on demand from the Egyptian government.
- **(Reduction of the Digital Divide)** Support the expansion of digital accessibility among the general public through information access centers, etc.

IV. Performance Monitoring Guidelines

Performance Monitoring Guidelines for Egypt

ODA's Master Plan: Strategic Goals and Implementation Plan	Priority Areas	Goal(s)	Expected Outcome(s)	Expected Performance Indicator(s)
<ul style="list-style-type: none"> • (Strategic goal) Co-prosperous ODA - (Task) Support the establishment of infrastructure to build the foundation for economic and social development 	Transportation	<ul style="list-style-type: none"> • To newly establish and renovate outdated metro and railway infrastructure 	<ul style="list-style-type: none"> • Improvement of transport environment and stability 	<ul style="list-style-type: none"> • Growth rate of freight and passenger traffic (%), maximum speed of trains (km/h), and safety-related accidents (number of accidents/year)
		<ul style="list-style-type: none"> • To develop tourism and key industries and ensure balanced regional development 	<ul style="list-style-type: none"> • Development of the tourism industry and an increase in regional economic growth 	<ul style="list-style-type: none"> • Tourist growth rate (%), regional economic growth rate (%), and growth rate of inter-regional trade volume (%)
<ul style="list-style-type: none"> • (Strategic goal) Co-prosperous ODA - (Task) Support the green transition and carbon neutrality 	Environment and Energy	<ul style="list-style-type: none"> • To establish infrastructure systems and support policy-making to respond to climate change 	<ul style="list-style-type: none"> • Strengthening the capacity to respond to climate change through the reduction of carbon emissions 	<ul style="list-style-type: none"> • Reduction rate of direct/indirect greenhouse gas emissions (%)
		<ul style="list-style-type: none"> • To apply eco-friendly factors for infrastructure projects 	<ul style="list-style-type: none"> • Increase in the share of renewable energy in the energy mix 	<ul style="list-style-type: none"> • Growth rate of renewable energy generation (%)
<ul style="list-style-type: none"> • (Strategic goal) Innovative ODA - (Task) Promote digitalization and smart transition for the economy and society 	Public Administration	<ul style="list-style-type: none"> • To enhance the public-sector capacity by establishing the e-government system 	<ul style="list-style-type: none"> • Improvement of the efficiency of public services 	<ul style="list-style-type: none"> • Growth rate of public administration service users (%) and improvement rate for processing data (%), etc.
	Communications	<ul style="list-style-type: none"> • To promote the expansion of digitally-linked projects 	<ul style="list-style-type: none"> • Digitalization and smartization of socio-economic infrastructure 	<ul style="list-style-type: none"> • Growth rate of Internet users (%), etc.
<ul style="list-style-type: none"> • (Strategic goal) Innovative ODA 	Education	<ul style="list-style-type: none"> • To establish affordable and quality tertiary 	<ul style="list-style-type: none"> • Establishment of an integrated innovation 	<ul style="list-style-type: none"> • Increased number of educational institutions and

- (Task) Increase tertiary education institutions and foster human resources to enhance the innovative capacity		education institutions	system through the creation of education institutions and expansion of access to education	increased number of newly-created curriculums within educational institutions, etc.
		<ul style="list-style-type: none"> • To develop human resources for technological industries 	<ul style="list-style-type: none"> • Securing of a skilled workforce and enhancement of their capacity 	<ul style="list-style-type: none"> • Number of students completing tertiary education and TVET courses