



*Ambasciata d'Italia  
Il Cairo*

**Second Italian Egyptian Media Forum**

**The Italian Development Cooperation in Egypt:  
More than Twenty Years of Commitment to the Development  
Agenda**

Development cooperation is an essential component of the Italian presence in Egypt. In line with national priorities, the Italian Cooperation initiatives aim at tackling poverty and social exclusion and improving the living conditions of the most marginalized and vulnerable segments of the population. In particular, programs/projects:

- promote the rights of women and children and support the empowerment of women and families;
- encourage advancements in the field of Technical Vocational Education and Training;
- create employment and increase job opportunities for young people;
- foster private sector development and its competitiveness, with particular reference to Small and Medium Enterprises (SMEs);
- improve the national balance of payments while easing the process of wealth redistribution
- promote protection and valorisation of the Egyptian historical, archaeological, natural and cultural heritage, also through eco-tourism;
- strengthen the agricultural sector and rural development

The Italian-Egyptian Debt-Swap Programme represents one of the main tools for financing utilised by the Italian Cooperation. Started in 2001, the Programme is launching its third phase of USD 100 million. As of today, through the Debt-Swap Programme a total of approximately USD 350 million has been made available for the realization of socio-economic development projects in the country.

The following paragraphs will give an overview of some of the implemented projects and programmes by sector of intervention:

### **Agriculture and Rural Development**

The agriculture and rural development sector represents one of the main areas of intervention with an overall value of approximately EUR 50 million.

Among the several initiatives, the Italian Cooperation has been designated for the execution of a new EU funded project, the ***EU Joint Rural Development Programme***, under indirect centralized management. The Project activities are worth approximately EUR 22 million and operate in the Governorates of Minia, Fayoum e Matrouh. Furthermore, this initiative will receive an Italian co-financing of EUR 11 million. These resources will support (i) a project worth EUR 10 million on the **agricultural mechanization** in the Governorates of Minia and Fayoum and (ii) a project worth EUR 1 million on harvesting, storage and usage of water in the Governorate of Matrouh.

Another relevant project is the **Green Trade Initiative**, worth about USD 9.8 million, financed under the Debt-Swap Programme II Phase and implemented by UNIDO in collaboration with the Ministry of Trade and Industry. This initiative is and meant to improve women conditions in rural areas of upper Egypt as well as to enhance the competitiveness of the Egyptian horticultural fresh production and its export rate towards Europe.

### **Social Sector**

In line with national needs, the Italian Cooperation is focusing its action on the most vulnerable segment of population (i.e. women and children) in the poorest areas of Egypt. In this regard, Italian NGOs have been playing a key role in carrying out project providing/promoting psychological support, medical and legal assistance, identity documents, micro-credit for income-generating activities, child protection schemes especially in favour of street children.

The project **Promoting Children Rights and Family Empowerment in Fayoum Governorate**, worth EUR 1.5 million, for example, aims at building and strengthening the capacities of the National Council for Childhood and Motherhood for the implementation of the first National Plan for Children in the Fayoum Governorate. Activities are expected to focus on preventing school drop outs and exert re-entry efforts, preventing child marriages and child labor, reducing the phenomenon of female genital mutilation through direct actions at community and family level, and enhancing birth registration.

Also under the framework of Debt-Swap Programme, Italy has been supporting projects in this field, such as **Safer Environment for Children**, implemented by the NGO Save

the Children Italy. Since April 2013, thanks to this initiative about EUR 45,500 loans have been disbursed to mothers of children at risk for income-generating activities. Furthermore, to stress the important role played by non-governmental organizations, the third phase of the Debt-Swap Programme includes an ***ad hoc allocation*** of USD 10 million to projects implemented by Italian and Egyptian NGOs. A public *call for proposals* has been launched at the beginning of the year. As a result of the selection process, six Italian and six Egyptian NGOs have been selected.

### **Education**

The development of human resources is a cornerstone of the bilateral cooperation program between Italy and Egypt, especially in terms of Technical and Vocational Education and Training System (TVET). Based on the idea that individuals are the engine of a sustainable growth, the Italian action aims at strengthening the professional capacity by (i) promoting concrete employment opportunities for young people, (ii) improving access to standard-base qualifications and (iii) facilitating the alignment between the educational system and labour market needs.

The ***Integrated Technical Education Cluster - ITEC***, co-funded by the Debt Swap Programme (about USD 15 million) and the Education Development Fund (about USD 10 million), represents one of the main initiatives. This programme aims at creating a cluster for technical education in the sector of mechanics in the Fayoum Governorate. Great results have been achieved, as in one year the Italian section of ITEC tripled the number of its enrolled students (e.g. the section opened in October 2012 with 100 students, while today this number reached 300).

### **Private and Public Sector**

In line with the traditional Italian support to the Egyptian private sector, in 2014 the Italian Cooperation continues supporting Egyptian producers through subsidized loans targeting Micro, Small and Medium Enterprises (MSMEs). The objective is to foster the expansion of Egyptian MSMEs by ensuring access to more favourable financial resources when acquiring technology, equipment, know-how and licenses of Italian origin.

In particular:

- A new **line of credit of EUR 13 million** in favour of the Social Fund for Development for Micro, Small and Medium enterprises will soon be launched, as the Financial Agreement will be finalized;
- the **Italian credit line supporting Egyptian Small and Medium Enterprises (SMEs)** worth EUR 10 million is almost concluded and shortly a joint-

formulation exercise on a **new line of credit** for SMEs for a value of up to EUR 45 million will start.

With respect to the public sector, the Italian Cooperation is financing the initiative **Support to the Egyptian National Railways restructuring and development plan**, worth overall about EUR 8 million. The aim of the initiative is to offer assistance to ENR in guaranteeing safer, more efficient and more competitive rail services to its customers. In this regard, Ferrovie dello Stato Italiane SpA is providing technical, managerial and administrative consulting services. Thanks to the successful partnership established with the Ministry of Transport, a new initiative to finance the design of a high speed line connecting Alessandria, Cairo and Asswan is under evaluation among the parties.

### **Environment and Cultural Heritage Protection**

Continuous support has been given to the Egyptian Ministry of State for Environmental Affairs in the field of environmental protection, including the management of protected areas, sustainable agriculture and tourism, the conservation of cultural heritage, environmental legislation, water resources and solid waste management. In this regard, joint-formulation activities have been initiated with UNDP and the Ministry of Environment to proceed with the financing of a **third phase of the Environmental Cooperation Programme** worth EUR 3 million.

In the cultural sector, support will be given to UNESCO proposal of restoring the **Cairo Islamic Museum** with a co-financing worth a maximum of EUR 0.8 million. This amount shall finance *(i)* trainings on the recovery of collections and *(ii)* the provision of technical equipment (i.e. showcases).

Under the framework of the Debt Swap Programme II Phase, the Italian Cooperation is also supporting a project on restoration and valorisation of the **Medinet Madi archaeological site** worth about USD 0.5 million. Additionally, it is currently under formulation a project worth approximately EUR 0.4 million on restoration of the **Mallawi Museum**, damaged during the clashes of last year.