

# **INCLUSIVE GREEN GROWTH IN EGYPT**

ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN SAP ID: 170146

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#### I. Introduction

The project has been categorized as Category B as per the UNIDO ESSPP (Environmental and Social Safeguards Policies and Procedures) based on an analysis of the environmental and social risks, i.e. there are few likely adverse impacts which will be site-specific, and few if any will be irreversible

The Environmental and Social (E&S) Screening of the IGGE project found that the project might pose risks related to some operational safeguards (OS) through its activities. For example, IGGE project's interventions that are planned to support the solar irrigation firms can lead to the wide spread of solar irrigation which in turn can negatively impact underground water usage. Furthermore, the project plans to support biogas firms and industry. The construction of biogas units on agriculture land can lead to generation of waste from plastics and building material used in constructing the units. If this waste is not handled in a proper manner, it can lead to a decrease in available agriculture land and soil deterioration due to pollution from biogas construction. All these risks can trigger OS2 related to the protection of natural habitats and biodiversity.

Another outcome of the E&S screening was related to the potential risks of the project's interventions on the labour and working conditions (OS8). For example, the project will support new and existing food manufacturing, renewable energy as well as waste management companies. The introduction of new equipment and processes can pose a threat to technical staff due to potential risks of accidents if no operational health and safety practices are in place. Furthermore, the IGGE project's activities can trigger OS 9 related to resources' efficiency and pollution prevention since the project is planning to support industrial facilities to grow. Rapid growth of industry could lead to negative environmental impacts in case no adequate resource efficiency practices are adopted by industrial facilities. Negative environmental impacts could be in the form of increased CO<sup>2</sup> emissions and increased air and/or water pollution. Finally, the E&S screening found that the project's activities could pose risks and have potential negative impacts to the health, safety and security of the project-affected communities during its lifetime (OS10) since the project is planning to hold several workshops, trainings, events for its technical assistance delivery. As a result, the project and its activities could contribute to COVID-19 infections.

In most cases the negative impacts presented previously can be readily avoided or mitigated with appropriate mitigation measures or through incorporating internationally recognized design criteria and standards.

### **II.** Project Description

Project Duration 4 years (2020-2023)	Geographical Luxor governorates	and .	Qena gypt	Main Government Counterpart Ministry of Trade and Industry
Donor Government of Switzerland (Swiss Agency for Development and Cooperation)  Budget SDC: 5,000,000 CHF UNIDO: 41,200 USD	Implementing UNIDO	g Agency		Key Partners Industrial Modernization Centre, Micro, Small, and Medium Enterprises Development Agency, Ministry of Environment, Luxor and Qena Governorates

#### A. The Inclusive Green Growth in Egypt Project

The IGGE project aims at contributing to the efforts of the Government of Egypt to support market system changes for a favourable environment to businesses and the workforce in the green economy. Given the crucial role of the private sector as a key driver for inclusive green growth, the project allocates special focus to micro, small and medium-size enterprises (MSMEs). To this end, the project aims at 1) supporting green MSMEs, including those led/owned by women, to improve their productivity, innovation, competitiveness and strengthen their resilience; 2) enhancing the offerings from financial and non-financial support institutions to green MSMEs; 3) fostering the employability of youth and women in target green sectors; and 4) mainstreaming green growth approaches into government policies/strategies.

In this regard, the project's interventions target three green sectors in the Luxor and Qena governorates: sustainable agriculture and food production (SAFP), waste management (WM) and renewable energy (RE).

The governorate of Luxor is located in Upper Egypt, 720 km south of the capital Cairo, alongside the river Nile. Its capital is the city of Luxor, which has been the case since December 2009. The governorate was previously part of the Governorate of Qena, but was administratively separated and appointed its own governor as part of a strategic push to raise its touristic profile. It now lies south of Qena in the Nile valley. A map of the Governorate is shown in the below figure.

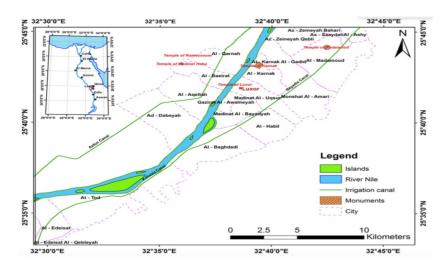


Figure 1 Map of Luxor Governorate

According to 2014-2015 statistical data from Central Agency for Public Mobilization and Statistics (CAPMAS), the Governorate has 1.147 million inhabitants, split equally between male and female. The majority of the population resides in rural areas, with only 38% in urban centers, not far off the national average of 43%. As for the major economy activities in Luxor governorate, they are mainly presented in agriculture, industry and tourism. Agricultural land represents about 73.8% of the total area, whereas urban areas cover about 19.4%, and about 6.8% is barren lands on both sides of the Nile Valley. The most important crops being cultivated in Luxor governorate are sugarcane, wheat, maize, tomatoes and aromatic plants. As for the industrial activities, most of it focuses on food production and manufacturing of food products. With regard to the tourism sector, it has clearly taken a backseat in terms of value and labor force employed in recent times however, the sector can recover relatively quickly and can serve as a strong market for the local agricultural sector.

As for Qena governorate, it is located in Upper Egypt extending for 123 km along the Nile River and it's nearly 586 km from Cairo. The capital of Qena Governorate is the city of Qena. Qena is bordered by Sohag Governorate in the North, by Luxor Governorate in the South, by the Red Sea Governorate in the East and by the New Valley Governorate in the West, as seen in below figure. It covers a total area of 10406.27 km2 which is equivalent to 1% of the total area of Egypt.



Figure 2 Map of Qena Governorate

Qena Governorate has a total population of 3.2 million inhabitants, 49 % of which are males and 51 % are females. The majority of the population 81% resides in rural areas while 19% resides in urban centers. The major economic activities of the governorate are mainly presented in agriculture, industry and tourism. Agriculture land in Qena represents about 13% of the total agriculture area where sugarcane is considered the largest crop in production in Qena followed by wheat. Furthermore, Qena is the largest Governorate in sugarcane production with 36% of the Egyptian total production. With regard to the industry, the manufacturing sector in Qena accounts for a very low share of the workforce. In order to stimulate industrial development in Qena, the Governorate administration established two industrial zones to encourage industries to invest in them. As for the tourism sector, the Governorate has moderate to high potential for tourist development. Tourism currently plays a significant role in generating jobs and reducing poverty in the Qena. This role could well be substantially increased if Qena is able to improve upon the current management and operation of its cultural and natural heritage sites

The governorates of Luxor and Qena were chosen as target governorates for the following reasons:

• **Geographical proximity between the two governorates:** until 2009 the two governorates formed one governorate, Qena. Economic activities between the two governorates are still significantly intertwined, with an overlap in demand and supply from a local market perspective and tightly-knit ecosystem of knowledge networks and social relationships from a local connectedness perspective. This increases the potential of cluster formation and development.

- High amount of agricultural and agro-industrial wastes, currently underutilized or unutilized: it is estimated that agricultural wastes comprise around 80% of total solid waste in Upper Egypt. The total amount of agricultural waste generated in Luxor governorate amounts to 440,135 tons per year, and in Qena governorate to 887,621 tons per year. The residues generated in the target governorates from both agricultural production (e.g. sugarcane, tomato, banana, corn, palm dates, animal manure etc.) and agro-industrial transformation (e.g. sugar) represent an enormous opportunity, yet largely untapped.
- High potential for harnessing solar energy: the Qena and Luxor governorates' geographical location means they have high potential for harnessing solar energy, as indicated by the solar map below (Figure 3), for projects of all sizes, from industrial-scale power generation such as PV and CSP plants to smaller-scale applications.

During the formulation phase of the project, the following green VCs and potential clusters were identified: sugarcane; tomato; palm date; animal manure to biogas/fertilizer, solar PV and solar thermal energy (small-scale applications in agribusiness). It is worth highlighting that the assessments conducted during the mobilization phase of the project shed light on further green VCs and potential clusters that could be supported by the project such as fruits and vegetables processing and packaging, and medical/aromatic plants and herbs due to their competitiveness potential.

#### **B. Stakeholders**

The IGGE project is adopting a multi-stakeholder collaborative approach to ensure early buy-in and ownership from the project's partners and stakeholders and high responsiveness of the planned interventions to their needs. The main Government counterpart is the Ministry of Trade and Industry (MoTI). Additional key government partners are the Industrial Modernization Centre (IMC), the Micro, Small and Medium Enterprises Development Agency (MSMEDA), the Ministry of Environment (MoE) and the Luxor and Qena Governorates. The collaboration with the key government partners is two-fold:

- 1. At the **strategic level**, to ensure full alignment with the government vision, plans and strategies, and the engagement of the key government partners in the development of evidence-based policy measures.
- 2. At the technical level, to jointly address the internal and external barriers for green MSMEs through leveraging existing technical advisory and training services offered by the key Government partners, expand their scope to increase inclusion of enterprises and industries from Upper Egypt, and tailor them to the needs of the target green sectors, clusters and VCs.

In addition to this, IGGE project is collaborating with additional stakeholders (national and sub-national government entities, academia and research institutions, banking institutions, business development service providers - BDS, industry representative bodies, NGOs, MSMEs, principal firms and global actors).

#### C. Results Chain Table

The following figure illustrates the IGGE project's results chain. The figure presents the project's expected achievements at impact, outcome and output levels.

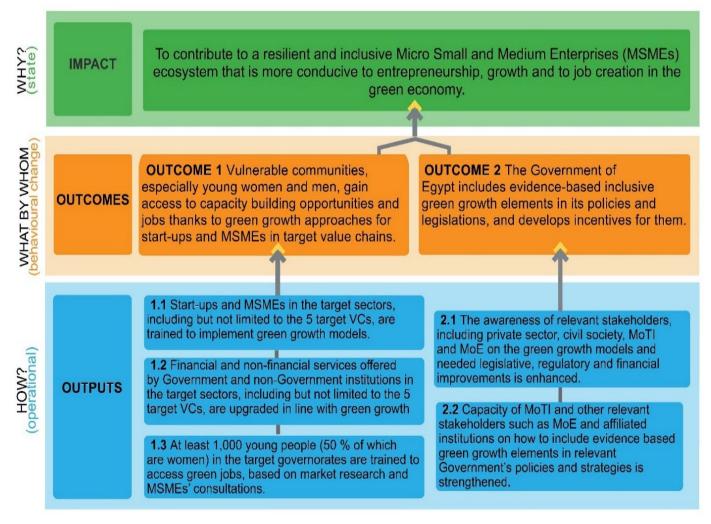


Figure 3 Result chain

## III. Policy, legal, and administrative framework

This section sheds light on applicable policies, laws and regulations relative to the identified issues/risks and to implementing the ESMP.

In light of Egypt's commitment to protect the natural habitats and biodiversity, the country as a party to the Convention Biological Diversity (CBD), has revised its National Biodiversity Strategy and Action Plan (NBSAP) in 2014 to align it with the new CBD Strategic Plan for Biodiversity 2011–2020. The NBSAP vision is that "by 2030, biodiversity in Egypt is valued, mainstreamed, maintained for the good livelihoods and conserved for the sustainable use of future generations". As for the NBSAP mission, Egypt is committed to "take effective and innovative actions to reduce the loss of biodiversity to ensure that by 2030 ecosystems continue to provide their services to all Egyptians and also ensure pressures on biodiversity are reduced; biological resources are sustainably used and benefits arising out of utilization of genetic

<sup>&</sup>lt;sup>1</sup> eg-nbsap-v2-en.pdf

resources are shared in a fair and equitable manner; biodiversity issues and values mainstreamed and appropriate policies are effectively implemented in a participatory approach."<sup>2</sup>

Based on the NBSA's vision and mission, the following 6 strategic goals and targets were formulated to address the decline in biodiversity:

- Strategic Goal 1: Conserve and manage terrestrial and aquatic biodiversity to ensure sustainable use and equitable benefits to the people.
- **Strategic Goal 2:** Sustainable use of natural resources.
- Strategic Goal 3: Access to genetic resources and benefit sharing.
- Strategic Goal 4: Improve the understanding of biological diversity and ecosystem functioning in a changing environment
- Strategic Goal 5: Prepare for climate change and combat desertification.
- Strategic Goal 6: Build partnerships and integrate biodiversity into all national development frameworks

The implementation of NBSAP 2030 will be closely coordinated by the Egyptian Environmental Affairs Agency (EEAA) with full involvement and guidance of the NBSAP 2030 steering committee. In order to ensure that the status of biodiversity in Egypt is accurately tracked, independent evaluations of NBSAP 2030 will be undertaken in order to effectively measure the Egyptian contribution towards the achievement of CBD Strategic Plan (2011-2020). The NBSAP 2030 is strongly linked to OS2 triggered by IGGE project that looks into protecting the natural habitats and biodiversity.

As for the labour and working conditions risk, it is worth noting that the Egyptian constituents are aware that occupational risk prevention is one pillar of sustainable development. Risk prevention is a key factor to effectively develop enterprises, increase their productivity, competitiveness and enhance the wellbeing of workers on the physical, moral and social levels. Accordingly, the Ministry of Manpower in Egypt issued an Institutional Ministerial Decree on June 30, 2017<sup>3</sup> to disseminate inspection checklists to be the main tool used during the inspection process. This decree was the result of joint efforts between the Ministry and the ILO to develop checklists, that were developed, tested and adopted to be used by all inspectors across Egypt. The inspection checklist proved to facilitate data collection and to improve its utilization, which therefore, contributed in standardizing the labour and occupational safety and health inspection process. This national policy is strongly related to OS 8 of the labour and working conditions that will be triggered by IGGE project. Accordingly, IGGE project can further investigate those inspection checklists and share it with the companies that will be supported by the project in order to limit potential risks of accidents if no operational health and safety practices are in place.

As for OS 9 triggered by IGGE project, with regard to the energy sector and in order to ensure higher supply of energy and diversify its related sources, the Government of Egypt adopted in 2015 a Strategy for Integrated Sustainable Energy 2035 targeting a generation of 42% of the country's electricity from renewable resources by 2035 and a gradual subsidy phase-out plan. It is worth noting that energy efficiency is an important component of Egypt's strategy since it supports the country to achieve three policy objectives: i) reduce the reliance on limited energy sources and thus contribute to the security of energy supply; ii) introduce less expensive alternative energy solutions that create a competitive market;

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Decent work report ILO 2017.pdf

and iii) decrease local pollutants and GHGs emissions and depletion of natural resources that has negative impacts on the environment.

As for the industry sector, and given the fact that the Egyptian economy shifted towards further industrialization during the last decade, the country has witnessed increased consumption of energy in the industrial sector in addition to GHGs emissions. In 2010, the World Bank estimated that the total energy savings potential in Egypt is about 23% out of which the industrial sector holds about 40% of the total energy savings potential<sup>4</sup>. Accordingly, most of the Egyptian industries could save between 10 - 40% of their energy consumption by improving the operational practices and adopting new technologies. Based on that, and in light of the Egyptian government's commitment to address the growing problem of air pollution, number of mitigation actions were developed through a number of programmes financed by international donors and organizations aiming at improving the compliance of the Egyptian industry with environmental standards and regulations, addressing barriers to energy and resource efficiency, and reducing industrial pollution.

The IGGE project will build on the above-mentioned legislations, strategies and interventions and complement them.

With regard to the waste management, the Government of Egypt issued the waste management law 202 of 2020<sup>5</sup> which aims to 1) develop an integrated management of municipal, industrial, agricultural, demolition and construction waste as well as their safe disposal; 2) reduce waste generation; 3) promote reuse; 4) work to ensure the recycling, treatment and final disposal of waste; and 5) manage waste in a way that reduces damage to public health and the environment. The law explicitly prohibits negative practices such as open burning of waste, which IGGE project is also tackling, throwing/sorting/treating municipal waste except in the places designated for this and dumping agricultural waste into waterways or disposing of in places other than those designated for this.

Based on that law a national Waste Management Regulatory Authority (WMRA) was established to:

- 1) regulate, follow and oversee all waste management processes at both central and local levels,
- 2) strengthen relationships between Egypt and other states and international organizations in the arena of waste,
- 3) attract and promote investments in the collection transport, treatment and safe disposal of wastes.

As for the OS 10 triggered by the project, related to the health safety and security and, in light of the PM Decree No. 1469 of 2020 issued in 25 July 2020 to announce the country's plan for COVID 19, the decree mentioned that conference and meetings shall be allowed given the maximum capacity shall not exceed 50 persons in a place that its capacity endures 100 persons, considering all the precautionary measures of keeping the social distance and wearing masks as long as people are inside the hall<sup>6</sup>. Furthermore, since December 2021, Egypt has imposed a ban for all non-vaccinated people from entering public, governmental, and educational institutions, in a bid to curb the spread of the coronavirus. Based on this, IGGE project will make sure to follow the national measures when holding face to face events.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Waste Management Law No.202 of 2020. | UNEP Law and Environment Assistance Platform

<sup>&</sup>lt;sup>6</sup> Covid-19 Legislation - Egypt (coronavirus-legislation.com)

Furthermore, vaccination proof vand/or educational institutions.	will be reque	sted in case th	ne event is hoste	ed in public governr	mental

## **IV.** Environmental and Social Risks and Mitigation Measures

The following section presents information about the relevant environmental and social risks that were identified during the project inception phase. Given the fact that this is a live document additional risks might be identified during the first months of implementation of the project and included in this section.

	E&S risks	Mitigation Measures	Technical details of the mitigation technology, process, equipment, design and operating procedures	Location	Timeline, including frequency, start and end date	Responsibility	Cost of Mitigation (If Substantial; to be covered by project financing)
Risks identified during the project screening and verified during the project inception	Rapid growth of industry as a result of the project could lead to negative environmental impacts (increased CO <sup>2</sup> emissions and increased air and/or water pollution)	Build capacities of factories on resource efficiency including energy, water and material saving/recycling	The project will provide technical support to firms for the adoption of resource efficiency and cleaner production practices and facilitate linkages with green finance and environmental finance facilities. Moreover, the project will build the capacities of local institutions to provide resource efficiency and cleaner production services to the industry.	Luxor and Qena governorates	Throughout the timeline of the project	IGGE project team in collaboration with the concerned project's stakeholders	The cost of the mitigation is part of the defined budget
	Project activities may lead to increased use of underground water	Support solar firms to include practices, measures and technologies that would lead to better water governance	The project will raise awareness and knowledge of firms on the importance of coupling efficient irrigation technologies with solar-powered irrigation and advising the end-users of solar-powered irrigation	Luxor and Qena governorates	Throughout the timeline of the project	IGGE project team in collaboration with the concerned project's stakeholders	for Outcome 1 of the project

	Decrease in available agriculture land and soil deterioration due to pollution from biogas construction related to project activities	Build capacities of biogas firms on managing the waste related to their operations	systems on the negative impacts of water overuse.  The project will provide technical support to biogas firms on managing the waste related to their operations in addition to promoting pre-fabricated biogas systems, if any.	Luxor and Qena governorates	Throughout the timeline of the project	IGGE project team in collaboration with the concerned project's stakeholders	
Additional risks identified during the project implementation	Social and cultural perception of women's role, lack of suitable transportation means, remote work areas and general unfavourable working conditions hindering women's participation as entrepreneurs and employees in the target VCs, which may further deepen existing inequalities.	Address the barriers that hinder women's participation in the target sectors, clusters and VCs through the adoption of gender-sensitive interventions	The results of meta-level analysis of the project found that many policy makers and market enablers are generally aware of the challenges facing women and are open to discussing opportunities to enhance their participation, and most of them acknowledge the cultural barriers to female entrepreneurship, but not the systemic hidden biases so this could be an entry point for IGGE. Accordingly, the IGGE action plan will include the gender component throughout its different interventions to contribute to inclusiveness, and better exposure/networking of women among other stakeholders of the project.	Luxor and Qena governorates	Throughout the timeline of the project	IGGE project team in collaboration with the concerned project's stakeholders	The cost of the mitigation is part of the defined budget for Outcome 1 of the project

Introduction of new	· ·	The project will raise	Luxor and	Throughout the	IGGE project	
equipment and processes	operational health and safety	awareness and knowledge	Qena	timeline of the	team in	
can pose a threat to	practices	of employers on the	governorates	project	collaboration	
technical staff due to	•	importance of operational			with the	
potential risks of accidents		health and safety in the			concerned	
		workplace in the target			project's	
		sectors, as well as of job			stakeholders	
		seekers and				
		education/training				
		providers on the importance				
		of operational health and				
		safety in the workplace as a				
		key competence required.				
Workshops, trainings,	<ul> <li>Remote arrangements and</li> </ul>	Communication and	Luxor and	Throughout the	IGGE project	
events for the project's	reliance on COVID-19	engagement modalities via	Qena	timeline of the	team in	
technical assistance	preventive measures in case	teleconferencing should be	governorates	project	collaboration	
delivery could contribute	of face-to-face activities	included whenever feasible.			with the	
to COVID-19 infections	such as respecting social	In case of in-person			concerned	
	distancing and wearing	activities, social distancing			project's	
	masks	will be respected, attendees			stakeholders	
	Close follow-up of the national	will be required to wear				
	government regulations	masks and hand sanitizers				
		will be provided. The project				
		will constantly monitor the				
		latest pandemic updates in				
		Egypt and the COVID-19				
		measures set by the				
		Government of Egypt to				
		revise the mitigation				
		measures above and				
		project's workplans as				
		needed.				

## V. Environmental and Social Sustainability Monitoring

This following section outlines the environmental and social risks and the monitoring methods which will be used to measure the effectiveness and evaluate the success of the mitigation measures. Surveys, site visits, focus groups discussions, interviews, sampling, inspections (if required) will be used to verify and ensure compliance and progress towards desired outcomes.

	E&S risks	Parameters to be measured	Monitoring methods and procedures used (e.g. sampling)	Timing / Frequency of measurement	Detection limit	Definition of thresholds	Sampling / monitoring location	Responsibility
Risks identified during the project screening and verified during the project preparation or inception	Rapid growth of industry as a result of the project could lead to negative environmental impacts (increased CO <sup>2</sup> emissions and increased air and/or water pollution)	CO <sup>2</sup> and other GHG emissions prevented in the target governorates     Number of supported firms who gained awareness and knowledge on resource efficiency and cleaner production practices     Number of local institutions who gained skills on resource efficiency and cleaner production practices	Surveys, field visits and inspections	Annual     Bi-annual Bi-annual		Depending on the specific parameters	Luxor and Qena governorates	IGGE project team in collaboration with the concerned project's stakeholders
	Project activities may lead to increased use of underground water	<ul> <li>Number of supported firms who gained awareness and knowledge on efficient irrigation technologies</li> </ul>	Surveys, field visits and inspections	Bi-annual		Depending on the specific parameters	Luxor and Qena governorates	team in collaboration with the concerned project's stakeholders

	Decrease in available agriculture land and soil deterioration due to pollution from biogas construction related to project activities	Number of biogas firms who gained awareness and knowledge on managing waste	Surveys, field visits and inspections	Bi-annual	Depending on the specific parameters	Luxor and Qena governorates	IGGE project team in collaboration with the concerned project's stakeholders
Additional risks identified during the project implementation	Social and cultural perception of women's role, lack of suitable transportation means, remote work areas and general unfavourable working conditions hindering women's participation as entrepreneurs and employees in the target VCs which may further deepen existing inequalities.	<ul> <li>% of women reached and engaged by the project.</li> <li>Number of supported firms led by women.</li> <li>% of women employed in the supported firms.</li> <li>% of women gaining awareness, knowledge and skills for new or better employment in the green economy</li> <li>% of women sensitized about innovative viable green business opportunities</li> </ul>	Project reports and records, surveys and site visits	Bi-annual Annual Annual Annual Bi-annual  Bi-annual	Depending on the specific parameters	Luxor and Qena governorates	IGGE project team in collaboration with the concerned project's stakeholders
	Introduction of new equipment and processes can pose a threat to technical staff due to potential risks of accidents	<ul> <li>Numbers of local stakeholders who gained awareness and knowledge on occupational health and safety</li> <li>Improvements in hygiene and safety</li> </ul>	Surveys, site visits, inspections and the project's records	Bi-annual     Annual	Depending on the specific parameters	Luxor and Qena governorates	IGGE project team in collaboration with the concerned project's stakeholders

Workshops, trainings,	Number of online	Project's records	Bi-annual	Depending on	Luxor and	IGGE project
events for the project's	workshops, trainings	and field visits	<ul><li>Bi-annual</li></ul>	the specific	Qena	team in
technical assistance	and events conducted			parameters	governorates	collaboration
delivery could contribute	<ul> <li>Number of in-person</li> </ul>					with the
to COVID-19 infections	workshops, trainings					concerned
	and events with					project's
	COVID-19 preventive					stakeholders
	measures					

### VI. Capacity Development

UNIDO has established a Project Management Team (PMT) that is responsible for the implementation of the approved work plans and achievement of the planned project outputs. The PMT works in close coordination with the Project Steering Committee and all the project partners from the Government, civil society and private sector. The PMT in the field is composed of the following core project staff members:

- Project Manager
- National Project Coordinator
- Monitoring and Evaluation Expert
- Project Administrative Assistant

In addition, international and national technical experts are engaged on short, medium and long term assignments.

The PMT will be responsible to implement the ESMP along with the relevant Project Steering Committee members. The Project Steering Committee is co-chaired by the Ministry of Trade and Industry and the Embassy of Switzerland in Egypt. The Project Steering Committee members are:

- Ministry of Environment
- Industrial Modernization Centre
- Industrial Development Authority
- Micro, Small and Medium Enterprise Development Agency
- Ministry of Foreign Affairs
- Ministry of International Cooperation
- Ministry of Local Development
- Federation of Egyptian Industries
- Chamber of Food Industries
- Luxor Governorate
- Qena Governorate
- UNIDO (Secretariat)

Sufficient capacity for implementing the ESMP exists. If required, the capacities of governmental bodies and industrial ecosystem service providers will be further strengthened, for example, with regard to industrial resource efficiency and cleaner production services which will contribute to mitigate potential negative environmental impacts.

#### VII. Communication

The IGGE project has adopted a multi-stakeholder collaborative approach since the start of the mobilization phase to ensure early buy-in and ownership from the project's partners and stakeholders and high responsiveness of the planned interventions to their needs. This practice forged inclusion, ensured smooth communication and created opportunities for open reflections and exchange of ideas.

The environmental and social risks and mitigation measures outlined in the present ESMP are the result of the consultations conducted by the project during the mobilization phase and the first months of implementation with relevant market actors from both public and private sector at central and local level. The environmental and social risks, proposed mitigation actions and monitoring arrangements will be included in the annual reporting of UNIDO to the donor.

As part of the reporting requirements set by the donor and the Government counterpart, the project will annually communicate implementation progress on issues that involve ongoing risk to or impacts on the project stakeholders, and on issues that the consultation process or grievance mechanism has identified as of concern to those stakeholders.

The different IGGE consultation types, purposes, participation, reporting and timing are presented in the below stakeholder engagement plan.

Consultation	Purpose	Participants	Lead/Chair	Reporting	Schedule		
Initial	Project Start up:  Project Overview  Project Organization  Project Schedule  Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) context analysis and an online multistakeholders workshop	Project team, Ministry of Trade and Industry, Industrial Modernization Centre, Micro, Small and Medium Enterprise Development Agency, Ministry of Environment, Luxor and Qena governorates, local SMES, public and private intermediary institutions in Luxor and Qena governorate	UNIDO IGGE project	Mobilization phase of the project	July 2020 – January 2021		
Public consultation & site visit	<ul> <li>Adjusting of mitigation measures, if necessary</li> <li>Comments and suggestions</li> </ul>	Project team, Ministry of Trade and Industry, Industrial Modernization Centre, Micro, Small and Medium Enterprise Development Agency, Ministry of Environment, Luxor and Qena governorates, other relevant stakeholders from public and private sectors	UNIDO IGGE project	First phase of the project's implementa tion	Years 1 and 2		
Public consultation & site visit	<ul> <li>Effectiveness of mitigation measures</li> <li>Comments and suggestions</li> </ul>	Project team, Ministry of Trade and Industry, Industrial Modernization Centre, Micro, Small and Medium Enterprise Development Agency, Ministry of Environment, Luxor and Qena governorates, other relevant stakeholders from public and private sectors	UNIDO IGGE project	Remaining phases of the project's implementa tion	Years 3 and 4		
Expert workshop or press conference	<ul> <li>Impacts of project implementation</li> <li>Comments and suggestions on impacts</li> </ul>	Not foreseen individually but special sessions can be integrated to various workshops planned during the project					
Addressing Community Concerns	Consultation on Grievance procedure	Project team, Ministry of Trade and Industry, Industrial Modernization Centre, Micro, Small and Medium Enterprise Development Agency, Ministry of Environment, Luxor and Qena governorates, other IGGE stakeholders.	UNIDO IGGE project	Throughout the project's implementa tion.	Throughout the project's cycle		