

THE EBRD IN EGYPT

Results snapshot

#EBRDimpact



Overview

The EBRD has been active in Egypt since 2013. During this time, the Bank has rapidly scaled up its activities, with a total portfolio of more than €11 billion and annual investments topping €1 billion in recent years.

The Bank's strategic focus in Egypt is on:

- A more competitive private sector and resilient financial sector
- Green economy transition
- Sustainable infrastructure

In response to the Covid-19 crisis, the Bank also provides funding to support corporate and financial-sector resilience, sustain trade and maintain infrastructure and energy services.

EBRD in Egypt

2013-2023

€11.3 billion

Net cumulative investment

(Stock of all EBRD commitments less their sale or cancellations)

171

Number of projects

80%

Private-sector % of cumulative investments

€5.6 billion

Cumulative disbursements

Our policy engagement

- ▶ Public-private partnerships (PPPs) in transport and logistics
- ▶ Public-sector capacity to implement infrastructure projects
- ▶ Financial market development
- ▶ Corporate governance of state-owned enterprises (SOEs)
- ▶ Energy efficiency and renewable energy
- ▶ Better youth skills through private-sector engagement in technical and vocational education and training
- ▶ Skills development for women in the renewable energy sector

[Read the latest EBRD country strategy for Egypt](#)



Highlights of our results

Better and safer transport

An estimated 2 million passengers benefit from the EBRD-financed Cairo Metro.

Cleaner air

EBRD investments, including the largest solar park in Benban, are linked to an estimated CO2 reduction of 30,718 kt per year. This is equivalent to the emissions of 6.6 million passenger vehicles driven for one year.

SME growth

57 per cent SMEs advised by the EBRD between 2013-2022 hired more employees creating 18,519 new jobs. 75 per cent of them grew their turnover creating a total of EUR 1.3 billion of additional turnover

Covid-19 response

In the wake of the pandemic, we provided more than EUR 1 billion to support financial resilience and international trade. We also organised training for 130 SME on how to adapt to new challenges during the pandemic.

Egypt in context

Egypt's GDP growth fell short of expectations in 2022 at just 4.2 per cent and is forecast to remain at a similar level in 2023, as fiscal and financing pressures mount. Despite the recovery in the Suez Canal and tourism revenues, growth was weighed down by the deceleration in construction and manufacturing activities and the contraction in gas production.

Natural gas output is estimated to have declined by 9.3 per cent year on year in the first half of 2023, reaching a three-year low. Meanwhile, unemployment dropped slightly to 7.0 per cent in the second quarter of 2023, with higher rates among women (19.2 per cent) and in urban areas (10.3 per cent). The Egyptian pound has lost almost 50 per cent of its value against the U.S. dollar since March 2022 and, coupled with elevated international commodity prices, this pushed inflation to a record high of 36.5 per cent in July 2023, despite a cumulative 1100 basis points hike in the central bank's policy interest rate since April 2022. Foreign exchange reserves stabilised, partly thanks to an IMF-supported programme that improved access to finance, but the currency remains under pressure and a significant differential remains between the official and black-market exchange rates. Growth in the calendar year 2024 is expected to remain stable at 4.5 per cent, held back mainly by structural constraints in non-resource sectors, high inflation and limited fiscal space. Downside risks include continued volatility in global energy and food prices and potential delays in the implementation of the reforms aimed at boosting private sector growth. Growth is estimated to have slowed to 4.1 per cent in the fiscal year ending June 2023 (FY 2022-23) and is projected to pick up to 4.8 per cent in FY 2023-2024.

Key economic indicators

	Egypt (2013)	Egypt (2021*)	OECD comparators (2021)
GDP per capita, PPP (constant 2013 international \$)	10,353	26,465	50,413
Labour force participation rate, female (% of female population aged 15-64) (modelled ILO estimate)	23.5	20.0	63.8
Unemployment, total (% of total labour force) (modelled ILO estimate)	13.1	10.5	7.4
Unemployment, youth total (% of total labour force aged 15-24) (modelled ILO estimate)	32.3	26.5	15.0
Electricity production from renewable sources, excluding hydroelectric (% of total)	0.97	0.9	10.2

Our approach and operational delivery

The EBRD supports the development of the private sector through a combination of investment, policy dialogue and technical assistance. We provide a range of financial instruments, both directly and through partner financial institutions. Our business advisory services and technical assistance help to improve the institutional capacity of EBRD clients. In our policy engagement we work with a range of actors to help shape initiatives that create favourable conditions for sustainable economic growth.

Egypt's growing domestic market as well as its geographic location as a gateway to sub-Saharan Africa make the country an attractive investment destination and we continue to assist exporters looking for new markets. In response to growing environmental and demographic pressures, we continue to develop sustainable infrastructure, municipal services, or renewable energy. The EBRD looks to help the country's growing population better access critical public services and economic opportunities, in particular for women, young people, populations in remote areas and other vulnerable groups.

The EBRD catalyses high levels of donor finance. This mobilisation encompasses both large social infrastructure projects such as the Kitchener Drain programme as well as tailored private sector initiatives such as the Value Chain Competitiveness Programme. Specialised climate finance, for example from the Green Climate Fund, is also increasingly central to the Bank's municipal and energy projects.

* or latest available.

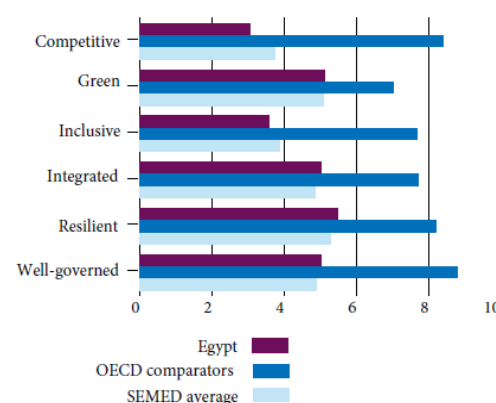
We seek to help countries transition towards democratic and sustainable market economies. We finance projects that strengthen the private sector in economies undergoing transition to a well-functioning market system. Our investment decisions are guided by six "transition qualities", which focus on making economies competitive, well-governed, green, inclusive, resilient and integrated.



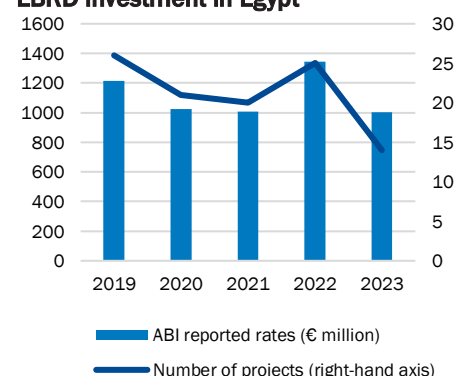
For more detail on our transition qualities visit www.ebrd.com/qualities



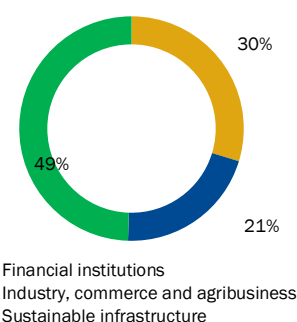
EBRD score (1-worst, 10-best)



EBRD Investment in Egypt



Portfolio Composition



EBRD in EGYPT

Tanmeyah Microenterprise services participates in EBRD Women in Business Programme

A more competitive private sector and resilient financial sector

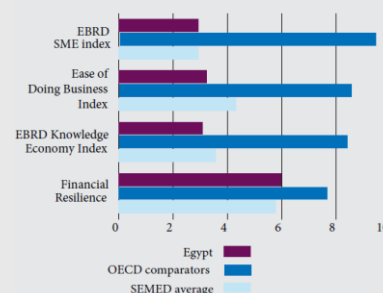
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SDG contribution



Egypt's fast growing population and high unemployment post significant challenges. The private sector already plays an integral role in the economy, with SMEs providing lion share of employment. Nonetheless, SMEs often lack dynamism, with only a small share of private firms exporting to global markets. Limited access to finance continues to be a major obstacle to further development with women and young people in particular affected. A weak contractual environment and safety standards are among the key constraints on global value-chain integration. Burdensome regulation, limited on-the-job training and persistent skills mismatches also continue to hold back private enterprises, while the whole the financial sector lacks depth.

EBRD score
(1-worst, 10-best)



How we work

We aim to strengthen the competitiveness of the private sector. We provide support for SMEs, especially those led by women and young people, through targeted credit lines and flagship advisory and skills development programmes, such as Advice for Small Businesses (ASB), Women in Business and the EBRD Blue Ribbon programme, which provide impactful support to a select group of high-potential SMEs. Our financing and consultancy services, as well as the business advice provided by our ASB programme, have played a key role in strengthening the economic resilience of Egyptian SMEs. We also work to strengthen businesses' value chains, supporting their integration into global networks and facilitating trade, including through the successful EBRD Trade Facilitation Programme (TFP).

EBRD in Egypt

2013-2023

€9 billion

Net cumulative investment in the private sector

€1.9 billion

Net cumulative investment in industry, commerce, and agribusiness

€6.5 billion

Net cumulative investment in financial institutions

Quick links

- ▶ [Advice for Small Businesses \(ASB\) programme](#)
- ▶ [Youth in Business \(YiB\) pilot](#)
- ▶ [Value Chain Competitiveness Programme](#)
- ▶ [Blue Ribbon programme](#)
- ▶ [Trade Facilitation Programme](#)
- ▶ [EBRD Star Venture programme](#)

The EBRD Women in Business programme provides finance, business advice, training and mentoring to female-led SMEs.



EBRD achievements and results: A more competitive private sector and resilient financial sector in Egypt

We promote SME growth and internationalisation by:

- ▶ improving access to finance and business skills by combining credit lines via partner banks with advice and training
- ▶ bolstering trade and competitiveness, for example through the Value Chain Competitiveness Programme (for example, El Roda, United Sugar) and through more than €140 million in trade finance
- ▶ supporting growth through the flagship Blue Ribbon programme (for example helping retailer TICO to expand its online presence).

We promote inclusive economic opportunities by:

- ▶ helping financial intermediaries to build capacity for and tailor their services to women-led SMEs and increase lending to female entrepreneurs
- ▶ improving access to finance and skills through our Women/Youth in Business programmes, implemented with partner banks such as QNB Alahli and microfinance institutions such as Tanmeyah Microenterprise Services.
- ▶ with our clients, promoting inclusion of youth, women and people in remote areas, for example, through vocational training and equal human resources policies.

We help strengthen the resilience of the financial sector by:

- ▶ providing advisory services to the Central Bank of Egypt (e.g. on the new sovereign yield-curve model) and to the Financial Regulatory Authority (e.g. on crowdfunding)
- ▶ strengthening the capacity of the MSMEDA, with a particular focus on promoting female entrepreneurship
- ▶ supporting the central bank on government debt reform (e.g. by advising on legal amendments with a view to establishing a central securities depository)
- ▶ supporting local-currency financing, e.g., by providing the equivalent of €230 million in Egyptian pounds
- ▶ providing training to financial-sector participants, for example on asset management, risk management or derivatives.

SME growth

75 per cent of SMEs advised by the EBRD between 2013-2022 grew their turnover creating a total of EUR 1.3 billion of additional turnover*

More exports

18 per cent of SMEs advised by the EBRD grew their exports creating a total of €132 million of additional exports*

Job creation

57 per cent SMEs advised by the EBRD hired more employees creating 18,519 new jobs*

"We are pleased to collaborate with EBRD to support some important segments and businesses in the domestic market. The multi-purpose financing package will be directed to further strengthen our SMEs value proposition. AUB continues to expand its clientele base while assuming a responsible role in boosting the green economy".

Hala Sadek, CEO and Board Member, Ahli United Bank (AUB) Egypt.

Better skills

The EBRD-supported Elsewedy Technical Academy trains hundreds of students each year to improve their skills in the electrical sector. As of December 2020, more than 760 students had been trained, of which 165 are currently enrolled in industrial engineering (of which 42 per cent are women)

Capital market development

The Egyptian parliament approved the legal framework for the issuance of short-term debt, on which the EBRD had advised, and the Bank invested in the inaugural issue.

Stronger financial sector

The EBRD supported the Central Bank of Egypt in developing CONIA, the Egyptian pound interbank risk-free rate. This facilitated the creation of new products for financial-sector participants, boosting financial resilience and the economy overall. The EBRD invested in the first loan indexed to CONIA.



See how this EBRD client reacted to the Covid-19 crisis. Tagaddod, an SME member of the EBRD's Star Venture programme, adapted its production to help make hand sanitisers widely available on the market.



Read how the EBRD helps to enhance technical skills in the Elsewedy Technical Academy, a technical cooperation through a package financed with donor support..



Read how the EBRD supports innovation that fosters capital- and money-market reforms.



[Read](#) how EBRD supports Egypt attract much-needed foreign direct investment (FDI) to the agribusiness sector with a US\$ 40 million loan to Angel Yeast Egypt, a global yeast and yeast extract manufacturer. The EBRD financing enables Angel Yeast Egypt to increase its production of yeast, most of which is exported.

The EBRD in EGYPT

EBRD supported the Scatec solar park

Green Economy Transition

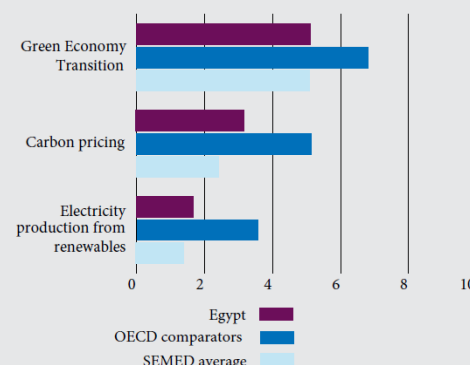
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SDG contribution



Because of its historical access to fossil fuels and associated subsidies, Egypt has developed very energy-intensive industries, such as fertiliser, steel, cement, chemicals and petrochemicals. This has left Egypt in the top five EBRD economies in terms of annual greenhouse emissions. Despite its vast potential, renewable energy still remains largely untapped. Non-hydro renewables have witnessed some growth in recent years with installed energy quadrupling between 2015 and 2020, primarily delivered by the private sector. The government has also established ambitious targets for renewable energy to 2035. However, hydrocarbons have continued to dominate the country's power generation, both in terms of installed capacity and electricity generated. This has put Egypt among the top 11 fastest-growing emitters globally. At the same time, Egypt is highly exposed to the effects of climate change, with significant implications for private sector development. With a growing population, rapid urbanisation and industrial growth, it is vital that Egypt manage its energy use and resources effectively.

EBRD score (1-worst, 10-best)



How we work

The EBRD supports the transition towards a greener economy through investments and policy dialogue. For example, the Bank provides finance for the development of wind and solar power projects, including by helping structure appropriate market mechanisms such as feed-in tariffs. The Bank also provides credit lines via partner banks through Green Economy Financing Facilities (GEFFs), a € 140 million framework co-financed by the European Investment Bank (EIB) and the Agence Française de Développement (AFD). It also seeks to foster positive demonstration effects, particularly with respect to utilising financial intermediaries to increase energy efficiency and promote small renewable energy investments.

EBRD in Egypt

2013-2023

€2.7 billion

Net cumulative investment in the sustainable infrastructure

Quick links

- ▶ [Green Economy Financing Facility](#)
- ▶ [EBRD Green Economy Transition](#)

[The Green Economy Transition \(GET\)](#) is the EBRD new approach for helping build green, low carbon and resilient economies. Through the new GET approach, the EBRD will increase green financing to more than 50 per cent of its annual business volume by 2025. It also aims to reach net annual GHG emissions reductions of at least 25 million tonnes over the five-year period.



EBRD achievements and results in Egypt: Green Economy Transition

We promote higher energy efficiency by:

- ▶ encouraging energy efficiency and small renewable energy investments through dedicated credit lines to a number of local banks and technical advisory services, such as the EgyptSEFF and GEFF
- ▶ promoting women's access to green finance and entrepreneurship (for instance, through gender activities under the GEFF).



We help Egypt realise its high renewable energy potential by:

- ▶ providing advice to the Egyptian Electricity Transmission Company on launching and completing competitive renewable energy tenders (for example, for the Kom Ombo renewable power plant)
- ▶ supporting improvements to the regulatory framework to attract private-sector investment in renewables, reduce reliance on hydrocarbons, and avoid CO2 emissions
- ▶ supporting the Egyptian electricity regulator (EgyptERA) in developing the key parameters for opening the market to the private sector, including the ability to sell directly to consumers
- ▶ financing the development of renewable energy projects in the region, e.g. through increasing its equity stake in Infinity, Egypt's leading renewable energy developer, through an additional US\$ 41.5 million commitment. The EBRD is a current shareholder in the company, having invested US\$ 60 million in 2020.

Better regulation

The EBRD Helped the government develop a tender for the Kom Ombo solar power plant. The project increased private-sector investment in renewable energy, boosted solar capacity by 200 MW and reduced Egypt's reliance on hydrocarbons. The EBRD supported the government in developing a contractual framework for renewable energy investments that is both acceptable, commercially viable and fair to investors and sustainable for the public counterparts

More renewable energy

EBRD investments have helped Egypt to increase electricity produced from renewable energy by 16,933,902 MWh per year.



"The collaboration with the EBRD for financing the Benban project has been a pivotal element in taking the project forward. This partnership assists the socio-economic development of Benban, Egypt, by providing the local population with infrastructure, jobs and skills training. The region has tremendous potential for generating power from natural resources and Alfanar looks forward to working with the EBRD on future renewables projects in solar, wind and biomass."

Jamal Wadi, CEO of Alfanar Energy

Cleaner air

EBRD investments in Egypt are estimated to save more than 30,718 tonnes of CO2 per annum, equivalent to taking >6.6 million cars off the road

Read our results case study:

Realising Egypt's renewable energy



[Watch](#) how EBRD supports cities in Egypt in becoming greener.



[Read](#) how EBRD supports Egyptian renewable energy developer acquire African renewable energy platform, Lekela PowerThe Lekela acquisition is estimated to add 1.1 GW of operational assets and transform Infinity Power into the largest African renewable energy platform.



See how the [EBRD Green Economy Financing Facility \(GEFF\)](#) in Egypt helps Egyptian businesses invest in high-performing technologies by providing financing through local participating financial institutions.



[Read](#) how Blue Mediterranean Partnership steps up support for sustainable blue economy

EBRD in

Cairo joined EBRD Green Cities in 2019

EGYPT

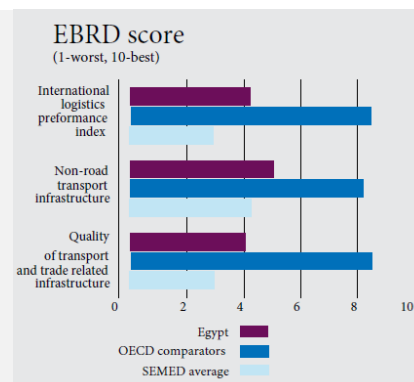
Sustainable infrastructure

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SDG contribution



Egypt's population growth continues to exert significant pressure on resources and public services. While the fiscal deficit has constrained the government's ability to provide high quality public infrastructure, private sector participation in transport and municipal infrastructure has also been limited. These sectors have suffered from underinvestment, leading to irregular or low quality of service provision. Gaps in public infrastructure have also held back the development of a more competitive private sector, which depends on essential municipal, transport and logistical services. Water infrastructure is also limited. With a growing population, rapid urbanisation and industrial growth, Egypt needs to significantly scale up its investment in sustainable infrastructure.



How we work

We focus on supporting the commercialisation of municipal public services and improving the efficiency and quality of service delivery of public infrastructure – including by increasing private sector participation. Drawing on expertise under the EBRD Infrastructure Project Preparation Facility we mobilise private capital for the development of roads, ports, airports, railways and other utilities. We also champion the use of public service contracts and Public Private Partnerships (PPPs), which in Egypt has led to ground breaking investments in urban transport and logistics. EBRD flagship Green Cities programme connects cities' environmental challenges with sustainable infrastructure investments and policy measures.

EBRD in Egypt

2013-2023

€2.7 billion

Net cumulative investment in the sustainable infrastructure

€1.73 billion

Net cumulative investment in municipal and environmental infrastructure

Quick links

- ▶ [Green Economy Financing Facility](#)
- ▶ [EBRD Green Economy Transition](#)

EBRD GREEN CITIES

EBRD Green Cities strives to build a better and more sustainable future for cities and their residents. The programme achieves this by identifying, prioritising and connecting cities' environmental challenges with sustainable infrastructure investments and policy measures.



EBRD achievements and results in Egypt: Sustainable infrastructure

We promote better sustainable infrastructure by:

- ▶ supporting the modernisation of urban transport, such as the Cairo Metro, as a part of a multi-year investment of €750 million including the introduction of long-term supply and maintenance arrangements
- ▶ addressing key environmental challenges, including through our EBRD Green Cities
- ▶ supporting the sustainable financing of vital social infrastructure development by, for example, participating in the New Urban Communities Authority's bond programme.



We help improve water and transport infrastructure by:

- ▶ helping to commercialise Egyptian National Railways, financing the replacement of 40-year old carbon intensive locomotives with 100 new diesel engines, and enhancing rail safety for women
- ▶ modernising water and wastewater treatment plants, including the rehabilitation of the sewerage network in Kafr El Sheik
- ▶ Working with international partners to address urgent irrigation issues in the Nile Delta, one of the most severely polluted drain areas in the country



Better transport

An estimated 2 million passengers benefit from the EBRD-financed Cairo Metro.



"The EBRD projects are of vital importance to the development of the urban transport and irrigation sectors in Egypt. They provide improved services to the Egyptian public and increase the quality of our institutions to manage operations, ensuring long term sustainability. MOIC are pleased that the EBRD has consolidated its commitment to the urban transport sector in Cairo and is also demonstrating flexibility by engaging in new sectors such as irrigation."

Dr Sahar Nasr, Egyptian Minister of International Cooperation and Egypt's EBRD Governor

Improved access to water

The EBRD investments across Egypt are estimated to benefit around 1.5 million residents with improved access to water and wastewater services.

Water saved

More than 3 million cubic meters of water are saved each year through our investments, which is the equivalent of 90,000 showers



A bond issued by Egypt's New Urban Communities Authority, in which the EBRD invested EGP 500 million (EUR 29 million) was named the "Securitisation Deal of the Year 2020 - Africa" by The Banker, a sister publication of the Financial Times. The EBRD was a major, and the only international, participant in the offering.



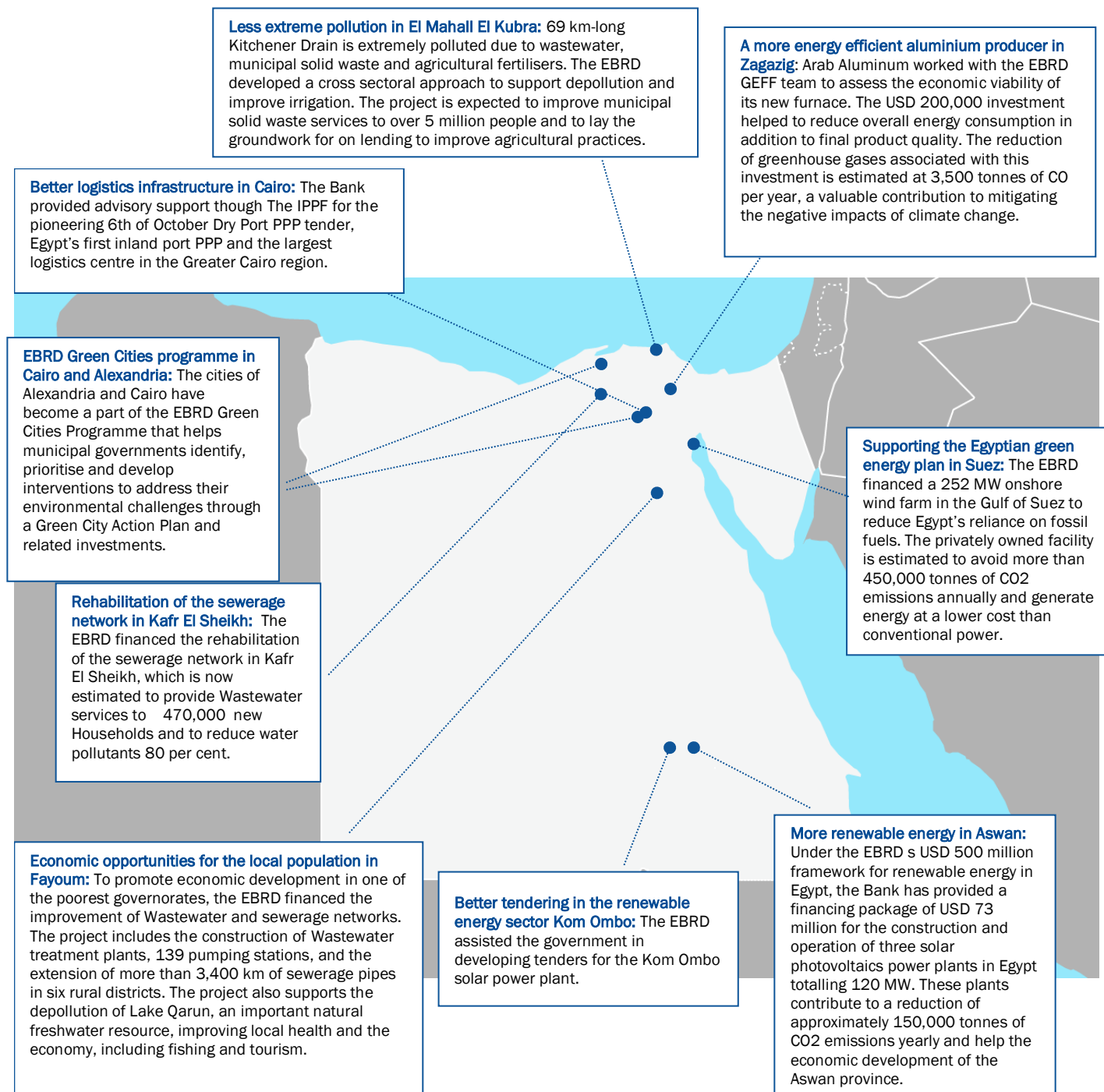
[Read](#) how the EBRD is supporting the development of [Egypt's](#) urban infrastructure sector by investing EGP 927 million (€ 27 million) in a securitised local currency bond issued by El Taamir for Securitization Company (El Taamir), a special purpose vehicle set up by the [New Urban Communities Authority](#) (NUCA).



Read how the EBRD works with ENR to improve safety and security on public transport.



EBRD in Egypt: Selected Achievements and Results



Partnerships

The EBRD supports the transition process by applying a holistic approach through the combination of investment, risk mitigation, capacity building and policy dialogue with local and central governments, regulators, financial institutions and representatives of civil society. Partnership with donors is critical in this process to address

transition challenges, affordability constraints, improve market outcomes in the presence of significant externalities, steer investments towards improved sustainability and transition impact across EBRD's regions. With a focus on sustainable and inclusive private sector development, donor funds also play a key role in building low

carbon economies and mitigating climate risks. EBRD has worked with donors since its creation and currently manages relations with a broad and varied donor community of up to 50 different partners, primarily governments and multi-lateral organisations.

Our Partnerships in Action

- ▶ We co-finance investments in the Water sector with the EU and EIB such as the Kitchener Drain programme, to improve commercial irrigation practices.
- ▶ We encourage support from donors, such as SECO, to advance the inclusion of women and young people, with a focus on lifelong learning.
- ▶ We co-finance flagships renewable energy projects, such as Benban Solar and Lekela Wind, alongside partners such as the Green Climate Fund, International Finance Corporation and the Dutch Entrepreneurial Development Bank (FMO).
- ▶ With the support of the EU, we finance growing firms under the Value Chain Competitiveness Programme.
- ▶ We have signed two major donor funding agreements with the EU in the power sector: one for electricity grid reinforcement (EUR21 million) and one to support GEFF II (EUR38 million).
- ▶ We work with the Sawiris Foundation to support skills development in the tourism sector and to help SMEs.
- ▶ We work with the Food and Agriculture Organization of the United Nations (FAO) to facilitate public private dialogue in the Egyptian grain sector, to support an efficient network of food production and to foster the national food security strategy by helping to eliminate hunger, food insecurity and malnutrition.
- ▶ With donor support from Japan and the EBRD's eastern Mediterranean Multi-Donor Account (MDA), Egyptian National Railways realised its long-term investment plan to renew its ageing fleet and improve the quality of passenger rail services.
- ▶ With generous support from the government of Austria, funding has been provided for the Green City Action Plan for Alexandria and an implementation plan for the development of downtown Cairo.

Donors: Austria, Germany, Italy, South Korea, Spain, European Union, Japan, Green Climate Fund, SEMED MDA, the Swiss State Secretariat for Economic Affairs, MENA Transition Fund, Small Business Impact Fund

Work with us

Financing
Loans
Equity
Guarantees (including to local banks for trade finance)
Advice
Expand
Improve processes and governance
Meet standards
Navigate regulatory environment
Train workers
Goods and services
Procurement
Careers
Participate
Have your say on EBRD policies and strategies

Contacts

Khalid Hamza, EBRD Head of Egypt

Cairo Resident Office

EGID Building, First Floor
Block 72, off Ninety Axis
5th Settlement,
New Cairo, Cairo, Egypt
Tel: 0020223225900

Alexandria Resident Office

Regus offices
Kamarayet Roushdy building
Stanley - Corniche
Alexandria, Egypt
Tel: 002035419155

New business enquiries

Business Development Department
Tel: +44 20 7338 7168 email:

Shareholding

28 March 1991
Egypt joined the EBRD

2012
EBRD started investing in Egypt

EUR 109.42 m
Egypt's EBRD capital subscription

Rania A. Al-Mashat
EBRD Governor for Egypt

KyooHong Cho
EBRD Board Director for Egypt

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