

EGYPT

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Written Statement
by Minister of International Cooperation
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It has always been a pleasure attending the EBRD Annual Meetings; and this time is no different as we move virtually, providing a unique opportunity to convene and include an even broader range of voices together.

Egypt is one of the founding members of EBRD, a key development partner for the country, through extending continuous and valuable support throughout our fruitful and strategic partnership since 1991.

In 2019, Egypt became the EBRD's largest country of operations for the second year in a row with the Bank's investments reaching €1.2 billion in 23 operations, with 80% in the private sector. Renewables and infrastructure upgrades were prioritized to meet the needs of the fast-growing population and to provide critical basic services for economic development. We are also achieving a balanced and well-performing portfolio with private-sector and equity share on the rise. Our portfolio with the EBRD is distributed evenly between sustainable infrastructure (52%), industry and agribusiness (26%), and financial institutions (22%), with a special focus on renewable energy, small and medium-sized enterprises, women in business, youth in business, energy efficiency, and credit lines.

Fresh thinking is now needed more than ever before. COVID-19 is, first and foremost, a global humanitarian challenge. It has showed us that no country has the silver bullet to survive this crisis, and that multilateralism through public-private partnerships is critical to build back better. We are being pushed to re-write the rules to emerge stronger, more unified and more resilient than before. As policy makers, we have to look at development through an emergence prism and recognize our responsibility to serve humanity at a much faster pace.

Egypt has shown resilience over the past decade. According to the Bank's "Regional Economic Prospects" report with the latest set of forecasts, Egypt's economy is on track to grow by 2% in 2020 and projected to rebound by 5% in 2021. It is "the only economy across all of the EBRD regions likely to escape recession in the 2020 calendar year, supported partly by large public construction projects and a boom in the telecommunications sector".

We can move forward.

Together with the support of EBRD, Egypt has been prioritizing building for economically resilient and inclusive communities in the road ahead. The quick mobilization of the rapid response to the pandemic under its Solidarity Package, where it has provided liquidity, working capital, balance sheet restructuring, trade finance, and infrastructure support, has been recognized. This was done through the EBRD signing substantial loan agreements reaching US\$ 850 million with local banks for on-lending to domestic enterprises and to support trade transactions. Thus, the Package has mitigated the impact of a sharp slowdown in economic growth.

What we have learnt from COVID-19 is that there is an opportunity for a “Great Reset” v as championed by the World Economic Forum. There are many gaps that need to be closed; the protection gap; the digital gap; the gender gap; investment gap and many more... I believe we are the architects and shapers of a greener and more circular future... With inclusive cooperation, we have the opportunity to reset for a better future.

At the Ministry of International Cooperation, we are shifting mindsets through “Economic Diplomacy” via three key principles:

1. **Multi-stakeholder Platforms:** The first principle, through regular interactive and participatory consultations with all development partners helps in promoting inclusiveness through opening spaces for dialogue and knowledge sharing, allowing all stakeholders in society to effectively coordinate with the government. It provides us with an opportunity to capitalize on our successes and pitfalls and turn policy-making into story-telling, marking the starting and end point of our developmental journey to move forward together.
2. This year has also revived the spirit of humanity in policy-making, putting the focus on key human challenges such as health, inequalities, and sustainable living. To push for a human-centered economy, the second principle: **Global Partnerships Narrative** is focused on: People, Projects, and Purpose (P&P&P), which essentially puts people at the core in all of our projects to serve human ends and goals in line with the SDGs.
3. The third principle is the **Official Development Assistance** SDG Mapping Framework; aligning the Ministry’s projects to the global goals.

I call the years 2020-2021 the “Years of Multilateralism.” We have seen the importance of using a forward-looking agenda where all of us are sitting together to create a solution. We have been pushed to be agile and innovative. Concerted efforts between the government and private sector are underway to eliminate the negative impact of COVID-19, to mitigate the impact of the crisis on vulnerable groups.

Egypt supports the EBRD in moving forward with its Strategic and Capital Framework (SCF) 2021-2025; with three strategic themes: 1. Transition to a green, low carbon economy 2. Equality of Opportunity and 3. Digital Transition, promoting a sustainable, inclusive and smart future for all.

The SCF is also in line with several Egyptian efforts:

1. **Reducing carbon emissions to enhance environmental sustainability;** the Cabinet recently approved a strategy to push for 30% of all investment projects to be environmentally sustainable. Egypt also allocated an environmental advisor in each ministry to push for a green recovery.
2. **Providing equal opportunities for women;** this is regarded as a macro-critical issue and is integral to Egypt’s inclusive development, which is portrayed in the Ministry of International Cooperation’s recent launch of the “Closing the Gender Gap

Accelerator” with the World Economic Forum and Egypt’s National Council for Women.

On this note, Egypt has won two 2020 Sustainability Awards by the Bank for its efforts in “Sustainable Energy” and “Gender Inclusion”.

3. **Increasing digitalization**; this has been critical during 2020, which pushed Egypt forward for a new digital transformation.

We are renewing our focus on expanding our strong partnership with African countries and ensuring that the extensive potential of the continent is unlocked. Egypt can become the EBRD’s gateway to Africa. In that regard, there is ample investment potential in both the SEMED region and in developing the African countries to build a strong infrastructure which will result in economic growth, job creation, and improving regional trade. Africa can benefit from the EBRD’s expertise in areas related to infrastructure projects, renewable energy, and the development of value chains to enhance production and export activities, as well as access to finance for small and medium-sized enterprises.

This can only happen through increased investment in sustainable infrastructure, connectivity, and accelerating digital transformation. Additionally, Egypt’s private-sector has prioritized several African markets – some of which are EBRD clients – in their international expansion strategies.

The EBRD projects are actual proof that public-private partnerships are a success. The Damietta Port and the 6th of October Dry Port projects show that Egypt is working hand-in-hand with the Bank and the private sector as main partners for success. More projects in railway and urban transportation are moving forward; with the help of the Bank we were able to bring in the best global practices to this vital sector. Moreover, Alexandria and Cairo, the biggest cities in Egypt, have joined the EBRD Green Cities initiative, and we are working with the Bank to develop a complete green transportation strategy for the city. Furthermore, EBRD is the only international financial institution with offices outside the capital including in Cairo, Alexandria, Ismailia, and soon in Asyut to extend its support to small and medium-sized enterprises.

Reform is a continuous process. The Government of Egypt’s Response and Rebuild strategy is focused on “Protect, Provide and Progress” to ensure that the country accelerates its path towards sustainable growth. We entered the crisis with strong fiscal and foreign exchange buffers due to comprehensive reforms on taxes, budgets and foreign exchange that the country implemented over the years, which helped prepare Egypt in facing the crisis. A priority was given to accelerating structural reforms, particularly the formalization of the informal labor force which contributes to over 50 percent of Egypt's gross domestic product (GDP) as well as the women economic empowerment agenda.

Accordingly, a full-fledged legislative and regulatory reform plan has been taking place, complementing the economic reform Egypt is undergoing. Some laws have been newly amended and others newly decreed, such as the New Investment Law, Insolvency and Debt

Restructuring Law, Sole Partnership Companies Law, Commercial Registry Law, Commercial Companies Law, Real Estate Registration Law and Capital Markets Law. Concurrently, the Government of Egypt views the private sector as the key driver of economic growth, with private-sector-led investment and technology expected to play a critical role in increasing the Egyptian economy's level of competitiveness.

Hope for a better world starts when we all come together and remember that development is essentially a journey: a journey that will inevitably include several crises and challenges, but also an opportunity to rebuild back better.

Finally, on behalf of the Arab Republic of Egypt, I would like to extend our full appreciation to Acting President Jurgen Rigterink for allowing a smooth transition during a time of crisis and the excellent EBRD Egypt team for their continuous dedication and commitment, as well as their extensive efforts to support Egypt's development and improve the lives of the Egyptian people.