



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



STRATEGY
TO 2025

Egypt

The background features several overlapping green circles and lines of varying sizes and shades, creating a dynamic, abstract pattern. The text is centered within the largest of these circles.

**“Meeting
the Targets,
Focusing
on the People:
United for a New
Shared Prosperity
in Egypt”**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
ACKNOWLEDGMENTS	5
1. FRAMEWORK OF FRENCH COOPERATION WITH EGYPT	6
1.1. The French development cooperation strategy	7
1.2. AFD group in Egypt	7
1.2.1. AFD group's mandate	7
1.2.2. AFD group's activity in Egypt.....	8
2. AFD GROUP'S NEW COUNTRY STRATEGY FOR EGYPT TO 2025	10
2.1. The priority areas for AFD group Strategy in Egypt to 2025	11
2.2. The three pillars of AFD's new strategy in Egypt to 2025	11
Pillar 1: Support the integration of Egyptian financial, trade and industrial systems at the regional and continental scales ..	12
Pillar 2: Support the Egyptian economy in tackling the challenges of competitiveness, attractiveness and social welfare ..	13
Pillar 3: Promote equitable and sustainable territorial development at a local scales	14
2.3. Three cross-cutting axes of the strategy for a new shared prosperity in Egypt	16
Axis I: Consolidate social inclusion and promote shared prosperity ("100% Social Link")	16
Axis II: Align developmental and climate objectives ("100% Paris Agreement")	16
Axis III: Create job opportunities and develop an entrepreneurship culture through innovation	17
2.4. Priority strategic partnerships and knowledge production	18
2.4.1. Partnerships with French Stakeholders	18
2.4.2. Knowledge production	18
3. FINANCIAL PERSPECTIVES, ACTION MODALITIES AND MONITORING ..	19
3.1. Financial perspectives and operational modalities	20
3.2. Monitoring the strategy	21
4. APPENDICES	23
APPENDIX 1. Logical framework for AFD group's strategy in Egypt to 2025	24
APPENDIX 2. List of AFD priority operations taken from the intergovernmental agreement to 2025	25
ACRONYMS AND ABBREVIATIONS	26

EXECUTIVE SUMMARY

This document presents **Agence Française de Développement** (AFD) group's development strategy in the Arab Republic of Egypt to 2025. It is the summary outcome of the solid relationship and expanded dialogue established between AFD in Egypt and the Ministry of International Cooperation (MoIC) in regards to a joint initiative between AFD and MoIC that was launched in early 2019. This initiative consisted of a bilaterally agreed process of intensified regular discussions and voluntary partnership cooperation agreements, which aimed to ensure full alignment between AFD group's priority areas for financial and technical resources mobilization and the Egyptian government's strategic directions and investment priorities. The starting point of the AFD-MoIC joint initiative was the recognition of the government's endeavor to promote the country's sustainable development policies and investments while ensuring efficient use of external funding for the sake of filling the financial gap while managing public debt. This **joint programming and partnership initiative** began with the Memorandum of Understanding signed in January 2019 between AFD and MoIC and was then enhanced in the AFD-MoIC Protocol of Intent of December 2020. Finally, it was completed and fully operationalized in the following Intergovernmental Agreement (IGA), which was signed between France and Egypt in June 2021.

"AFD group's Country Strategy for Egypt to 2025" builds on the **AFD-MoIC joint programming and partnership initiative** and the **associated bilateral agreements**. It hence presents a shared vision of the partnership that aligns AFD group's sustainable development financing instruments and actions with the Egyptian government's sustainable development policy and investment priorities laid out in "Egypt Vision 2030". This Strategy document also takes into account the policy directions and priority thematic areas developed in the following national and sectoral strategic documents, including (but not limited to) Egypt's "Government Action Program 2023-2027," "Africa's 2063 Agenda" and the Presidential initiative "Hayah Karima" ("Decent Life"). AFD group's Country Strategy for Egypt to 2025" is consistent with the thinking and discussions underlying the preparation of "AFD group's Fifth Strategic Orientation Plan" and with the directions presented in the "North Africa Regional Strategy (2021-2025)". The present document also reflects the Group's strong commitment to mainstream principles and the objectives outlined in the 2030 Agenda and the Paris Agreement on climate change while taking into account Egypt's financial activity planning for sustainable development.

Since starting its operations in 2006, AFD group has built a solid and comprehensive portfolio of EUR 3.1 billion to assist Egypt in responding to the challenges of economic development and climate change control. Over the next period up to 2025, AFD group in Egypt shall build a close collaboration and solid partnership with the Egyptian government and its relevant bodies to promote a **"New Shared Prosperity"** in Egypt around the principles and objectives of sustainable development. This will be achieved through placing the **Egyptian people's wellbeing at the center of our new Strategy for Egypt**. In its overarching motto "Meeting the Targets, Focusing on the People," AFD group's strategy for a New Shared Prosperity in Egypt shares a common founding principle that is the bedrock of the trust relationship with the MoIC's driving principle, and which places **"People at the Core"** of any ambitious and impactful policy, planning and investment decision through the renewed commitment to improve the lives of the Egyptian people. The global health situation related to the ongoing Covid-19 pandemic and its consequences on Egypt's socio-economic situation were also considered when setting out actions and initiatives aimed to enhance recovery, economic resilience and people's wellbeing in the country.

Accordingly, AFD group's Country Strategy for Egypt to 2025 will develop along three main pillars and three cross-cutting axes. The **three pillars** are: (1) fostering the **integration of Egyptian financial, trade and industrial systems at regional and continental scales** (operationalizing the "All Africa" strategy), (2) supporting the **development of network and social infrastructures at the national scale** and (3) promoting **fair, inclusive and environmentally conscious territorial development on a local scale**. Through the three pillars, the "New Shared Prosperity" goal is hence addressed from alternative **spatial scales of the sustainable economic development dynamics** (continental, regional, national, local), each exploring the variety of challenges, which can occur at the different levels of AFD's analysis and action. This innovative approach to strategy design and implementation offers in turn the possibility to suggest the most appropriate financial and technical tools and options to address these challenges. **Three cross-cutting axes will permeate all of the strategic pillars:** (I) Consolidating inclusion and promoting shared prosperity; (II) Aligning developmental and climate objectives; and (III) Creating job opportunities and developing entrepreneurship through innovation.

AFD group in Egypt has mainstreamed sustainability principles into its pillars and shall work closely with the Egyptian government to adopt measures, initiatives and projects that support the implementation of the **Sustainable Development Goals (SDGs)** and the control of **climate change** through sound investments. Along with the "inclusion", the green and the SDGs dimensions of the partnership between AFD and the Egyptian government is particularly critical against the backdrop of Egypt hosting the next 27th United Nations Conference of the Parties on Climate Change (COP 27). In this endeavor, the country's government is expected to play a dynamic and ambitious role to advance the international community debate on climate change along the way towards COP 27 and the following years.

To respond to the heightened ambition of the partnership between AFD group and the Government of Egypt—with the **2021 IGA as a flagship achievement**—financial resources mobilization capacity through sovereign lending will be

augmented. Accordingly, the average volume of AFD group's commitments in Egypt is expected to increase and reach as much as **EUR 250 million per year**. The sovereign loans will prioritize target projects identified in the IGA. Additionally, under this broadened action mandate, AFD will be able to consider new financing requests from Egypt during the term of the present strategy. The financial operations have been identified jointly with the Egyptian ministries and government bodies. They target priority investments that dovetail economic development and the mobilization of French expertise to enhance the knowledge-sharing process as part of the bilateral partnership implementation process.

AFD group's strategy in Egypt will be implemented in **close coordination** with **Proparco**, the Group's private-sector financing arm, and with **Expertise France**, the newly integrated subsidiary for international technical cooperation.

ACKNOWLEDGMENTS

This document is the result of the extensive dialogue and close collaboration with the team of the Ministry of International Cooperation (MoIC), which AFD group recognizes as the leading and prominent authority in coordinating Official Development Assistance (ODA) funding and international financial institutions on the behalf of the Government of Egypt. On behalf of AFD group, AFD in Egypt's team thanks HE the Minister, Dr Rania Al Mashat, whose committed leadership and insights have contributed to furthering the bilateral relationship with the Egyptian government and have inspired the partnership vision presented in this document. We are most indebted to MoIC's team for their daily support and unwavering commitment to expand and deepen our partnership. Their valuable inputs and comments helped improve the document and are also gratefully acknowledged.

This Strategy has largely benefited from sustained cooperation, shared values and common narrative established between AFD in Egypt and the Embassy of France in Cairo and its departments, notably its Economic Department. The continuous support, confidence and trust of HE the Ambassador of France, Mr. Marc Baréty, are hereby gratefully acknowledged.

AFD group's Country Strategy for Egypt to 2025 could not have been accomplished without the involvement and inspirational support of the Egyptian public and private entities, clients, as well as of the numerous technical and financial partners of AFD in Egypt. Finally, the Strategy is motivated by and meant for the Egyptian people. Through our action and activities, we wish to reward people's trust and confidence, which we are most proud of – "Meeting the Targets, Focusing on the People: United for a New Shared Prosperity in Egypt".

A decorative graphic consisting of several overlapping, concentric green circles that form a spiral pattern, starting from the top left and moving towards the bottom right. The circles are of varying shades of green, with the innermost being the darkest and the outermost being the lightest.

1.

FRAMEWORK OF FRENCH COOPERATION WITH EGYPT

1.1. THE FRENCH DEVELOPMENT COOPERATION STRATEGY

Egypt is a key bilateral partner with whom France fosters strong economic, technical and cultural cooperation. Over the period 2018-2021, bilateral trade between France and Egypt averaged an annual EUR 2.7 billion, France so far maintaining a historic trade surplus. In recent years, France has successfully become one of Egypt's top ten trading partners.¹

A large number of French businesses, almost exclusively major multinationals, are established in Egypt (beginning of 2019, 160 establishments employing over 50,000 people). Given the strong presence of French companies in Egypt and their dynamism in AFD's priority sectors, the close partnership between AFD and the Government of Egypt (GoE) clearly offers fertile ground for sharing French knowledge and expertise and for the expansion of French economic activity in Egypt. AFD group takes active part in the bilateral cooperation process in this sense.

Many French institutions are active in enhancing Franco-Egyptian relations. To name a few, the *Institut français d'Égypte* (French Institute in Egypt) ensures the implementation and monitoring of cultural, scientific and technical cooperation; the French Institute of Oriental Archaeology (IFAO) and the Centre for Social, Judicial and Economic Documentation and Study (CEDEJ) are research organizations, which offer scholarships to students in scientific disciplines. France is also pursuing a strong cooperation policy in the administration and judiciary sectors.

Finally, France also supports the relations between the European Union (EU) and Egypt. AFD group contributes to this commitment by mobilizing EU delegated funding into the projects it financially supports, hence adding value to their efficient design and execution.

1.2. AFD GROUP IN EGYPT

1.2.1. AFD group's mandate

In compliance with the conclusions of the Interministerial Committee for International Cooperation and Development (CICID) of 8 February 2018, AFD group intervenes in Egypt to promote green and inclusive growth, especially by fostering economic partnerships. AFD group's operations in Egypt are also in line with the AFD group 2018-2022 Strategy, which commits to promoting "100% Paris Agreement" and "100% Social Link" actions so as to reconcile the fight against inequality and the fight against climate change. As a result, during its financing appraisals, AFD group will systematically ensure that its financing is consistent with low-carbon and resilient development, and will also work to strengthen social cohesion by reducing inequalities and reinforcing participatory forms of governance. A strong focus on the climate change front is expected from AFD within the framework of this Strategy, as Egypt will be hosting the 27th Conference of Parties on Climate change (hereafter, the COP27). AFD plans to work closely with the Government of Egypt to progress on the Country's ambitious goals envisaged in the National Climate Strategy 2050.

Additionally, AFD group's operations in Egypt shall focus on maintaining strong consistency with the Government of Egypt's policy and investment priorities. This is ensured through a close and continued dialogue with MoIC—the national coordinator of ODA funding and international financial institutions on the behalf of the Government of Egypt—for strategy implementation and cascading the implementation progress to the project level. As a result of the close coordination between AFD and the Government of Egypt through MoIC, the Group's operations will align with the priorities and orientations laid out in the Africa 2063 agenda, North Africa Regional Strategy 2021–2025,² Egypt's 2030 vision, Egypt's action program 2023-2027 and UN Sustainable Development Cooperation Framework 2023-2027 (aiming to accelerate the achievement of SDGs), based on three overarching objectives:

- (i) Strengthening communities' and territories' resilience to accelerating climate change and support low-carbon transitions
- (ii) Contributing to consolidating Egypt's new social contract as a determinant of stability, cohesion and reduction of inequalities³
- (iii) Promoting economic and social transformations that create new opportunities.

¹ French customs, 2021. *Annual report on trade statistics 2021*. Paris.

² <https://www.afd.fr/en/ressources/north-africa-2021-2025-regional-strategy>

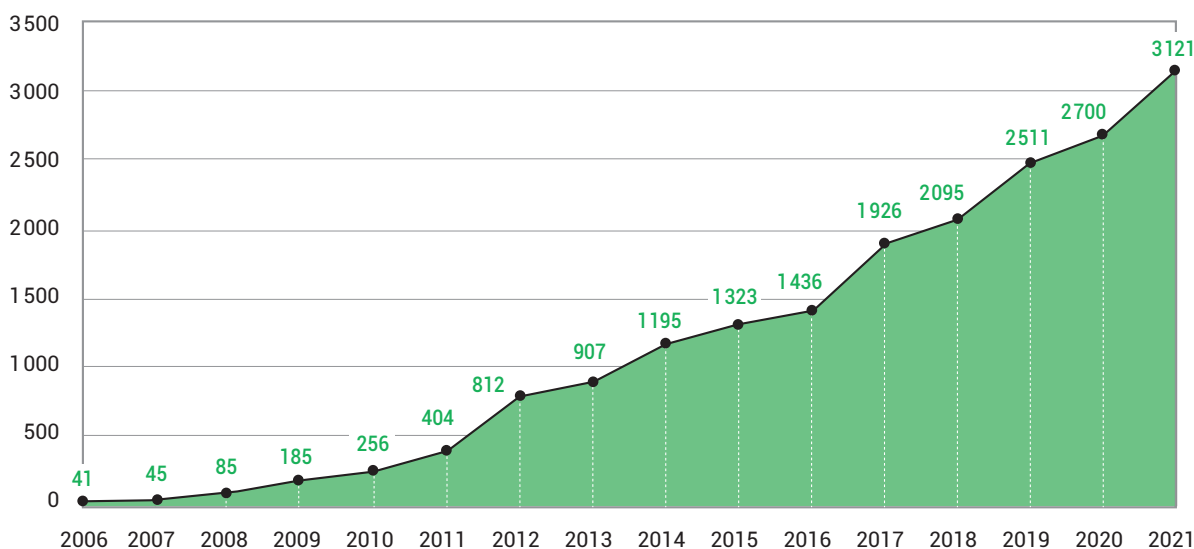
³ By "social contract" it is meant here the set of actions and initiatives that AFD group intends to support in order to enhance social interactions and links which will result in cementing the identity of a community over a given territory.

1.2.2. AFD group's activity in Egypt

AFD group's activities in Egypt began in 2006. The Group's actions include AFD activities in the public sector, whereas its private sector arm Proparco operates through investments and partnerships with Egypt's private sector.⁴ These are also combined with the activities of Expertise France,

mainly in view of its future integration. Since 2006, the **cumulative total of AFD group commitments amounted to over EUR 3.1 billion to date. Over the last three years** in particular, AFD group has significantly stepped up its activity (including Proparco) and the **cumulative commitments have increased by 50%** over this period (cf. Figure 1 below).

Figure 1 – AFD group's cumulative commitments over the period 2006-2021 (in M€)

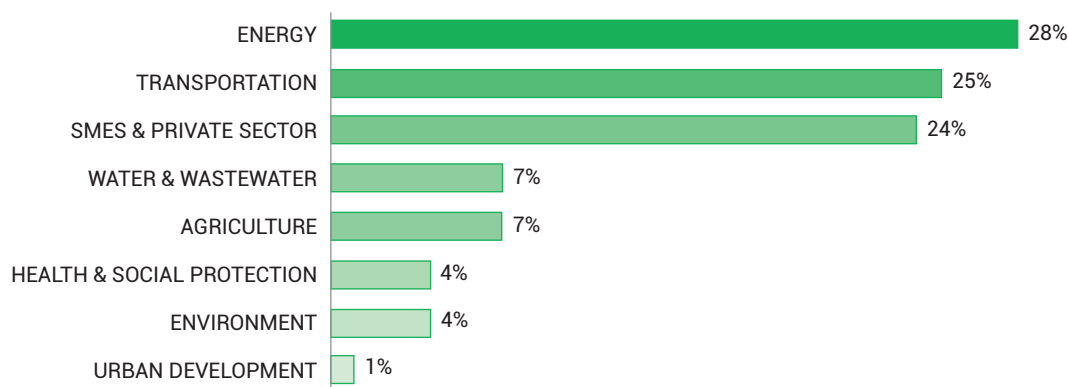


The Group's commitment portfolio in Egypt is focused on network infrastructure development (notably energy and transport) and support for entrepreneurship (micro, small and medium enterprises, MSMEs) and the private sector (cf. Figure 2 below). Since 2016, AFD group has been keen to diversify its commitments by financing projects in the water and sanitation sector and in agriculture, as well as in the management of external environmental factors (local

and global). Lastly for the sake of maximizing the developmental impact of AFD-funded operations to the benefit of the Egyptian population, new activities have recently been developed to promote job creation (lines of credit designed to support women's entrepreneurship) and to strengthen human capital (health, social protection, education and vocational training).

⁴ Communication over AFD's operations occurs through well-established institutional channels consistent with AFD's procedures. Detailed information related to specific Proparco operations can be shared with the Ministry of International Cooperation upon request.

Figure 2 – Sector breakdown of AFD group’s combined commitments for the period 2006-2021



An early attempt to assess the impact on the alternative dimensions of Egypt's economic development trajectory of AFD's operations over the past five years suggests the following:⁵

- Easier access to effective, high-quality and safe urban transport, notably for women, was achieved for ~4 million passengers in Cairo and Alexandria.
- ~8 million people benefited from improved healthcare access and ~750,000 people, including ~390,000 women, from better social protection via universal health coverage.
- More than ~1.5 MtCO₂e (Metric tons of carbon dioxide equivalent) have been avoided each year and renewable production capacities increased with ~600 MW of new installed capacity.
- ~20,000 Egyptian SMEs benefitted from AFD's support or financing.
- ~40,000 jobs were created under AFD-supported projects.

⁵ Figures presented here are extracted from prefeasibility and feasibility analyses and reports for the corresponding projects over the indicated time period. They are hence to be considered as preliminary figures subject to revision in the detailed ex-post evaluation studies.

The background features several overlapping, thin green circular lines of varying radii, creating a dynamic, abstract pattern. The lines are centered around the text, with some passing through the letters of the large number '2'.

2.

**AFD GROUP'S
NEW COUNTRY
STRATEGY FOR
EGYPT TO 2025**

2.1. THE PRIORITY AREAS FOR AFD GROUP STRATEGY IN EGYPT TO 2025

End goal: Over the period of implementation of the country strategy to 2025, AFD group will support Egypt in consolidating the Sustainable Development Goals and in pursuing its efforts for a **new shared prosperity underpinned by a socially inclusive economic system aligned on environmental protection and driven by innovation**. This is summarized in the heading principle and driving motto of the present strategy *"Meeting the Targets, Focusing on the People: United for a New Shared Prosperity in Egypt"*.⁶

Criteria for Action: The criteria guiding the definition of the Group's areas of focus are as follows:

- Prioritizing AFD financing according to the thematic and sectoral priorities defined by the Government of Egypt in national economic and sectoral strategies (like e.g., "Egypt 2030 vision," "Government Action Program 2023-2027," which in turn were established through a participatory process)
- Mobilizing and leveraging available financial resources (from investors and the private sector), to maximize the leverage effects in support of growth trajectories
- Maximizing the impacts of AFD's operations and initiatives by optimizing the strengths/comparative advantages of the Group's involvement, particularly the lessons learned from past operations and the expertise that can be mobilized for future actions.

Joint programming for a strong long-term partnership:

The dialogue, coordination and consultation with Egypt's central government and its bodies, particularly the Ministry of International Cooperation (MoIC), are the main drivers for establishing a shared vision of the strategic priorities and a multiannual programming capacity. "AFD group's Country Strategy for Egypt to 2025" builds on the **AFD-MoIC joint programming and partnership initiative** to present a shared vision of the partnership that aligns AFD group's sustainable development financing instruments and actions with the Egyptian government's sustainable development policy and investment priorities laid out in "Egypt Vision 2030". The present Strategy is also in line with the strengthened partnership between AFD group and the Egyptian government, which led to the signature of a memorandum of understanding between AFD group and the MoIC during the French President's visit in January 2019. This partnership agreement proposes a change in approach based on a structured and programmatic dialogue with Egypt's central government and its bodies. The approach aims to support the country in its transformative phase, following two IMF reform programs (the first was completed in 2018, the second was launched in 2020 to support economic recovery in the context of the pandemic). This partnership was renewed with the **"2021 Intergovernmental Agreement"** signed by the Egyptian and French governments (cf. Appendix 2).

2.2. THE THREE PILLARS OF AFD'S NEW STRATEGY IN EGYPT TO 2025

AFD group's strategy in Egypt is based on **three pillars** (or strategic objectives) and **three cross-cutting axes** (or cross-cutting objectives). The logical framework in Appendix 1 gives a diagrammatic view of how this strategy is organized. Each pillar reflects a strategic objective identified in the Memorandum of Understanding of January 2019 and is in line with the strategic priorities highlighted in the two driving strategic documents "Egypt Vision 2030" and the recent "Government Action Program 2023-2027" (e.g., inclusive partnership, human capital development, growth, productivity, green transformation).⁷

The three pillars and the new shared prosperity goal are studied from alternative spatial scales of the sustainable development dynamics (continental, regional, national, local), each allowing to explore the variety of challenges which can occur at the different scales of AFD's analysis and action. They are:

1. Fostering the integration of Egyptian financial, trade and industrial systems at the **regional and continental scales** (operationalization of the "All Africa" strategy),

⁶ Note that the heading motto of AFD in Egypt's Strategy up to 2025 is strongly consistent with MoIC's global partnership narratives underpinning Egypt's economic diplomacy principle: "People at the Core, Projects in Action and Purpose as the Drive."

⁷ Although the Government Action Program 2023-2027 was drafted after defining AFD's strategic pillars (first introduced in the 2019 MoU), the close coordination and continued dialogue between AFD in Egypt and MoIC teams made it possible to ensure cross-fertilization of visions and natural alignment of objectives between our respective participants.

2. Supporting the development of efficient, green and inclusive infrastructure networks at a **national scale**, and
3. Promoting fair, inclusive and sustainable territorial development at a **local scale**.

Pillar 1: Support the integration of Egyptian financial, trade and industrial systems at the regional and continental scales

“Strengthening the integration of the Egyptian financial and industrial systems into Africa’s trade, financial and economic development perspectives”⁸

(operationalization of the “All Africa” approach).

To achieve this objective, the development of the private sector stands as a key priority for the Egyptian government, as stated in the strategic orientations set out in the document “Egypt Vision 2030.”⁹ Since the end of 2016, the country has embarked on numerous reforms to move away from a highly capital-intensive development model based on “rents” (from gas, land, tourism) towards a “market integration” model (domestic and regional markets) centered on innovation, productivity and economies of scale. The National Structural Reform Program was deployed in two phases starting in 2016 with phase one focused on monetary and financial policies whose success was praised by international agencies. Thanks to the reform program, Egypt was able to have the maneuverability to manage positive economic performance (among the few countries which saw economic growth) despite the COVID-19 outbreak, seeing the GDP’s growth hit 3.6 percent in FY2019/20.¹⁰ The second phase is focused mainly on the technological transformation in the agricultural, information and communications sectors; in addition to the development of financial markets, freeing trade and the incorporation of vocational training systems.

Egypt also is seeking to strengthen its economic and trade integration into the African continent in line with the ambitious goals of the Africa 2063 agenda, which sets out Egypt’s vision for “an integrated and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena.” Through actions initiated within Pillar 1, AFD intends to support this integration via two main channels:

- (i) Boost the participation of Egypt and its entrepreneurial ecosystem in the regional and continental value chains: **Over the last ten years, the accelerating** growth of a continental-scale market in Africa has offered considerable opportunities (and challenges) for Egypt’s entrepreneurial ecosystem, particularly for its MSMEs.¹¹ In this context, Egypt has paid particular attention to promoting female entrepreneurship and the Central Bank of

Egypt (CBE) has played a key role in providing services to facilitate women’s access to financial services and advisement (especially in rural areas).

The participation of MSMEs in value chains at a regional and continental scales can enable them to reach financial stability, increase their productivity and enhance their competitiveness by taking advantage of scale economies (volume of production resulting in a marginal reduction of average production costs). However, boosting Egypt’s participation in value chains requires a substantial injection of financial resources and human capital and inherently involves compliance with international standards (especially environmental, social and safety standards).

To tackle these challenges, AFD group will be able to provide MSMEs with institutional as well as technical and financial support. AFD will work to support implementation and promotion of effective regulatory and governance frameworks that can facilitate the creation and growth of MSMEs, as well as the emergence of business and financing opportunities. This institutional dimension will be addressed mainly through the partnership collaboration with the government’s Micro, Small and Medium Enterprise Development Agency (MSMEDA).

On the financial side, AFD group will work to create or renew partnerships with public and private banking operators providing MSMEs with access to credit. This focus area is underpinned by AFD’s determination to expand its cooperation with regional and national banks, particularly the National Bank of Egypt (NBE), on the basis of multiannual programming. The Group will continue its current commitment to supplement the Egyptian banks’ transformative approach to the transition towards green financing strategies, which contribute to the Sustainable Development Goals and integrate economic and social challenges.

- (ii) **Encourage cross-border connectivity:** AFD group also seeks to encourage regional cooperation by promoting cross-border connectivity. It will be able to contribute to financing rail or maritime “corridors,” which are the primary routes for trade, transport, traffic flows and trade in goods and services between the main regional and continental hubs of economic activity. These “corridors” are particularly crucial for promoting business opportunities. AFD’s support will target not only the physical aspect of corridors, linked to infrastructure construction, but also the organizational and planning side relating to improvements in logistics chains. Based on the first exchanges with the relevant government bodies, the corridors identified will likely be the north-east African connection between Egypt and Sudan and the

⁸ Strategic objective identified in the Memorandum of Understanding of January 2019.

⁹ https://www.arabdevelopmentportal.com/sites/default/files/publication/sds_egypt_vision_2030.pdf

¹⁰ World Bank, 2021. “Egypt Inclusive Growth for Sustainable Recovery.” Washington DC.

¹¹ The reference country for SMEs’ contribution to the national economy is South Africa, where it is calculated that 91% of the formal market, 60% of actual employment and 34% of GDP is attributable to SMEs.

Mediterranean route through enhancing rail links and network (respectively, the Luxor-Aswan-Abu Simbel and the Tanta-Damietta) which will in turn act to increase trade capacity via inland and maritime transportation. The **Ministry of Transport** would be the key partner in this area with the Egyptian National Railways (ENR) authority for the rail projects according to the priority needs of the Ministry.

Pillar 2: Support the Egyptian economy in tackling the challenges of competitiveness, attractiveness and social welfare

“Supporting the Egyptian economy to face the challenges of competitiveness, attractiveness and social welfare through, on the one hand, structuring and innovative investments in the fields of network infrastructure (energy, railroad and marine transportation) and on the other, the social and human development (health, social protection, education, higher education, women empowerment)”¹²

The actions under this pillar aim to respond to the priorities set by the Egyptian government with respect to enhancing the attractiveness and competitiveness of the country's socio-economic system, as well as improving the population's welfare and shared prosperity. This is completely in line with MoIC's principle of “People at the Core.” The strategic importance of this pillar plays its full role in the context of the pandemic. In the areas covered by this strategic pillar, the Egyptian central government and its relevant bodies and private-sector representatives have shown an interest in working with AFD group, emphasizing the Group's added value and comparative advantages (access to a variety of instruments combining dialogue on reform, public and private sector financing and the provision of targeted expertise).

Within the framework of its strategic lines of action, AFD group will seek to respond to the requirements of inclusive and distributive economic growth. This approach will help to reinforce infrastructure, consolidate social safety nets while enhancing the competitiveness and attractiveness of the Egyptian economy. The Group will also ensure that it promotes partnerships and co-financing opportunities with other public development banks.

Two major areas for AFD's sectoral focus have been identified to respond to the strategic commitments of this pillar:

(i) **Network infrastructure** (energy, transport, water and sanitation)

In the **energy sector**, after supporting the program to connect Egyptian households to the natural gas network, AFD will address the development of the electricity sub-sector, in particular three components of the country's electricity system will undergo a transition through: (a) improving the electricity sector's economic sustainability and operational efficiency along with its governance; (b) promoting clean energy to foster green growth; (c) achieving the full potential of renewable energies and energy efficiency by modernizing the transmission and distribution grids, and by contributing to efforts to increase the installed capacity of Egypt's energy mix, in line with the path announced by the country. AFD priorities in Energy are in line with Egypt's ambitious targets incorporated in the Integrated Sustainable Energy Strategy to 2035 (adopted in 2016). The Egyptian Government has even increased their goal, aiming to transition 42% of their electricity to come from renewable energy by 2030 instead of 2035. AFD shall work closely with the **Ministry of Electricity and Renewable Energy** and its implementing authority (New and Renewable Energy Authority, NREA) for adopting its 2025 strategy.

Regarding the **transportation sector**, in the urban, suburban and intercity transport systems, the programmatic approach will involve pursuing the dialogue surrounding high-capacity rail transport in Cairo and Alexandria, while simultaneously broadening the Group's action modalities to include other transport modes (bus, non-motorized modes, multimodal hubs, traffic management) and other cities. This considers the Government's Urban Development strategy articulated in the “National Strategic Vision for Urban Development 2052” which envisions the development of new urban cities with efficient transport systems at its core. Also, the sector is strongly supported by the Presidential office for adopting new means of smart transport.¹³ In the sector of non-urban transport, AFD will aim to support the development of corridors via support for ports and railways in order to improve the efficiency of freight transport. The non-urban transport approach serves the long-term vision of Africa 2063 Agenda for free trading across the continent and supports Egypt's vision for further expanding the exports market. AFD shall build on its strong relations with the **Ministry of Transportation** and its implementing bodies (ex. National Authority of Tunnels, Egyptian National Railways) for strategy implementation.

¹² Strategic objective identified in the Memorandum of Understanding of January 2019.

¹³ The presidential initiative “A bike for every citizen” is a clear illustration of the GoE's effort to foster smart transport solutions for sustainable urban development.

For **water and wastewater**, the dialogue with the central government, the **Ministry of Housing, Utilities and Urban Communities** as well as the **Ministry of Agriculture and Land Reclamation** will focus on achieving an efficient water cycle by reducing technical and commercial losses, promoting effective agricultural irrigation techniques and promoting the re-use of wastewater, through an action that combines institutional support and encouraging investment. Securing water resources could also mobilize financing for the construction of desalination plants, while also integrating the energy and biodiversity challenges. Given the Country's context with regards to water resources and the impacts of climate change, AFD is working closely with implementing bodies of the **Ministry of Housing, Utilities and Urban Communities** (Construction Authority for Potable Water and Wastewater, CAPW and the Holding Company for Water and Wastewater, HCWW) to assure the deployment of climate change mitigation and adaptation principles in all projects. This is particularly in line with the "National Water Strategy 2017-2037" pillars 1, 2, 3 (water quality, water conservation, water resources development) through our joint collaboration with the Egyptian government in new wastewater treatment projects in the Intergovernmental Agreement (IGA) which was signed in June 2021. New projects in this sector aim to reduce carbon footprint through regeneration of energy for the operational phases via sludge treatment (climate change mitigation) and create an unconventional irrigation water source through efficient and quality treatment of wastewater (climate change adaptation).

(ii) **Social services and related infrastructure**

Social protection will be the Group's priority over the term of this Strategy in view of supporting the Egyptian government to reinforce supply and quality of social services to the population. On this count, AFD already provided an initial policy-based loan (PBL) – *prêt de politique publique* (PRPP) – in 2018 to the benefit of the **Ministry of Finance** in support the Egyptian government's reform to strengthen institutional and regulatory framework for social justice, particularly thanks to the deployment of universal health coverage. This first PBL, amounting to EUR 60 million (which was totally disbursed in two separate tranches between 2018 and 2020), provided the Ministry of Finance with the necessary assistance in defining the regulatory and institutional framework for the new universal health insurance system and, as from July 2019, its practical implementation in the Phase I Governorates. The success of this first operation prompted the government to gradually extend the program nationwide over a 15-year period, which warranted AFD's decision to respond positively to the Egyptian government's request in 2020 for financing a second PBL operation of a total of EUR 150

million, along with a technical assistance program. This second PBL in support of the social protection system reform was awarded in 2020 and has entered its implementation stage (with EUR 50 million first of the three planned tranches being already disbursed end 2021). In addition to reinforcing the capacity of the agencies to implement the Universal Health Insurance System this support enables full alignment with the "Hayah Karima" (i.e., "Decent life") Presidential Initiative, which aims to raise the standards of living for the targeted segment of Egypt's population by providing efficient and coordinated access to health services and infrastructure. Proparco's involvement in the health sector also responds to the priority need to develop accessibility to healthcare and improve its quality.

AFD further assists the expansion of government's investments in the fields of **education, vocational training and higher education**. In this sense, financial and technical support is extended to the **Ministry of Higher Education and Research** for the "refounding" of the *Université Française d'Égypte* (UFE). The project plans to create a campus, introduce new study programs and focus the orientation towards research in order to increase the number of students from 500 to 3,000 by 2028. International technical experts are also mobilized on the UFE project via Expertise France.

Furthermore, AFD supports the strengthening of French-language education in state schools and, in early 2020, Proparco granted financial support to the *Mission Laïque Française* to assist the geographical expansion, mainly in non-French-speaking countries. It is also supporting the extension of the *Lycée Français* in Alexandria (to double the number of students). Based on these successful first experiences, AFD group is set to pursue its involvement in this sector.

Pillar 3: Promote equitable and sustainable territorial development at a local scale¹⁴

"Promoting a fair and environmentally friendly local economic development, notably through efficient management of natural resources (water, soils resources and air)"¹⁵

Egypt's population is growing at a very swift pace (~2% a year) reaching approximately 100.9 million according to the IMF accompanied by rapid urbanization.¹⁶ Yet, the country benefits from a high percentage of youth, constituting around one third of the total population. Around 43% of the population lives in cities, of which 56% are concentrated in the Greater Cairo Region (Cairo, Giza and Al Qalyubiyah) and the Governorate of Alexandria, according to UN Habitat. The bulk of the country's economic activity is concentrated in the capital's urban agglomeration given the concentrated population that surpassed 20 million.

¹⁴ The notion of territorial development at the local scale refers here to the integrated multi-sector, multi-actor transformation process, which occurs in a limited portion of a subnational territory (like e.g., an urban agglomeration, or specific rural or natural ecosystem areas) and that is guided by policy priorities supporting the dynamics of the relevant spatial, economic, physical infrastructure and environmental systems. (For further details on the notion of "territorial development" adopted here, see "Romeo, L. 2015. 'What is territorial development?' ECDPM Great Insights Magazine, vol. 4, issue 4")

¹⁵ Strategic objective identified in the Memorandum of Understanding of January 2019.

¹⁶ International Monetary Fund. 2021 Report no. 21/163. Washington DC.

Ensuring spatial balance of economic activity will have a significant impact on the population's living conditions, the quality of human health and food security, as well as on the environment and natural ecosystems which were initially addressed within the Decent Life initiative and envisaged in the Government's 2023-2027 Action Program.

Biological diversity and the dynamics of natural ecosystems in Egypt are under threat mainly due to the overexploitation of resources (water, soil), the emission of anthropogenic pollutants into the environment (water, soil, air) and to mass tourism. To tackle environmental imbalance, Egypt has an ambitious strategy and action plan for the period articulated in Egypt's Vision 2030, the Government Action Program 2023-2027, National Water Resources Plan 2017-2037 and the National Climate Strategy 2050. Local environmental externalities are still only marginally controlled due to the Egyptian economy's high dependency on its natural resources (notably agriculture and tourism) despite the enormous efforts by the Government of Egypt to curtail this dimension. This requires additional diversification for Egypt's economy to upgrade towards higher added value goods and services along with agriculture and tourism.

Four challenges are now very closely monitored by the Egyptian government:

- (i) **Improvement of the quality of air (especially in large urban agglomerations) and water (with a concurrent depletion of exploitable water resources):** Alongside the Egyptian government bodies, AFD group plans to intervene resolutely in the management of water and air pollution, as well as the effective preservation of biodiversity. On this count, AFD intends to develop further dialogue and strong collaboration with the central government and the technical ministries (**Ministry of Environment, Ministry of Transport, Ministry of Housing, Utilities and Urban Communities**) to respond to shortcomings in water resources management at local levels. These deficiencies may involve water supply in urban areas, solid waste management, planning of transportation and urban spaces and food distribution logistics. The enhanced dialogue with the **Ministry of Environment** will constitute a priority of the Strategy's implementation in a joint effort to contribute to finding solutions to current and future environmental challenges and achieve environmental sustainability in Egypt.

- (ii) Sustainable, resilient and inclusive agriculture by promoting agro-ecology and **supporting rural finance**. The balance of territorial development between rural and urban areas as well as coastal and inland areas is a priority for the Egyptian government. In line with the "*Hayah Karima*" initiative, this line of action will, moreover, help to support territorial resilience and reduce socio-economic inequalities across the Egyptian territory by developing rural employment and alleviating rural poverty. In addition, agro-ecology could be considered as a potential avenue for climate change adaptation and mitigation, natural resource preservation and inclusiveness.

- (iii) **Food security.** Given the supply chain deficiencies (10 to 50% loss of foodstuffs postharvest¹⁷) and high demographic growth (+100 million inhabitants since 2020), the Egyptian government wishes to develop a countrywide network of wholesale markets. After in-depth discussions with the project beneficiary, the **Ministry of Supply and Internal Trade**, Ismailia and Sharqeyah have been identified for a pilot project designed to optimize management of a wholesale market that potentially will be replicable in the rest of the country.¹⁸ AFD and French economic actors have the capacity to support Egypt in deploying such wholesale markets.

Disruption of biological ecosystems: the spatial disaggregation introduced in this Strategy, coupled with AFD's regional organization, may prove relevant in effectively addressing negative environmental externalities occurring at the different global, regional and local scales of action. Notably biodiversity loss, integrated coastal zone management, the prevention and management of extreme events and the depollution of water and soil will be explored from both domestic and regional perspectives as they represent an impediment to the Egyptian people's welfare as well as a common challenge to community wellbeing in North African countries.

In addition, AFD aims to contribute to Egypt's economic development at the local scale. Capitalizing on previous support actions and financing, AFD will continue to improve living conditions in precarious neighborhoods notably by facilitating access to bank finance for micro and small enterprises and by financing highly labor-intensive work.

¹⁷ Rungis International Market (Semmaris) report to the Egyptian **Ministry of Supply and Internal Trade** (Technical assistance program for the development of wholesale markets in Egypt, May 2021).

¹⁸ The selection of the final location is to be validated following thorough analyses within the framework of the project's feasibility study.

2.3. THREE CROSS-CUTTING AXES OF THE STRATEGY FOR A NEW SHARED PROSPERITY IN EGYPT

Three cross-cutting action axes complement the pillars of the present strategy. These three cross-cutting objectives will run through all of AFD group's lines of action.

Axis I: Consolidate social inclusion and promote shared prosperity ("100% Social Link")

On the basis of this first cross-cutting axis, AFD aims to promote strengthened social cohesion in all of its actions and at different levels. Greater importance will thus be given to efforts on health and education at sub-national levels through operations to improve and give better access to social and medico-social services, which are effective vehicles for community organization. Inclusion, gender equality and shared prosperity will be the focus points of this new strategy, building upon the consolidation of the social protection system currently underway.

At the national level, the achievement of this inclusiveness objective will be sought through operations on infrastructure mainly for urban mobility and rail transport. Thanks to the improved connection and performance of transport and communication networks, as well as to improvements in urban infrastructure, including in precarious districts, interpersonal social ties can be strengthened. The promotion of gender equality is one of AFD group's main priorities in Egypt; in addition to the cross-cutting integration of actions to promote gender mainstreaming in funded operations, the dialogue initiated by AFD with the Egyptian government bodies aims to put in place dedicated lines of action, particularly in support of women's economic empowerment. The Group is continuing to integrate this priority into its new strategy. Egypt has strongly progressed on women's empowerment objectives (for example, the government's commitment to the ratio of 27% women within the parliament and ~24% among Ministers). Women's empowerment and gender inclusion represent a priority for achieving sustainable and balanced prosperity across the population in MoIC's action towards achieving the 2030 agenda in Egypt. Yet, despite ongoing efforts, the gender gap highlights that Egypt still needs to progress on this dimension: Egypt is ranked at 129th position globally and only 20% of women participate in the formal labor force. Moreover, the presence of women among professional workers is relatively low (33.4%) and less than 10% access senior official and managerial positions.¹⁹

AFD is strongly mobilized in promoting gender inclusion in Egypt and contributing to the Egyptian government's endeavor to closing the gender gap, in alignment with the "National Strategy for Empowerment of Women 2030":

- The partnership with the state Micro, Small and Medium Enterprise Development Agency (MSMEDA) is one example of a structural initiative to promote gender inclusion through a DAC approach: it aims at structural impacts to reduce gender inequality and, more specifically, impacts targeting women's economic empowerment by supporting women-led entrepreneurial initiatives. This is in line with the "Government's 2030 National strategy for empowerment of women," pillar 2 (on women's economic empowerment).
- AFD's policy-based loan operations to strengthen the social protection system will provide improved access to healthcare services, women being the main beneficiaries. This is in line with the "Government's 2030 National strategy for empowerment of women," pillar 3 (on women's social empowerment).
- AFD further supports the **National Council for Women** in their continuous effort to promote gender equality and women's empowerment. Within the framework of its operation in support of the modernization of the Alexandria tramway, AFD finances communication campaigns to raise public awareness of the fight against harassment and reinforce safe travel conditions in coordination with the National Council for Women. This is in line with the "Government's 2030 National strategy for empowerment of women," pillar 4 (on women's protection).

Axis II: Align developmental and climate objectives ("100% Paris Agreement")

AFD group's activity in Egypt contributes significantly to the objectives to **control climate change and its effects**. Faced with the challenges of low-carbon transition and the need to implement ambitious "climate" mitigation and adaptation measures, AFD will pursue the dialogue with the Egyptian government on low-carbon and resilient development paths consistent with the Paris Agreement.

¹⁹ World Economic Forum. 2021. Global Gender Gap Report 2021.

With respect to **mitigation**, this dialogue will mainly focus on energy policy in order to accelerate the roll-out of renewable energy potential, reduce deficiencies in the energy system and promote energy efficiency in the different economic sectors. It will also aim to identify additional sources of mitigation, particularly in the sector of urban sanitation services and transport infrastructure. With respect to **adaptation**, efforts will be stepped up for the most impacted sectors of Egypt's economy, chiefly through supporting the development of resilient and inclusive agriculture (which will ensure food security), enhancing the water resource management (including transboundary resources) and developing unconventional resources (mainly the re-use of treated wastewater). The **private sector and the financial system** have a crucial role to play in financing and investments related to **global climate change challenges**. Through its subsidiary Proparco, AFD group will be supporting such investments. AFD group will also support developments in the financial system conducive to investments that can help to avoid or reduce GHG emissions and/or contribute to adaptation to climate change effects. The Group will also support greater integration by the institutional actors (central bank, financial supervisor, regulatory authority) concerning the risks posed by climate change to financial stability. Finally, AFD will continue to support rural and agricultural finance by enhancing access to credit for small and medium-sized agricultural enterprises. In this area, the SASME project has been a real success and AFD group will ensure that it continues to intervene in this field. The opportunity of having COP27 hosted in Egypt in 2022 will positively impact the roll-out of initiatives in this Axis and build on AFD's joint effort with the **Ministry of Environment** on the Government of Egypt's climate change agenda. AFD's institutional dialogue will build on the Government's holistic effort to combat climate change, which entails proposals and actions to foster women's active participation in the decision-making process for environmental governance and climate change control.²⁰

Axis III: Create job opportunities and develop an entrepreneurship culture through innovation

Job creation has been identified by the Egyptian government as a priority objective in its "Sustainable Development Strategy: Egypt Vision 2030." In a country with a high unemployment rate,²¹ particularly among young people (in a context of strong demographic growth), and with the need to curb spatial and economic inequalities, promoting access to financing for economic actors and supporting the growth of entrepreneurship remain a priority.

Building on its experience of supporting local entrepreneurship and its comprehensive set of technical and financial tools, which are able to capture the local demand for investment, AFD group will prioritize support for projects run by local stakeholders (e.g., local financial systems, public structures capable of taking on long-term investments and direct financing for local MSMEs). The Group will also work to develop the potential for promoting innovation and improving sectoral governance and infrastructure provision as vehicles of entrepreneurial opportunities. AFD will also continue its financial support for the upgrade of the infrastructure base (energy, connectivity) with the aim of making the Egyptian market more attractive to foreign and local investors. Furthermore, AFD group will continue its mobilization to promote MSMEs' access to financing, particularly through intermediated financing, so as to encourage local job creation and private initiatives, especially initiatives launched by young Egyptians. Non-sovereign financing (private or public banks such as the **National Bank of Egypt**) and sovereign loans are the drivers of this support to increase employment opportunities. In supporting employment and job creation in Egypt, particular emphasis will be placed on increasing women's participation in the workforce and entrepreneurship. To achieve this goal, AFD group will seek ways to enhance its partnership with the National Council for Women, whose leading role in improving women's living conditions is herein fully recognized.

Finally, in the **digital** sector, AFD group's action will build on previous initiatives. Digital components have already been integrated into several projects such as the digitalization of the administrative functions of the state-owned gas holding company (EGAS). AFD has also partnered the Franco-Egyptian Start-up Challenge bringing together start-ups operating in the sectors of health, sustainable cities and financial technology. To capitalize on these first initiatives centered on Egypt's digital transformation, AFD will continue prospecting within the framework of the present strategy, and ensure its alignment with the reform of the information and communication technologies sector implemented by the **Ministry of Communication and Information Technology**. Finally, by investing in venture capital funds with digital and technological components, Proparco will also support the digitalization of the local economy.

²⁰ As an example of such inspirational effort, take Egypt's global initiative presented by the President of the National Council for Women at the 66th session of the United Nations Commission on the Status of Women (CSW66). The initiative includes as an example educational activity to drive behavioral change for women with respect to climate change and empowering active participation.

²¹ The unemployment rate rested at 7.4% in Q4 2021 vs 7.2% in Q4 2020. According to CAPMAS detailed report in for Q1 2021, the unemployment among young people (15-24 years) was relatively high (~27%).

2.4. PRIORITY STRATEGIC PARTNERSHIPS AND KNOWLEDGE PRODUCTION

Building upon previous development strategies, AFD group in close collaboration with the Government of Egypt and notably with the **Ministry of International Cooperation**, will pursue a co-financing policy with its key partners. It will also explore new opportunities for cooperation with the World Bank or JICA, for example, and with emerging actors such as the Aga Khan Development Network and the Arab development funds, while also diversifying into new forms of partnership.

2.4.1. Partnerships with French Stakeholders

AFD group will also work to strengthen its partnerships with French stakeholders (including the different services within the Embassy of France to Egypt). One of the Group's goals is promoting French expertise through all available channels. Existing partnerships with French stakeholders will be deepened, particularly with regard to capacity-building for implementing agencies including local government bodies. New partnerships will be launched, mainly in the field of preserving and promoting historical heritage and tourism, as well as cultural entrepreneurship and the French language.

2.4.2. Knowledge production

In 2018, AFD joined forces with the Economic Research Forum (ERF), an excellent partner in matters of public policy dialogue at regional levels and particularly in Egypt. In this context, AFD provided support for the Egyptian Labor Market Panel Survey. The partnership with ERF continued in order to fuel discussions on the role of Egypt's public banks in promoting the redirection of financial flows from the country's financial system towards support for sustainable and solidarity-based investments, in line with the Finance in Common Summit (FiCS), supported by AFD.²² The analytical reports summarizing these reflections can be promoted at events linked to future editions of the FiCS initiative.

Other avenues of research are subject for further investigation. Examples for those avenues include the impact of fiscal and social reforms on inequalities and poverty, the linkage between private/public social transfers (health insurance and the pension system) and the labor market, as well as the (direct and indirect) impacts of the instruments of AFD's public policy dialogue. This type of project has the potential for future integration into the knowledge production programs of the North Africa Regional Office.

²² More details on FiCS is available on the AFD website: <http://www.afd.fr/en/actualites/concrete-commitments-inaugural-summit>

3.

**FINANCIAL PERSPECTIVES,
ACTION MODALITIES
AND MONITORING METHODS**

3.1. FINANCIAL PERSPECTIVES AND ACTION MODALITIES

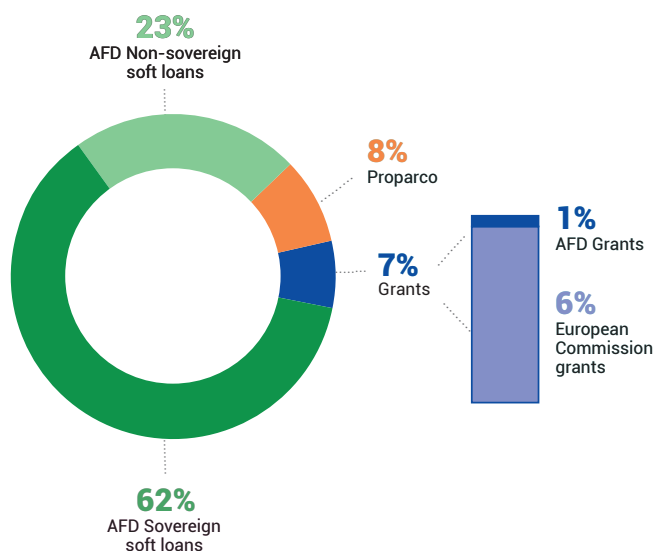
Within the framework of its new Strategy for Egypt to 2025, AFD will pursue its priority of maintaining an attractive and comprehensive financial offer that matches the requests for support expressed by its Egyptian clients. In the framework of the new strategy for Egypt, the Group's portfolio of financial operations will continue to rely on its extensive array of tools and modalities of action, which combine (cf. Figure 3 below):

- sovereign loans in the form of project aid to finance MSME development, infrastructure investment and human development in the priority sectors
- policy-based loans to support the dialogue and structural sectoral reforms in the context of the transition that Egypt is now engaged in
- grants enabling funding for capacity-building activities, technical assistance or study programs, to accompany loans and decision-making processes
- Proparco's equity investments in Egyptian private-sector companies, as well as participation in investment funds operating in Egypt
- the mobilization of Expertise France for technical assistance that will be able to accompany project implementation in Egypt (focus on social protection and health)

In close coordination with the French Treasury and consistent with the Intergovernmental Agreement (IGA) entered into between France and Egypt for the period 2021–2025 (cf. Appendix 2), the volume of AFD's annual sovereign-related lending capacity has been increased from EUR 160 million to up to EUR 250 million, which could represent cumulative commitments of up to EUR 1.25 billion between 2021 and 2025. This level of loan activity will prioritize financing for operations identified in the IGA Appendix (summarized in Appendix 2 of the present document). Additionally, under its broadened action mandate, AFD will be able to consider new financing requests from Egypt during the term of the present strategy.








In addition to sovereign loans, the non-sovereign lending activity will be continued in close coordination with Proparco. French state grants (Program 209), EU delegated funds, FEXTE²³ funds (Program 110) and various thematic programs (2050 Facility) will be mobilized to accompany project-aid and policy-based loans as well as certain financing for projects in the private sector with high development impacts where concessionality could be an advantage to give the offer a competitive edge.

Figure 3 – Breakdown of AFD group's cumulative commitments by financial instrument over the period 2006–2020




²³ FEXTE facility is conceived in order to support experience and knowledge-sharing with Egyptian clients and partners on specific operations mobilizing French *savoir-faire*.


3.2. MONITORING THE STRATEGY

BY SECTOR	
PROPOSED INDICATORS	CONTRIBUTION TO THE SDG
Volume of investments in support of the private sector.	 <p>Target 9.3 “Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit and their integration into value chains and markets.” This is in line with the Government’s Action Program 2023–2027 objectives.</p>
Number of enterprises benefitting from assistance or financing from AFD and Proparco.	
Volume of finance and number of beneficiaries from Micro finance facilities.	 <p>Target 1.6 “Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programs and policies aimed to end poverty in all its dimensions”.</p>
Number of direct and indirect permanent jobs concerned, created or maintained by the enterprises financed (and unemployment rate in the CAPMAS report).	 <p>“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”</p>
New capacities for renewable energy, power transmission and household connections to the natural gas distribution network.	 <p>“Ensure access to affordable, reliable, sustainable and modern energy for all.” This is in line with the “Integrated Sustainable Energy Strategy to 2035” (adopted in 2016) presenting the Government’s ambition to reach the targeted 42% of the electricity to come from renewable energy by 2030 instead of 2035.</p>
Number of passengers taking urban and non-urban public transport on financed sections.	 <p>Target 11.2 “By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.” This is in line with the “National Strategic Vision for Urban Development 2052,” which oversees the development of new urban cities with efficient transport systems.</p>
Analysis of the populations’ ease of access to urban mobility.	
Number of rehabilitated neighborhoods or number of inhabitants impacted.	
Number of beneficiaries of “sustainable city” projects responding to this objective.	Target 11.7. “By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.”
Number of people or enterprises benefitting from a sanitation or depollution program.	 <p>Target 6.3 “By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.” This is in line with the National Water Strategy 2017 – 2037 pillars 1, 2, 3 (water quality, water conservation, water resources development). Also, this is in line with the Hayah Karima Presidential initiative launched in 2018.</p>
Amount of treated wastewater for re-use in irrigation.	
Share (in amounts) of approved commitments presenting a Health/Social Protection co-benefit.	 <p>Target 3.8 “Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.”</p>

REGARDING CLIMATE CO-BENEFITS

PROPOSED INDICATORS	CONTRIBUTION TO THE SDG
Share (in amounts) of approved commitments presenting climate ancillary benefits.	 <p>"Take urgent action to combat climate change and its impacts." This is also in line with Egypt's "National Climate Change Strategy 2050."</p>
Number of tons of CO ₂ equivalent saved in new projects.	

REGARDING GENDER CO-BENEFITS

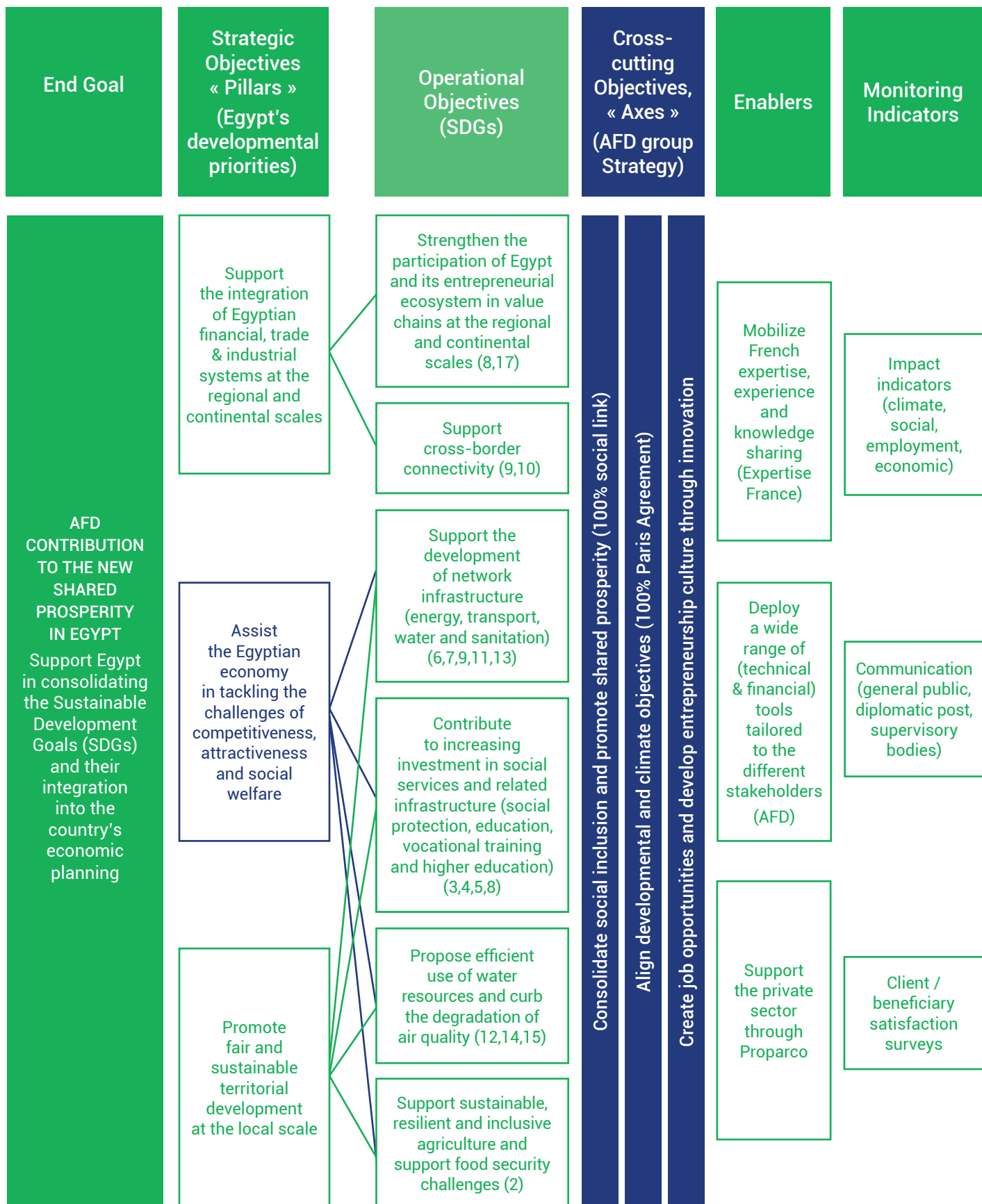
PROPOSED INDICATORS	CONTRIBUTION TO THE SDG
Share (in amounts) of approved commitments presenting gender ancillary benefits.	 <p>"Achieve gender equality and empower all women and girls."</p>
Number of female beneficiaries and number of jobs created for females (classified by sector and/or activity).	

The background features several overlapping, thin green circular lines of varying radii, creating a dynamic, abstract pattern. The lines are centered around the text, with some passing through the numbers and others framing them.

4.

APPENDICES

APPENDIX 1. LOGICAL FRAMEWORK FOR AFD GROUP'S STRATEGY IN EGYPT TO 2025



APPENDIX 2. LIST OF AFD PRIORITY OPERATIONS TAKEN FROM THE INTER-GOVERNMENTAL AGREEMENT TO 2025

OPERATIONS FINANCED BY AFD SOVEREIGN LOANS OVER THE PERIOD 2021–2025	
PROJECT	BENEFICIARY
Upgrading of the El Mansoura–Damietta railway line	Egyptian National Railways (ENR)
Upgrading of the Abu Qir metro	National Authority for Tunnels (NAT)
Construction of the Aswan–Toshka–Wadi Halfa railway line	Egyptian National Railways (ENR)
Construction of the El Robeiki–10 Ramadan– Belbeis railway line	Egyptian National Railways (ENR)
Second tranche of the electricity sector support program (Policy-based loan (PBL))	Ministry of Finance
Construction of the regional control center in Alexandria	Ministry of Electricity and Renewable Energy
Extension of the wastewater treatment plant in Helwan	Ministry of Housing, Utilities and Urban Communities
Extension of the East Alexandria wastewater treatment plant	Ministry of Housing, Utilities and Urban Communities
Third phase of the Gabal El-Asfar wastewater treatment plant	Ministry of Housing, Utilities and Urban Communities
Implementation of the pilot wholesale food market in Egypt	Ministry of Supply and Internal Trade

ACRONYMS AND ABBREVIATIONS

AFD *Agence française de développement*

CAPMAS Central Agency for Public Mobilization and Statistics

CEDEJ Centre for Social, Judicial and Economic Documentation and Study

CICID Interministerial Committee for International Cooperation and Development

DAC Development Assistance Committee (OECD)

EGAS The Egyptian Natural Gas Holding Company

ENR Egyptian National Railways

ERF Economic Research Forum

EU European Union

FEXTE *Fonds d'expertise technique et d'échange d'expérience (Fund for technical expertise and experience transfers)*

FiCS Finance in Common Summit

GHG Greenhouse gas

IFAO French Institute of Oriental Archaeology

IFE *Institut français d'Égypte (French Institute in Egypt)*

IGA Intergovernmental agreement signed by France and Egypt in June 2021

IMF International Monetary Fund

JICA Japan International Cooperation Agency

MoIC Ministry of International Cooperation

MSMEs Micro, Small and medium enterprises

MSMEDA Micro, Small and Medium Enterprise Development Agency

NAT National Authority for Tunnels

NBE National Bank of Egypt

NGO Non-governmental organization

PBL Policy-based loan

PROPARCO *Société de promotion et de participation pour la coopération économique*

SASME Support to agricultural small and medium enterprises

SDG Sustainable Development Goal

SMEs Small and medium enterprises

UFE *Université Française d'Égypte (French University of Egypt)*



Towards a world in common

AFD group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and soon, Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.



www.afd.fr

Twitter: @AFD_France - Facebook: AFDOfficiel - Instagram: afd_france

5, rue Roland-Barthes - 75598 Paris cedex 12 - France

Tel.: +33 1 53 44 31 31