<u>EU and Egypt cooperation: towards a</u> <u>stronger partnership</u>

Following the adoption of <u>Partnership Priorities</u> with <u>Egypt</u> in July 2017, the EU adopted the Single Support Framework (SSF) which sets the priorities and the financial allocation in key strategic areas of bilateral cooperation with the country. Across different sectors, particular attention will be given to youth, on which the long-term stability of our societies lies, and to women empowerment, essential for progress in any society.

Johannes **Hahn**, Commissioner forEuropean Neighbourhood Policy and Enlargement Negotiations, currently in Cairo, signed a Memorandum of Understanding on the EU Single Support Framework with the Egyptian authorities. Commissioner **Hahn** also signed two financial agreements supporting the sectors of health, environment and transport as well as a ≤ 60 million programme to support Egypt in addressing migration challenges.

High Representative/Vice-President Federica **Mogherini** said: "With the new EU-Egypt Partnership Priorities, we are focussing on the future of the Egyptian people. We believe that social development and social protection, especially when it comes to young people and women, are key towards sustainable growth and stability in Egypt and in the region. That is why we put them at the basis of our partnership".

Commenting the signature together with Sahar Nasr, Minister of Investment and International Cooperation, Commissioner Johannes **Hahn** said: "The EU is fully committed to support Egypt's efforts to reform its economy to achieve sustainable and inclusive growth, and to tackle key socio-economic challenges, such as the high population growth and the impact of economic reforms on the most vulnerable."

Background

Single Support Framework

This Single Support Framework (SSF) defines the areas of focus for EU assistance. It is based on the EU-Egypt Partnership Priorities for the years 2017-2020 and, in defining the priorities, takes into account the Egypt's Economic Reform Programme, being also aligned with Egypt's "Sustainable Development Strategy — Vision 2030".

The three sectors of intervention identified in the SSF are:

- Sector 1: Economic modernisation, energy sustainability and environment (indicative 40% of total budget)
- Sector 2: Social development and social protection (indicative 40% of total budget)
- Sector 3: Governance, enhancing stability and modern democratic state (indicative 10% of total budget)

In addition, there will be complementary support for capacity development and civil society (indicative 10% of total budget)

The proposed indicative allocation for EU bilateral assistance to Egypt under the <u>European Neighbourhood Instrument</u> (ENI), for 2017-2020 is between EUR 432 and EUR 528 million.

The SSF is the result of intensive consultations with all relevant stakeholders in Cairo and in Brussels, including the civil society, local authorities and ministries, as well as EU Member States.

Financing agreements and new programme

Through the financing agreements, the EU will support the following strategic cooperation programmes in Egypt which will have direct benefits for its citizens:

- The 'Fayyoum Waste Water Expansion Programme': with an EU grant of €38 million, €360 million in soft loans from the EIB and the EBRD will be leveraged. This programme will provide access to improved sanitation services to nearly 1 million inhabitants and increase the coverage of sanitation services in the Fayyoum from just over 30% to almost 90%. It is also expected to create over 30,000 temporary and permanent jobs.
- 2. The 'Rehabilitation of Alexandria's Raml Tram Programme': with an EU grant of €8 million, €237.7 million in soft loans from the EIB and the AFD will be leveraged to rehabilitate the Alexandria's Raml Tram. The rehabilitated tramway will have doubled capacity and will reduce waiting times which will benefit more than 200,000 passengers per day.

New programme 'Enhancing the Response to Migration Challenges in Egypt'

With an EU grant of €60 million, the EU will support Egypt's efforts in enhancing migration management, addressing the root causes of irregular migration and sustaining Egyptian communities hosting migrants and refugees. The programme will cover seven projects in total and is adopted in the framework of the <u>'North of Africa Window' of the EU Emergency Trust Fund</u>

For more information

EU-Egypt cooperation

EU Delegation to Egypt