



AFRICAN DEVELOPMENT BANK GROUP

Supporting Egypt's Aspirations

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Signing Ceremony of the Egypt Economic Governance and Energy Support Project

Ministry of International Cooperation, Cairo, Egypt

17 December 2015

Your Excellency, Mr. Sherif Ismail, Prime Minister of Egypt,

Your Excellency, Mrs. Sahar Nasr, Minister of Int. Cooperation

Ladies and Gentlemen,

On behalf of the African Development Bank Group and President Adesina, I am honoured to be here in Egypt for this important occasion.

Before speaking about the Country Strategy and the program just approved, I would like to:

- commend the Government on the successful completion of parliamentary elections, which marks the third and final milestone of the political roadmap.
- congratulate the Government on the record completion and opening of the new Suez Canal as well as ENI's recent gas discovery in the eastern Mediterranean, which will provide the much need relief and fiscal space for Egypt development and progress and well-being of its people.
- appreciate the country's leadership and commitment to foster regional trade and integration with Sub-Saharan Africa following the hosting of the Tripartite Agreement meeting in June as well as the planned Egypt-African business summit in early 2016.

Two days ago, the Board of Directors of the African Development Bank approved the Country Strategy Paper 2015-2019 which was prepared together with the Government of Egypt and in consultation with partners to outline Bank will support to Egypt's development effort as prioritized by the Government.

The Strategy focuses on two main pillars: (i) Infrastructure (for private sector competitiveness and sustainable and inclusive growth) and (ii) Governance (for enhanced transparency, efficiency and fairness, improved business climate, and increased private sector participation).

With the approval of the USD 500 million Economic Governance and Energy Support Program, two days ago, the Bank's total approvals in 2015 amount to close to USD 700 million.

This is well above the initial planned support the AfDB announced in March 2015 during the Sharm El Sheikh Economic Conference. This is a further attestation to Egypt's progress and a result of successive upgrading of its credit ratings as well as efforts by the Bank and its partners to create additional headroom for lending to Egypt and other middle income countries. The positive conclusion of Article IV consultations in February 2015 and upgrading of Egypt's credit rating to B3 in April 2015 are further strong indications of the progress Egypt is making.

This latest approval, brings total commitments from the African Development Bank amount USD 2.23 billion (32 operations, including the new USD 500 million program based operation) with a disbursement rate of 47%.

With continued focus on the design and implementation of macroeconomic reforms for sustainable and inclusive growth, the Bank expects to continue with similar amounts in support of this three year program and even scale up its support to Egypt as things continue to improve.

Your Excellencies, Ladies and Gentlemen,

The goal of the Economic Governance and Energy Support Program is to support the implementation of the government medium-term development agenda aimed at building a strong foundation for inclusive and self-reliant economic growth through fiscal consolidation; improved governance, efficiency and private sector engagement in the energy sector; and improved business environment.

In this regard, the program aims to: (i) advance fiscal consolidation through higher revenue collection, greater moderation of the wage bill growth, and improved fiscal transparency and management; (ii) ensure sustainable energy supply through improved governance in power and gas sectors, reforming of subsidies and rationalization of tariffs, and enabling private sector investments in cleaner forms of energy to promote green growth; and (iii) improved business environment by improving environment for investment and industrial growth, and fostering open competition, transparency, good regulatory governance, and financial inclusion.

Your Excellencies, Ladies and Gentlemen,

I would like to close my remarks by hailing the spirit of cooperation that prevailed in the design of this program, on the basis of continuous dialogue between the Government of Egypt, the World Bank and the African Development Bank. I wish to personally thank his Excellency the Prime Minister and the Minister of International Cooperation for their leadership to this entire process which made it possible for us to be where we are today.

I would like to end by assuring you of the African Development Bank continued support.

Thank you.