

Brussels, 6 March 2008

EU-Egypt: Commissioner Ferrero-Waldner and Egyptian Minister of International Cooperation Abounaga sign €558 million assistance package

Commissioner for External Relations and the European Neighbourhood Policy, Benita Ferrero-Waldner and the Egyptian Minister of International Cooperation, Fayza Abounaga, will sign on 7 March the Memorandum of Understanding regarding the National Indicative Programme 2007-2010. The focus of the €558 million assistance package under the European Neighbourhood Policy is to support the reform process and the implementation of the EU-Egypt ENP Action Plan which was adopted by the EU-Egypt Association Council on 6 March 2007. It demonstrates the EU's commitment to support Egypt in its national priorities for reform and progress. Egypt is one of the main beneficiaries of EU support in the region and the EU is the second largest donor to Egypt.

Commissioner Ferrero-Waldner emphasised: *"It is with great pleasure that I sign together with Minister Abounaga this Memorandum of Understanding regarding EU financial assistance to Egypt for the period 2007-2010. With this financial package we are supporting Egypt's own reform programmes, reflected in the priorities for action jointly agreed in the Action Plan under the European Neighbourhood Policy. I am satisfied that we have successfully launched the implementation of the Action Plan. The Commission remains committed to work with the Egyptian Government to continue a constructive dialogue, which will deepen our partnership in a number of key areas including education, transport, energy, trade and agriculture."*

Commission assistance to Egypt from 2007 to 2010 focuses on the following areas:

- **Support for the implementation of the Action Plan:** supporting reform processes in Egypt through targeted assistance in areas such as trade, customs, agriculture, transport, energy and science, including co-operation in legal migration, border management and visa facilitation.
- **Sustainable development and management of human and natural resources:** supporting reforms in the education and health sectors, which are crucial for the sustainable development of the country. In order to attract investments in key sectors, such as energy, transport and environment, €58 million will be set aside to subsidise lending of financial institutions loans which could allow Egypt to raise an additional € 250-300 million in loans.
- **Reforms in the areas of democracy, human rights and justice:** supporting Egypt's own political reform agenda is a key feature of this aid package.

Work on the Annual Action Programme 2008, which consists of four programmes worth € 139 million, has been launched. The €80 million **Sector Policy Support Programme for the Transport Sector** will provide assistance to Egypt's efforts to reform the Transport Sector. €17 million are allocated to the **Promotion and Protection of Human Rights and Civil Society** with the objective of identifying concrete measures to improve human rights and strengthen the role of civil society in Egypt. The €13 million programme of **Support to Political Development,**

Decentralization and Good Governance aims at enhancing the efficiency of selected key Egyptian public entities and to increase transparency and accountability in the administration of public affairs, both at central and local level. The **Improved Water and Waste Water Services Programme (IWSP)** with an EC contribution of €29 million is an investment programme that will improve the quantity, quality and efficiency of the water supply and particularly wastewater services for four million people in the governorates Sharkia, Gharbia, Damietta and Beheira in the Delta region.

Bilateral assistance to Egypt is complemented by the regional ENPI programme. Egypt is also eligible to receive funds under the Mediterranean ENPI **Cross-border co-operation programme** currently under preparation.

Background

The European Neighbourhood Policy aims to deepen relations and promote progressive integration between the European Union and its neighbours. The ENP offers economic and social benefits for the countries that border the EU, through co-operation in a range of areas from strengthening democracy, promoting the rule of law and upholding human rights to trade liberalisation, energy, and transport development. The EU and its neighbours mutually agree on Action Plans that are concrete and practical tools for realizing the goals of the ENP.

The Financial instrument established to channel the ENP assistance is the European Neighbourhood and Partnership Instrument that as of 2007 has replaced the MEDA instrument. MEDA aid to Egypt from 1996 to 2006 totalled €1.1 billion. The funds allocated to Egypt for 2007-2010 therefore represent an increase over the previous period.

For more information on the EU's relations with Egypt and on the ENP go to:

http://ec.europa.eu/comm/external_relations/egypt/intro/index.htm

http://ec.europa.eu/world/enp/index_en.htm