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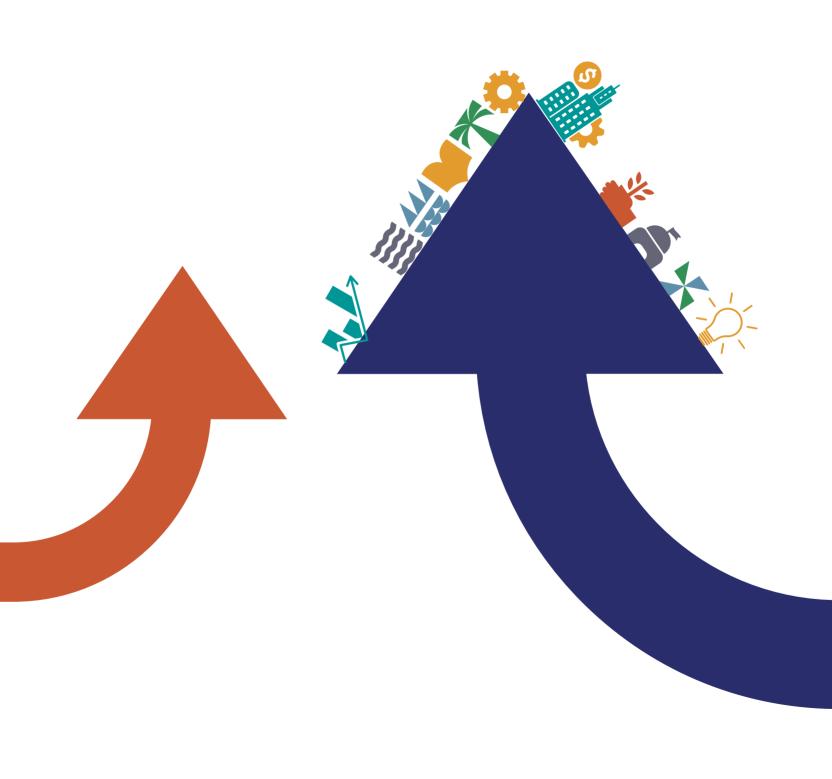
Ministry of Planning, Economic Development & International Cooperation

# DEVELOPMENT FINANCE TO FOSTER PRIVATE SECTOR-LED GROWTH & JOBS

JUNE 2025

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# INTRODUCTION

The financing gap represents one of the central challenges facing countries, particularly developing ones, in their pursuit of achieving the Sustainable Development Goals (SDGs). This gap is widening due to successive global crises, imposing real constraints on countries' ability to implement their development priorities and meet their citizens' essential needs in vital sectors such as education, healthcare, infrastructure, digital transformation, and adaptation to climate change, among others.

Accumulated global challenges, primarily the COVID-19 pandemic, geopolitical crises, and rising borrowing costs, have significantly exacerbated the financing gap. While the private sector has mobilized approximately \$70 billion annually<sup>1</sup>globally through official development finance, this figure remains far from the level required to close climate and development financing gaps. According to United Nations estimates for 2024, the financing gap for achieving the SDGs is around \$4 trillion annually, compared to \$2.5 trillion before the COVID-19 pandemic. This reflects the urgent need to restructure the global financial system and expand the mobilization of innovative financing mechanisms.





Therefore, the international community has recognized the critical role the private sector can play in addressing sustainable development challenges. This involves contributing to economic growth, job creation, and the provision of innovative solutions in priority fields such as energy, transportation, water, education, and healthcare. using best practices based on efficiency and innovation. International reference frameworks including the 2015 Addis Ababa Action Agenda (AAAA) on Financing for Development, the 2030 Agenda for Sustainable Development, and the Paris Agreement have emphasized the importance of mobilizing and allocating financial resources through diverse financing mechanisms. These include development finance, technical assistance, and advisory services, all aimed at enabling the private sector to invest and participate effectively in implementing the UN's sustainable development agenda.

In this context, the member states of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) have worked to develop policies and operational mechanisms that promote private sector participation in development efforts. This includes reviewing successful experiences and expanding the use of innovative financing tools such as guarantees, equity contributions, development finance, and technical assistance. These efforts are part of a comprehensive vision aimed at integrating the private sector's role with government development plans, especially in light of increasing financing challenges.

1 Organisation for Economic Co-operation and Development (OECD). The Total Official Support for Sustainable Development (TOSSD) platform. https://www.oecd.org/en/topics/leveraging-private-finance-for-development.html

# THE PRIVATE SECTOR: A KEY DRIVER FOR DEVELOPMENT

In the context of the Egyptian economy, the financing gap stands out as an opportunity for all development efforts for the convergence of all development efforts with all development partners. Therefore, the Egyptian state, through international cooperation frameworks, is working to bridge this gap by diversifying funding sources, adopting innovative financing models, and strengthening partnerships with international financial institutions and the private sector

While the Egyptian government's Action Plan 2024/2027, along with all national plans, aim to achieve ambitious development goals, these goals require effective private sector participation to ensure their efficient execution within the specified timeframe.

The government is committed to stimulating the private sector's contribution to development, aiming to increase the private sector's share of investments to 65% by 2027, up from 43% in 2024. This goal is steadily being achieved, with private investment reaching 56% of total investments in the current fiscal year, with a target of 63% in the 2025/2026 fiscal year.

To encourage these investments, the government has identified several interventions to expand the private sector's role. These include continuing to implement the State Ownership Policy Document, preparing a draft law to regulate state ownership in state-owned enterprises, continuing the public offering (IPO) program, improving the business environment, and simplifying legislative and regulatory procedures to attract private investments. Recent data reflects the depth of cooperation between the Egyptian state and multilateral and bilateral development partners.

# Over \$15.6 Billion

in development finance has been directed to the private sector since 2020.

This includes various financing and technical programs aimed at enabling companies to access markets, expand value chains, and foster innovation. Additionally, the current portfolio of projects under the Ministry of Planning, Economic Development and International Cooperation includes technical assistance projects directed toward the private sector, valued at over

#### \$228 million.

National companies also benefit from international tender opportunities associated with projects funded by development partners, particularly in the African continent.

In this context, the country partnership strategies between Egypt and international financial institutions clearly exemplify the orientation towards empowering the private sector. These strategies focus on three main priorities: (i) achieving inclusive and sustainable economic growth, (ii) accelerating the green transition, and (iii) enhancing competitiveness through digital transformation, innovation, and entrepreneurship.

Given the above, this report's importance lies in its focus on the integrated roles of various stakeholders, including multilateral and bilateral development partners, in mobilizing development finance to empower the private sector and boost economic growth and employment rates.

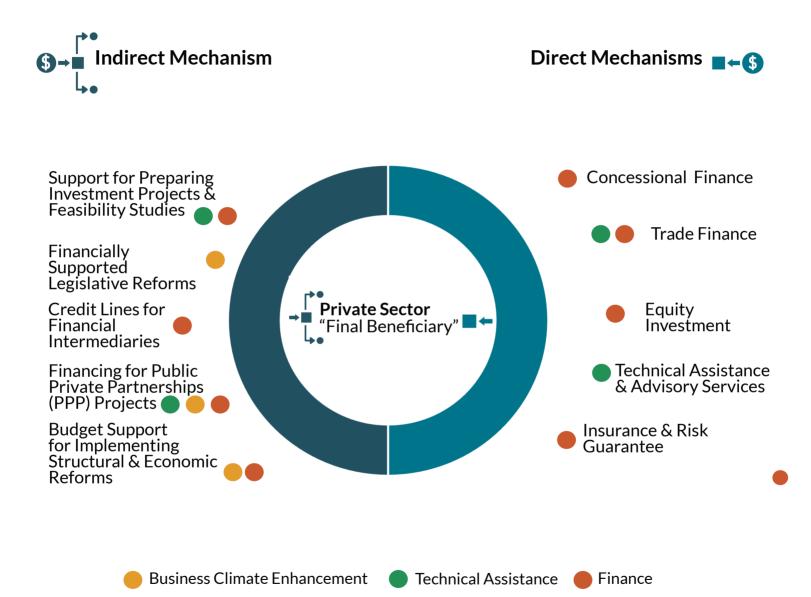
### FIRST: EXPANDING THE SCOPE OF DEVELOPMENT FINANCE TO BRIDGE THE FINANCING GAP



Achieving sustainable development goals requires expanding the range of financing tools available to the private sector and activating its role, through improving the business environment and making diverse and innovative financial instruments accessible. This, in turn, enhances the effectiveness of private sector participation in realizing these goals.

Despite the numerous financing mechanisms available to the private sector, development finance remains one of the most crucial tools. It offers a wide variety of options, including debt, equity investments, risk mitigation, guarantees, blended finance and technical assistance, making it a powerful catalyst for private sector investments. Through the integration of traditional commercial finance and development finance, more sustainable and effective financial flows can be stimulated towards development priorities. This significantly fosters the private sector's capacity to play a larger, and more impactful role in achieving comprehensive development transformation.

Development finance tools that empower the private sector generally fall into three main categories: financing mechanisms, technical assistance, and business environment improvement measures.



### Below is an overview of some of the key financing tools that the private sector can utilize:

Private Sector Utilization of Development Financing Mechanisms

Mechanism	Description	Competitive Advantage
Concessional Finance	Development financing offered on preferential terms (extended grace periods, competitive interest rates, flexible repayment schedules), usually for strategic infrastructure projects and vital sectors.	Enabling companies to undertake large- scale projects that are difficult to finance through traditional commercial channels, and incentivizing entry into high-impact sectors that are commercially low-profitability.
Trade Finance	Credit guarantees and international trade risk coverage (import/export) provided directly to companies through development finance institutions.	Optimizing working capital cycles and enabling expansion into global markets while managing financial risks.
Direct Investment	Development finance institutions participating in company ownership (as a strategic shareholder) by injecting direct investments during growth phases or technological development.	Providing liquidity without the burden of debt service and enhancing credibility with potential partners.
Insurance & Risk Guarantee	Specialized insurance tools covering investment risks in emerging markets or high-risk sectors (whether political or economic risks).	Reducing investment risks and enabling companies to enter new markets with financial protection.
Technical Assistance & Advisory Services	Integrated packages of advisory services (restructuring, digital transformation, environmental compliance) provided with direct technical and financial support from development partners.	Enhancing operational efficiency and preparing companies to attract complementary investments.
Grants	Non-refundable financing provided to support social, environmental, or development initiatives and projects, especially in early stages or in priority regions and sectors.	Reducing financial burdens on startups or community initiatives, and stimulating innovation in priority development sectors.

Mechanism	Description	The Impact on the Private Sector
Support for Preparing Investment Projects & Feasibility Studies	Technical support for government entities in preparing standard feasibility studies and drafting Public-Private Partnership (PPP) contracts in line with best international practices.	Ensuring project transparency and reducing legal risks when the private sector participates in bids.
Financially Supported Legislative Reforms	Development financing for implementing structural reform packages including (simplifying licenses, modernizing investment laws, tax system reform) to improve the business climate.	Providing a more stable and competitive investment environment for local and foreign companies.
Credit Lines for the Financial Sector	Directing development financing to local banks or other financial intermediaries for re-lending to Small and Medium-sized Enterprises (SMEs) on favorable financing terms.	Expanding the reach of small institutions to growth financing at prices unavailable in the regular market.
Financing for Public- Private Partnership (PPP) Projects	Development financing directed to governments for implementing major infrastructure projects via the PPP mechanism, with the allocation of encouraging financial and operational packages for the private sector and reducing the burden on the general budget.	Opening new markets for companies locally and internationally while ensuring low-cost government financing for long-term projects.
Budget Support for Implementing Structural & Economic Reforms	Development loans to support national budgets for implementing private sector- supporting reforms.	Providing a more stable and competitive investment environment for local and foreign companies.
Financing for Diagnostic & Sectoral Reports	Preparing in-depth analytical studies on priority economic sectors and systemic challenges facing the private sector.	Helping investors clearly understand opportunities and directing investments towards promising sectors.

#### The Private Sector's Indirect Benefit from Development Finance (Through An Intermediary)

### Key Pillars of Cooperation with Development Partners in Empowering the Private Sector

Through direct and indirect financing mechanisms, along with technical assistance and consultations provided by multilateral and bilateral development partners, the Ministry of Planning, Economic Development and International Cooperation aims to stimulate private sector participation in development efforts. This is achieved by working on interconnected pillars designed to build an integrated and stimulating investment environment. This environment is based on institutional coordination, leveraging international cooperation tools, and linking national priorities with promising growth opportunities.

The Ministry works with all development partners to finance projects supporting the private sector, especially in the following areas:



#### Infrastructure

Development partners play a vital role in financing the private sector to develop Egypt's infrastructure. This includes providing the necessary funding for major projects like roads, ports, transportation networks, data centers, and utilities, which helps improve the quality of life and drives sustainable economic growth.







# Human Capital Development & Innovation

Development partners support human development and innovation sectors in Egypt, through providing training programs and financing to support education at all levels and scientific research. These initiatives help build labor market capabilities and foster a culture of innovation and entrepreneurship, contributing to the creation of new job opportunities and knowledge-based economic growth.



#### Green Transformation

Development partners play a vital role in financing the private sector to develop Egypt's infrastructure. This includes providing the necessary funding for major projects like roads, ports, transportation networks, data centers, and utilities, which helps improve the quality of life and drives sustainable economic growth.



#### Supportive Policies & Structural Reforms

Development partners play a significant role in improving Egypt's business environment and supportive policies by offering consultations and financing for projects that enhance the business climate. These efforts help streamline procedures and develop supportive legislation, contributing to attracting foreign investments and achieving comprehensive economic development.





COAFD Agence française De developpement KFW

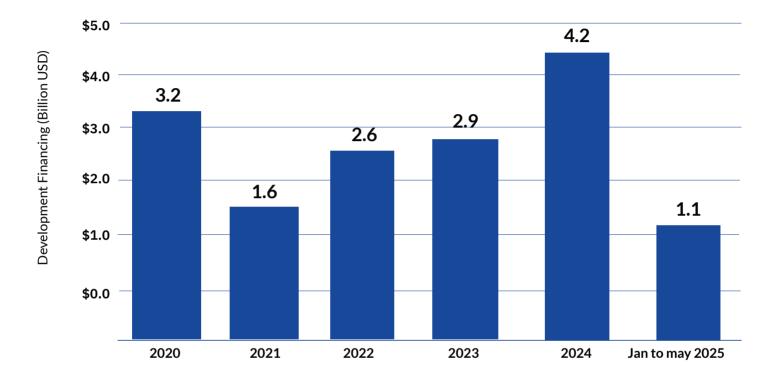
### **SECOND: DEVELOPMENT FINANCE MOBILIZED FOR THE PRIVATE SECTOR SINCE 2020**

# \$15.6 Billion in Financing From International Institutions to the Private Sector in Egypt (January 2020 – May 2025).

Since 2020, the Egyptian private sector has witnessed significant development in its relations with multilateral and bilateral development partners, stemming from the government's commitment to boost the role of private enterprise in development as a key driver for inclusive growth and generating job opportunities and achieving sustainable development goals. In this context, the contributions of international development partners stand out as a vital element in supporting the economy, through financing directed towards financial institutions, productive and tradeable sectors, and technical interventions to enhance institutional capacities.

The development financing portfolio directed towards the private sector in Egypt has seen remarkable growth in recent years, surpassing \$4.2 billion in 2024. This marks the first time it has exceeded development financing directed to the government, reflecting a growing shift in development partners' focus towards supporting private sector investments and enhancing its contribution to development.

From January to May 2025, the financing volume reached \$1.14 billion, reinforcing expectations for continued momentum. The total financing provided to the private sector from 2020 to May 2025 amounted to approximately \$15.6 billion, from over 30 development partners. This reflects increasing international confidence in the Egyptian investment climate and the rising role of the private sector in driving development.



#### Annual Development Financing to the Private Sector (in Billion USD)

Source: Ministry of Planning, Economic Development & International Cooperation



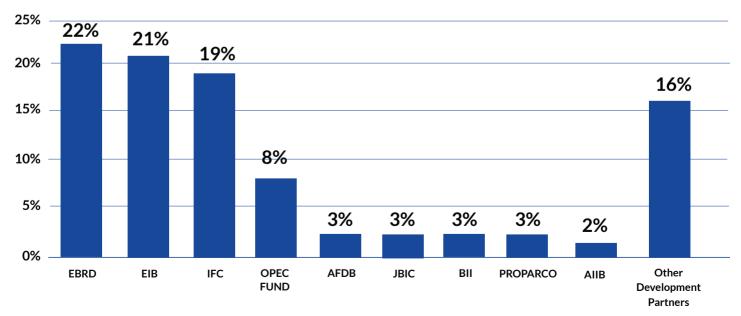
### EGYPT AS AN INTERNATIONAL PLATFORM FOR PRIVATE SECTOR DEVELOPMENT FINANCING

Egypt benefits from significant diversity in its international partners, with over 30 bilateral and multilateral development partners supporting the Egyptian private sector since 2020. This diversity is reflected in the qualitative variety of tools these partners offer to the private sector, and it also demonstrates strong confidence in the stability and growth prospects of the Egyptian economy.

The European Bank for Reconstruction and Development (EBRD) topped the list of development partners with a funding share representing 22% of total development financing. The European Investment Bank (EIB) followed with 21%, reflecting the pivotal role of European development partners, both multilateral and bilateral, in financing infrastructure and supporting the private sector's capabilities in Egypt. The International Finance Corporation (IFC) came in third, with approximately 19%, clearly indicating a focus on supporting small and medium-sized enterprises (SMEs) and promoting direct investment.

The data also showed that co-financing through multilateral mechanisms represented over 9.3% of the total, reflecting the broadening scope of cooperation and integration of development interventions. Regional institutions such as the OPEC Fund for International Development, the African Development Bank (AfDB), the Japan Bank for International Cooperation, and the Saudi Fund for Development also stood out, indicating geographical diversity and international integration in supporting Egypt's economic development.

#### Distribution of Development Finance by Development Partner (From 2020 to May 2025)



Source: Ministry of Planning, Economic Development & International Cooperation

### ELEVATING ECONOMIC RELATIONS BETWEEN EGYPT & THE EUROPEAN UNION



In March 2024, during the Egyptian-European Summit, H.E. President Abdel Fattah El-Sisi, President of the Arab Republic of Egypt and Ms. Ursula von der Leyen, President of the European Commission, announced the elevation of Egyptian-European relations to a strategic partnership level. This marks a new historical phase in the partnership between Egypt and Team Europe, both in bilateral relations with individual countries and with European financial institutions.

Development financing directed to the private sector from European countries and institutions has reached \$8 billion from 2020 to May 2025, accounting for 51% of total private sector funding. This clearly reflects the depth of the relationship with the European side. Last year, the European Union announced a financial package of €7.4 billion to support the Egyptian economy from 2024-2027, distributed as follows:

#### €5 billion

Development financing to implement structural reforms under the Macrofinancial Assistance (MFA) mechanism and budget support.

#### €1.8 billion

Additional private sector investments through guarantees to reduce risks and increase available financing for the private sector, especially small and medium-sized enterprises (SMEs).

#### €600 million

Grants directed to support priority development projects, including energy, transport, and technical education.

This package represents one of the largest commitments of the European partnership with a Southern Mediterranean country, reflecting the European community's confidence in Egypt's economic reform agenda and the country's ability to lead an effective and comprehensive developmental transformation.

### EUROPEAN FUND FOR SUSTAINABLE DEVELOPMENT PLUS (EFSD+): TOWARDS AN INNOVATIVE PARTNERSHIP TO EMPOWER THE PRIVATE SECTOR

Within the framework of the comprehensive strategic partnership between Egypt and the European Union, efforts are underway to activate the "European Fund for Sustainable Development Plus". This is a pivotal initiative aimed at fostering green, inclusive, and sustainable economic growth in Egypt.

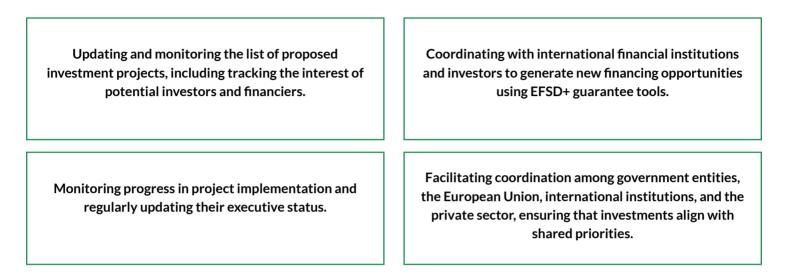
A mechanism has been launched to increase the target investment volume by  $\notin 1.8$  billion. This reflects the significant effort made during the Egyptian government's negotiations with the European Union and both parties' commitment to supporting private sector participation in the development process. The initial goal was to attract  $\notin 9$  billion in investments to Egypt by 2027, as part of a comprehensive strategy through which the European Fund for Sustainable Development Plus (EFSD+) seeks to attract public and private capital via risk-sharing tools such as guarantees and blended finance.

However, this target saw a remarkable boost in light of the strategic partnership announced during the 2024 "Egypt and the European Union" Investment Conference. Successful negotiations led by the Egyptian government with the European side resulted in raising the targeted investment ceiling to  $\leq 10.8$  billion, an increase of  $\leq 1.8$  billion over the original plan.

This increase was officially launched during the "Development Finance for Private Sector Empowerment" conference in June 2025, with the mechanism being included on the "Hub for Advisory, Finance and Investment for Enterprises (HAFIZ Platform)". This step reflects growing confidence in Egypt's ability to attract investments that support green transformation and sustainable development priorities. To date,  $\in$ 5.8 billion in investments have been effectively mobilized through the guarantee instruments provided by the European Fund for Sustainable Development Plus (EFSD+). This has been achieved in partnership with a wide range of international financial institutions, including the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the German Development Bank (KfW), the International Finance Corporation (IFC), and the Italian Cassa Depositi e Prestiti (CDP). All these institutions are leveraging this mechanism to expand their investments in Egypt. Additionally, through partnerships with commercial banks like the Commercial International Bank (CIB) and Qatar National Bank (QNB), these institutions are providing development financing and credit lines specifically aimed at supporting small and medium-sized enterprises (SMEs) and entrepreneurship.

The Ministry of Planning, Economic Development and International Cooperation is overseeing the implementation of this mechanism through the "HAFIZ Platform" via its Private Sector Engagement Unit in close collaboration with the European Commission and the EU Delegation in Egypt. A dedicated secretariat has been established to serve as the executive engine for the EFSD+ mechanism between Egypt and the European Union.

#### The Secretariat of the Guarantee Mechanism is Responsible For:



The coordination team comprises specialized experts from the Ministry of Planning, Economic Development and International Cooperation, the European Commission, and the EU Delegation in Cairo. This ensures the necessary technical expertise is available to direct financial instruments and investment guarantees towards priority projects.

#### Key Beneficiaries of the EFSD+ Mechanism

The EFSD+ mechanism stands as a prime example of multilateral cooperation. It flexibly integrates financial instruments with the capacity to innovate new funding mechanisms to meet the needs of a diverse range of stakeholders. Through this mechanism, efforts between the European Union, international financial institutions, local banks, large corporations, and SMEs can be seamlessly combined. This enables the execution of comprehensive and innovative strategic investments, enhancing available financing opportunities for all these categories, and ultimately ensuring sustainable economic growth and green transformation.

#### This Mechanism Targets Two Main Groups of Beneficiaries Through Two Distinct Pathways:

#### Pathway 1: Supporting Large Companies & Strategic Projects

EFSD+ provides guarantees to international financial institutions. These institutions then use these guarantees to offer substantial direct financing or co-financing for largescale strategic projects with major companies. The goal is to bolster strategic and innovative sectors such as green energy and advanced technology industries.

Here are some examples:

KfW's "Green Transition" Program: This initiative supports large projects that drive the shift towards a more sustainable economy.

**EBRD's "Hi-BAR" Program:** This program promotes investments in green hydrogen and essential raw materials, as well as climate investments and innovative green technologies.

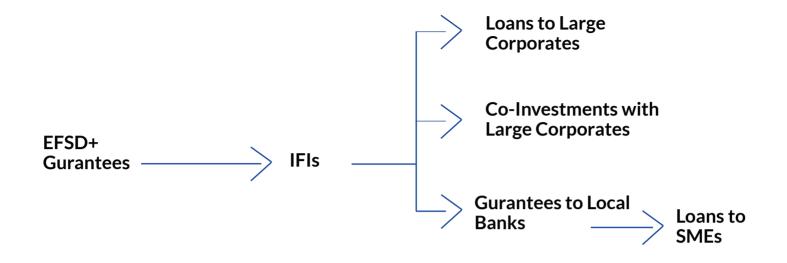
#### Pathway 2: Supporting Small and Medium-sized Enterprises (SMEs)

In this pathway, EFSD+ issues guarantees to international financial institutions, which then provide risk-sharing guarantees to local banks. Local banks leverage these guarantees to offer innovative and development loans to SMEs. This enhances these businesses' capacity for growth, expansion, and contribution to sustainable job creation.

Here are some examples:

European Investment Bank (EIB)'s "MSME Access to Green Growth and Inclusive Finance Partial Portfolio Guarantee - PPG Component" program: This aims to boost green growth and inclusive finance for SMEs.

European Bank for Reconstruction and Development (EBRD)'s "Financial Inclusion" program: This offers risk-sharing facilities of up to 50% for loans extended to SMEs through local banks, including Qatar National Bank (QNB), Commercial International Bank (CIB), among others.



This clear structure and defined pathways aim to achieve effective integration among various private sector stakeholders. This contributes to diversifying funding sources and supporting quality investments that foster sustainable and inclusive economic growth, with a particular focus on green transition and innovation.



### THE EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT (EBRD)



The European Bank for Reconstruction and Development (EBRD) is a key multilateral financial institution dedicated to supporting transition economies by financing projects and fostering sustainable development.

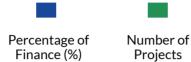
The EBRD has been operating in Egypt since 2012. Over the past four years, Egypt has become, and remains, the largest country of operations for the EBRD. The Bank has invested over €13.8 billion to finance 194 projects across various development sectors, with a significant portion of this funding directed to the private sector. In 2024 alone, the EBRD invested \$1.5 billion, with 98% of that amount allocated to the private sector.

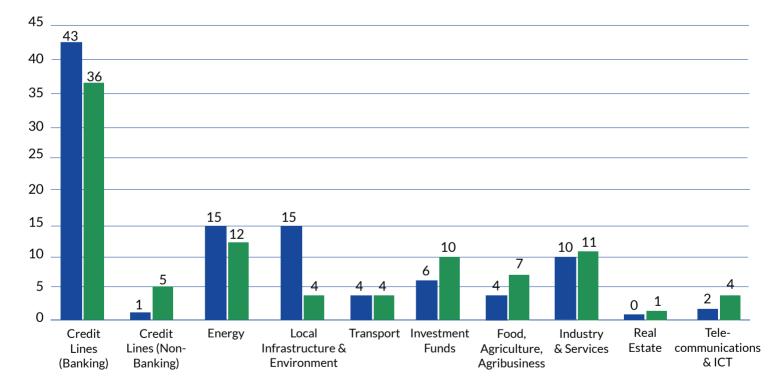
The EBRD's activities in Egypt are guided by a comprehensive strategy that reflects the Egyptian state's priorities. This strategy aims to support the private sector, promote the green economy, empower women, develop small and medium-sized enterprises (SMEs), and improve infrastructure and public services.

Since 2020 and up to mid-2025, the European Bank for Reconstruction and Development (EBRD) has finalized 94 projects with a total value of \$3.5 billion. These projects span multiple sectors, with industry, energy, and infrastructure making up the largest share of the bank's portfolio. The banking sector has also seen significant support through credit lines aimed at small and medium-sized enterprises (SMEs). Furthermore, the agricultural, transport, and utilities sectors, along with support for food supply chains, have also benefited. In addition to the direct provision of financing, the Bank played a pivotal role as the lead development partner in the energy pillar of the "NWFE" program's country platform. This role focused on mobilizing development financing and technical assistance for renewable energy projects. This initiative helped secure approximately \$3.9 billion in concessional financing from various international institutions for the private sector, specifically to implement 4 gigawatts (GW) of renewable energy projects. This will be discussed in further detail in the report.

The Bank also demonstrated a strong commitment to empowering small and medium-sized enterprises (SMEs) and startups through a variety of financing tools. These include credit lines for SMEs through banks, which have exceeded \$380 million. Furthermore, startups received funding through 10 projects within private equity funds, totaling €200 million. Additionally, two startups benefited from the Venture Capital Investment Program (VCIP) with a value of €10.8 million. Additionally, the Bank supported projects that empower women in the private sector and increase their economic participation across various sectors.

#### Distribution of EBRD Development Finance to the Private Sector (2020 - May 2025):





Sector

Data Source: The European Bank for Reconstruction & Development (EBRD)

### THE EUROPEAN INVESTMENT BANK (EIB)

The European Investment Bank (EIB), the lending arm of the European Union, is one of Egypt's oldest development partners, having begun its operations in the country in 1979. Since then, the Bank has played a pivotal role in financing infrastructure projects, boosting economic growth, and supporting the capabilities of the private sector, particularly small and medium-sized enterprises (SMEs). This commitment stems from its dedication to fostering inclusive and sustainable development in EU neighboring countries.





Since 2020, cooperation between the EIB and Egypt has witnessed a qualitative leap. The Bank has allocated approximately €3.1 billion in developmental credit lines to four of Egypt's largest banks: Banque Misr, National Bank of Egypt, Banque du Caire, and Bank of Alexandria. These funds are aimed at developing medium, small, and micro-enterprises (MSMEs). This funding enabled provision of financing for over 13,000 SMEs and created more than 242,000 job opportunities across various governorates and economic sectors.

The Bank has also strengthened its presence in the large corporate sector by providing €150 million in development financing to Telecom Egypt. This funding will support a project to expand mobile internet coverage, especially in remote areas. This marks the first direct financing for a large corporation in Egypt since 2010, reflecting growing confidence in Egypt's ability to attract high-quality financing for its private sector.

The EIB is also the key development partner in the sustainable transport pillar of the "NWFE+" platform, providing the necessary development financing to support private sector investments.



In the context of supporting innovation and entrepreneurship, the Bank has injected approximately €1.1 billion into 20 local and regional private equity and venture capital funds. These funds are dedicated to financing startups and innovative companies in Egypt. These investments cover diverse sectors, including healthcare, education, technology, pharmaceutical industries, financial services, and e-commerce. A number of prominent Egyptian startups, such as Nawy and Brimore, among others, have benefited from this support.

Beyond direct financing, the Bank has implemented four technical assistance programs in collaboration with several local banks, including Banque Misr, Bank of Alexandria, and EG Bank. These programs aim to enhance their risk management capabilities and improve financing tools tailored for SMEs. The EIB also financed the feasibility study for the Suez Canal Axis project, supporting national efforts to establish integrated logistics zones and economic hubs.

In line with Egypt's efforts to expand its green economy, the Bank is currently mobilizing financing for a green ammonia production project in the Ain Sokhna area, with a production capacity of up to 74,000 tons annually. This project, implemented in partnership with Scatec, is one of the leading regional initiatives in the field of green hydrogen, and a letter of intent regarding it was signed during the Egypt-EU Investment Conference.

### **INTERNATIONAL FINANCE CORPORATION (IFC)**

The International Finance Corporation (IFC), a member of the World Bank Group, is one of Egypt's most prominent development partners in empowering the private sector. Over decades of partnership, Egypt has become one of the IFC's largest countries of operation, with an investment portfolio exceeding \$9 billion and a technical assistance portfolio valued over \$24 million. This is achieved through a comprehensive set of development tools, including direct corporate financing via loans or equity investments, as well as providing advisory services aimed at improving the business environment and strengthening institutional capacities. The IFC also supports legislative and regulatory reforms, in collaboration with government entities, contributing to the creation of a more attractive investment climate.

The IFC has provided a diverse financing package to several banks operating in Egypt. Among them, Abu Dhabi Islamic Bank – Egypt recently secured Sharia-compliant financing worth \$50 million to support the bank's growth and enable it to expand its financing to SMEs. Banque Misr received \$234 million in financing, half of which was dedicated to supporting women-owned small businesses within the "ZAAT" program, designed to enhance guidance and mentorship for women entrepreneurs. Al Baraka Bank – Egypt received a Murabaha financing of \$50 million, directed at supporting thousands of SMEs, with 25% of the funding allocated to women-owned businesses.

Banque du Caire also obtained \$50 million in financing to support SMEs, with half of it dedicated to women's projects. Commercial International Bank (CIB) and Attijariwafa Bank received financing totaling \$150 million and \$20 million, respectively, aimed at boosting financing for small and emerging businesses and supporting green growth plans.







The IFC also contributed to financing the issuance of Egypt's first sustainability bond and the largest of its kind for a private bank in Africa, for the Arab African International Bank. This bond was backed by investments of \$300 million from the IFC, and \$100 million each from the EBRD and BII. Of this, 75% are allocated to green projects, and 25% to financing inclusive and small projects.

Furthermore, the IFC is implementing a range of programs aimed at addressing the gender gap in employment and financing opportunities. It is also strengthening the legislative framework in cooperation with the National Council for Women to support the issuance of a unified definition for women's projects in banks, and providing recommendations for legislative reforms in labor law to implement the principle of equal pay.

In addition to contributing to investments in several direct investment and venture capital funds to support startups and medium-sized enterprises—including Lorax Capital, Ezdehar Fund (supporting health, education, and manufacturing sectors), Algebra Ventures (supporting tech startups), and Disruptech (for fintech)—the IFC has also injected investments and financing into many prominent Egyptian startups and unicorn companies such as Fawry, MaxAB, and MNT-Halan, to support their local and regional expansions.

#### Advisory Services for Asset Monetization Program and Private Sector Empowerment

One of the most prominent areas of cooperation with the IFC are the advisory services it provides to the Egyptian government for implementing the government's Asset Monetization Program, which will focus on harnessing private capital and know-how to manage state-owned assets. The program is part of the government's State Ownership Policy (SOP), a new framework rolled out in December 2022 aiming to empower the country's private sector across sectors to spur economic growth. This also includes the advisory services agreement to support the state's vision of offering 11 airports to the private sector to maximize the participation of local and foreign companies in managing Egyptian airports.

### Unified Guarantees Platform of the World Bank Group

To maximize the benefits of the World Bank Group's innovative financial mechanisms—through its affiliated institutions, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA)—the Ministry of Planning, Economic Development, and International Cooperation is coordinating with the Bank to leverage the Unified Guarantees Platform, launched last year. This platform offers simplified, more efficient, and less complex mechanisms for accessing private sector investment guarantees, replacing the need for multiple channels and procedures. It is expected to expand opportunities for the Egyptian private sector.



### **UNITED NATIONS AGENCIES, PROGRAMS & FUNDS**

United Nations agencies, programs, and funds play a central role in accelerating sustainable economic development in Egypt through strategic partnerships with the private sector and the provision of technical assistance. These efforts fall under the United Nations Sustainable Development Cooperation Framework (UNSDCF, 2023–2027), which serves as the basis for cooperation between the United Nations and the Government of Egypt in achieving the 2030 Sustainable Development Goals.

Through partnerships with the private sector, the UN system in Egypt supports a range of strategic objectives that promote sustainable development. These include enhancing sustainable livelihoods, supporting entrepreneurship, creating new job opportunities, improving conditions for decent work, expanding access to employment, and strengthening both life and market-relevant skills. The initiatives also aim to broaden and deepen financial inclusion, advance economic inclusion—especially for women, and accelerate the transition to sustainable economic models, including the circular, green, and blue economies.

UN agencies, programs, and funds are expanding their partnerships with key economic actors to enhance the private sector's impact on sustainable development. For example, the United Nations Development Programme (UNDP) has established a long-term strategic partnership with the American Chamber of Commerce (AmCham), which represents over 2,000 business members across diverse sectors such as energy, education, industry, agriculture, healthcare, transportation, and tourism. This partnership has led to the release of three national business reports highlighting the private sector's contributions to sustainable development, as well as the organization of broad dialogue sessions addressing challenges and strategies for engaging in the SDG agenda.

In a related effort, the International Labour Organization's "EYE FORSA" project has helped improve job prospects for recipients of social protection programs such as "Takaful and Karama," through job fairs and training for private-sector HR personnel. The ILO has also partnered with the Federation of Egyptian Industries to raise awareness of the importance of transitioning from informal to formal employment structures. The UN Joint Team on Technology and Innovation (UN-JTDI), in collaboration with the Ministry of Planning, Economic Development, and International Cooperation, and the Ministry of Communications and Information Technology—as well as several UN agencies—supports Egypt's efforts to drive development through the design of innovative, technologybased public projects developed in partnership with the private sector.

The United Nations currently works through more than 230 bilateral partnerships with companies to promote sustainable development by aligning with and supporting core business activities in climate-smart agriculture, food security, women's entrepreneurship, and startups.

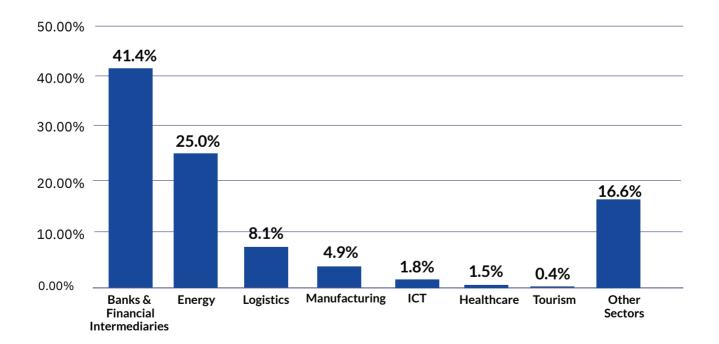
The UN is also deepening its collaboration with the private sector by expanding high-impact initiatives in the fields of employment, education, food systems, and youth empowerment. A joint task force has been formed between the United Nations and private sector actors to serve as a coordination platform for promoting innovation and mobilizing resources. Moreover, the UN is building strategic alliances with leading firms to accelerate the shift toward an inclusive green economy and to enhance the private sector's contribution to sustainable economic growth in Egypt.

In this context, the Ministry of Planning and Economic Development is working with the UNDP's Istanbul International Center for Private Sector in Development (IICPSD) to connect the Partnership Center on the "Hafiz" platform with the Sustainable Development Goals (SDG) Investor Map—an analytical tool developed by the UNDP. This tool translates development needs into tangible investment opportunities, enabling investors to identify areas that generate financial returns while contributing to sustainable development in line with national priorities and Egypt's Vision 2030.



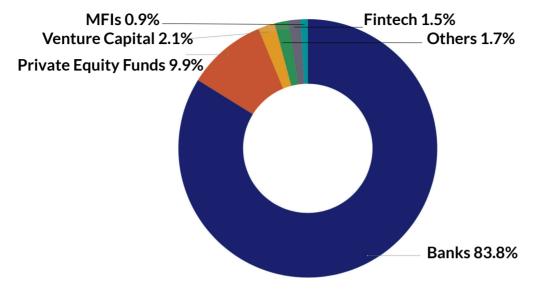
### THIRD: ACCELERATING DEVELOPMENT IN STRATEGIC SECTORS

Since 2020, private sector development financing has diversified in line with the state's orientation toward empowering the private sector in high-priority development sectors, especially renewable energy and electricity. These sectors received approximately 25% of total development financing. Meanwhile, the financial sector and banks ranked first, receiving 41.4% of total financing. This reflects the vital role played by international financial institutions in supporting the financial sector through capital investments and funding for SMEs.



Distribution of Development Finance by Sector

Source: Ministry of Planning, Economic Development & International Cooperation



Distribution of Development Finance Directed to Financial Institutions by Type

Source: Ministry of Planning, Economic Development & International Cooperation

Banks received 84% of the total financing allocated to financial institutions, reinforcing their role as key intermediaries for development partners in rechanneling funds to the market—particularly to small and medium-sized enterprises. Private equity funds also took on a growing role, with more than \$445 million in financing directed toward high-growth mid-sized companies. Venture capital saw \$109 million in funding, signaling an encouraging trend toward increased investment in startups. Startups have demonstrated their value in delivering development-oriented innovations, particularly in financial technology (FinTech), which has seen increasing momentum in recent years. FinTech firms alone attracted over \$78 million in development financing. Notably, two Egyptian firms— Fawry and MNT-Halan—have achieved unicorn status. Fawry Microfinance, a subsidiary of Fawry, received \$10 million in 2021 from the Egypt-American Enterprise Fund (EAEF) to support SMEs impacted by the COVID-19 pandemic. MNT-Halan, which offers integrated digital financial services including lending, payments, and e-commerce, secured a \$40 million direct investment from the International Finance Corporation (IFC) as part of a \$157.5 million funding round in 2024 to support its expansion plans.



### EGYPT AS A REGIONAL HUB FOR RENEWABLE ENERGY

The energy sector ranked second in terms of total development financing directed to the private sector, accounting for 25% of the total, driven by a growing momentum for renewable energy and resource efficiency projects. This trend reflects Egypt's clear commitment to supporting the green transition and enhancing national energy security. International development partners have played a pivotal role in financing a number of strategic initiatives, providing both concessional financing and technical assistance.

Since the Ministry of Planning, Economic Development, and International Cooperation launched the **NWFE** (Nexus of Water, Food and Energy) program in collaboration with development partners including the European Bank for Reconstruction and Development (EBRD), which serves as the lead development partner for the energy pillar—around \$4 billion in financing has been mobilized out of a \$10 billion target for the energy sector. This has resulted in the signing of long-term purchase agreements with private sector companies for renewable energy projects totaling approximately 4.2 GW in capacity.

In parallel, efforts have been made to decommission thermal power plants with a capacity of up to 1,200 MW, as part of a broader plan to retire 5,000 MW, saving an estimated \$1.2 billion annually in fuel costs that would otherwise be used to operate those plants.



#### Key Renewable Energy Projects Financed by Development Partners for the Private Sector Include:

The Gulf of Suez Wind Farm (1,100 MW) with an investment of \$1.1 billion, cofinanced by EBRD, the African Development Bank (AfDB), British International Investment (BII), the German Investment Corporation (DEG), the OPEC Fund for International Development (OFID), and the Arab Petroleum Investments Corporation (APICORP, now the Arab Energy Fund).

The Gulf of Suez 2 Wind Farm (650 MW), with an investment of \$725 million, financed by the Japan Bank for International Cooperation (JBIC) and the European Bank for Reconstruction and Development (EBRD).

The Abydos Solar Power Plant in Kom Ombo (500 MW), with an investment of \$500 million, funded by the International Finance Corporation (IFC), the Dutch Development Bank (FMO), and the Japan International Cooperation Agency (JICA).

The Kom Ombo Solar Plant (200 MW), with an investment of \$182 million, co-financed by EBRD, AfDB, the Green Climate Fund (GCF), and OFID.

The Amunet Wind Power Project (500 MW) in Ras Ghareb, a flagship example of blended finance from multiple partners including IFC, JBIC, Sumitomo Mitsui Banking Corporation (SMBC), and Standard Chartered Bank, with a total investment of \$700 million.

The development of a 1 GW solar energy project incorporating Battery Energy Storage Systems (BESS), along with the Egypt Green Hydrogen initiative, further demonstrates the diversity of financing instruments and the breadth of international partnerships supporting Egypt's transformation into a regional clean energy hub.



# MAXIMIZING EGYPT'S ROLE AS A REGIONAL LOGISTICS CENTER

Egypt's logistics and transport sector has seen significant development, bolstered by a series of strategic projects aimed at enhancing port infrastructure, expanding transportation and storage capacity, and strengthening trade networks to both local and international markets. Since 2021, the private sector has benefited from development financing totaling approximately \$1 billion in this domain.

Among the most prominent of these projects is the Second Container Terminal at Damietta Port, financed through a partnership with EBRD, IFC, the Asian Infrastructure Investment Bank (AIIB), DEG, and Proparco. The project has secured a \$455 million financing package under a publicprivate partnership (PPP) framework. It aims to boost the port's annual container handling capacity to 3.3 million (Twenty-Foot Equivalent Units) TEUs, while creating over 2,200 direct and indirect jobs.

Additionally, BII is contributing \$320 million towards the expansion of Ain Sokhna Port, while EBRD has funded the October Dry Port project with \$30.4 million, complemented by an additional \$7 million in 2023 for related logistics services—both under PPP arrangements. IFC also provided \$3.7 million in advisory support for transport and storage projects.

These investments significantly enhance Egypt's integration into global markets, improve operational efficiency, and support the development of multimodal transport systems. They also contribute to achieving the UN Sustainable Development Goals (SDGs)—notably Goal 8 (decent work and economic growth) and Goal 9 (industry, innovation, and infrastructure).



Moreover, the company Beko Egypt benefited from \$50 million in concessional development finance from EBRD, enabling the establishment of its first regional industrial complex in 10th of Ramadan City. The facility includes an R&D center and production lines with a total annual capacity of 1.1 million units. The project has received LEED Gold certification, affirming its high environmental performance and sustainability credentials. This model illustrates how development finance can be effectively leveraged to foster industrial innovation, enhance production capacity, and expand exports, while also generating local employment and deepening partnerships between the private sector and international financial institutions.

### LOCALIZING TECHNOLOGY & ATTRACTING FOREIGN DIRECT INVESTMENT (FDI)

The Egyptian government is actively working to increase the contribution of non-oil manufacturing sectors to GDP and to localize its industries by attracting foreign direct investment (FDI) in key industrial sectors. This strategy aims to boost domestic production and exports. In line with this vision, the manufacturing sector has attracted 5% of all development financing since 2021, amounting to \$618 million across 18 transactions.

Development financing also plays a critical role in helping domestic manufacturers scale internationally. For instance, Edita, a leading producer of packaged snack foods, secured \$45 million from IFC to expand production lines and support regional growth, including entry into the Moroccan market. The food and beverage sector more broadly has benefited from development funding, with companies such as Almarai, Coca-Cola Egypt, Afia, and the Olam Group receiving grants and financing exceeding \$315 million, underscoring the sector's role in advancing food security and meeting growing domestic and regional demand.

Development financing has also been instrumental in attracting foreign investment to Egypt's industrial sector, modernizing manufacturing practices, and facilitating technology transfer. For example, Beko Egypt secured \$50 million from EBRD to support working capital needs and raw material procurement, while placing a strong emphasis on R&D and localizing advanced technologies. Similarly, Sisecam (Pasabahce) Egypt, a glassware manufacturer, received \$30 million from IFC to promote sustainable production and support exports, reinforcing Egypt's position as a competitive FDI destination and enabling the transfer of advanced technology into the local economy.

Furthermore, development finance enhances the competitiveness of local private enterprises by fostering innovation and increasing value addition. One example is the Egyptian German Industrial Company, which manufactures water supply and sanitation solutions and secured a \$50 million long-term loan from EBRD. This financing supports production optimization and R&D initiatives, boosting its competitiveness in both local and global markets. Likewise, Kandil Steel, a producer of flat steel products, received a \$25 million loan from IFC in 2023 to meet working capital needs and strengthen its export capabilities. IFC also provided technical assistance to improve resource efficiency, reduce carbon emissions, and enhance corporate governance practices.

This comprehensive approach highlights how development financing has evolved from a mere funding tool into a catalyst for transformation—empowering the private sector, promoting innovation, accelerating technology transfer, and building institutional capacity. The involvement of multiple development finance institutions and the integration of financial and advisory instruments underscore a growing commitment to creating an enabling environment for Egypt's private sector. This, in turn, supports domestic expansion and global integration, reinforcing the country's trajectory toward sustainable development.

Furthermore, a notable example of private sector as a beneficiary of development finance is Engazaat, a company specializing in integrated technological solutions for water management and renewable energy. Engazaat benefited directly from the Hafiz platform, which was launched by the Ministry of Planning, Economic Development, and International Cooperation to avail development partners' financial and technical assistance.

Through this support, the company was able to mobilize over \$17 million in funding, in addition to \$4.4 million in grants, and attract foreign direct investment. These resources helped the company expand its portfolio of green energy and water projects from \$10 million at COP27 to approximately \$50 million by COP28, with a further \$250 million in projects currently under development.

This success story illustrates the private sector's growing role in supporting national efforts to address climate change, while reinforcing Egypt's partnerships with international development actors.



### TECHNICAL ASSISTANCE & ADVISORY SERVICES

Technical assistance programs form one of the cornerstones of efforts to support the growth and competitiveness of the private sector in Egypt. As of now, the active portfolio of technical assistance and advisory projects supported by international development partners amounts to approximately \$228 million.

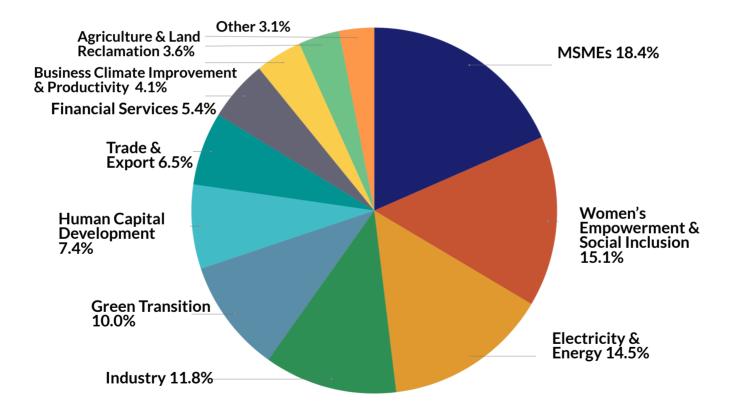
These programs serve as vehicles for knowledge exchange, capacity building, and institutional development—contributing to more effective public policy frameworks and a more conducive business environment. They are also strategic tools that help strengthen sectoral performance and unlock sustainable growth opportunities.

Development partners currently support a broad range of technical assistance programs across key sectors, including: Small and medium-sized enterprises (SMEs), Women's empowerment and financial inclusion, Electricity and renewable energy, Agriculture and land reclamation, Business environment reform and innovation, and Financial services, trade, and export development.

In this context, international cooperation plays a vital role as a catalyst, offering access to global expertise, best practices, and financial support to accelerate economic and social reforms. Through such cooperation, Egypt can maximize the value of its national resources, improve economic competitiveness, and more effectively integrate the private sector into sustainable development pathways—ensuring inclusive and lasting impact.

A detailed chart presents the sectoral distribution of development finance allocated to technical assistance in Egypt (in millions of USD), highlighting the sectors that benefit from international development partners—particularly within the supporting the private sector. The chart illustrates the distribution of development finance for technical assistance in Egypt by sectors, highlighting the diversity of areas supported by international development partners, particularly in support of the private sector.

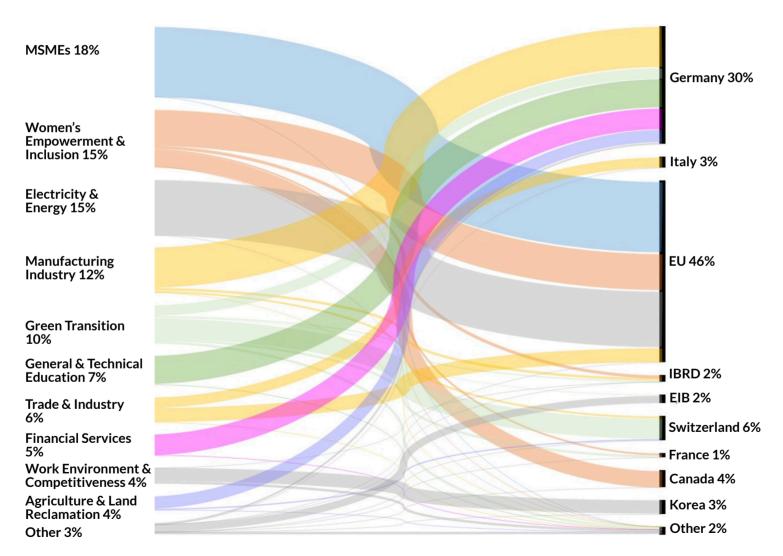
Distribution of Technical Assistance Program and Project Volume for the Private Sector by Theme



Source: Ministry of Planning, Economic Development & International Cooperation

### A CLOSER LOOK AT TECHNICAL ASSISTANCE PROJECTS SUPPORTING THE PRIVATE SECTOR

Flow of Development Partner Support for Technical Assistance to the Private Sector, Per Sector



Source: Ministry of Planning, Economic Development & International Cooperation

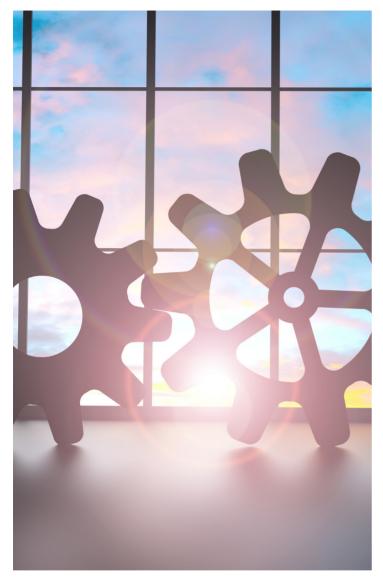


In the electricity and renewable energy sector, technical assistance plays a crucial role in accelerating the shift toward clean energy sources, such as solar and wind, led by private sector investment. This includes support for expanding the adoption of renewable energy and strengthening related infrastructure. Key initiatives include:

- Technical studies conducted by the European Bank for Reconstruction and Development (EBRD) in partnership with bilateral donors, under the "NWFE" program. These studies involve nationwide wind speed measurements to identify optimal locations for wind energy projects.
- A technical assistance project for the Egyptian Electric Utility and Consumer Protection Regulatory Agency, aimed at establishing a clear regulatory framework to enable private-to-private energy sales. This new market mechanism allows renewable energy producers to sell electricity directly to industrial consumers.
- The Guarantees-of-Origin scheme, which aims to introduce a certification system verifying that electricity is generated from renewable sources. These certificates boost producer credibility and can support both export and domestic clean energy markets.

In the agriculture and land reclamation sector, technical assistance focuses on promoting agricultural innovation and linking smallholder farmers to markets. This includes enhancing the technical and administrative capacity of agricultural cooperatives and facilitating their access to non-bank financial solutions.





In the industrial sector, technical assistance programs promote: Resource efficiency and circular economy solutions, Export competitiveness, particularly in manufacturing subsectors like textiles and garments, Industrial innovation and integration into global value chains, and Capacity building for small and medium-sized enterprises (SMEs) and policy development for industrial upgrading. A prime example is the "Egyptian Cotton – Phase II" project, which seeks to enhance the environmental, economic, and social sustainability of the Egyptian cotton value chain—from farming to textile production. The project supports farmers with training in sustainable practices, promoting technical education, and empowering the youth and private sector actors. It is implemented by UNIDO, funded by the Italian Agency for Development Cooperation, and delivered in partnership with the Ministries of Industry, Agriculture, and Planning, as well as academic institutions and international firms.

As part of the government's broader agenda to improve service delivery and advance digital transformation, several technical assistance projects also target public service digitalization for the benefit of private investors.

#### For Instance:

The launch of an integrated digital platform for investor services within the Suez Canal Economic Zone, developed under Phase II of the digital transformation program with support from the EBRD. This initiative aims to streamline business procedures, increase transparency, and improve investor experience.

The InnoPA Project (Support to E-Government and Innovation in Public Administration), implemented by GIZ on behalf of the German government and in cooperation with the Ministries of Communications and Information Technology, and Planning and Economic Development. The project promotes digital government innovation and efficient e-services through the establishment of a GovTech Lab at Egypt's Creativa Innovation Hubs, with a strong emphasis on capacity building and collaboration with startups.

In addition to these sectors, technical assistance also covers a range of strategic sectors such as health, education, scientific research, irrigation, and the business environment. This support, provided by development partners, complements government efforts and priorities, thereby enabling the private sector to play a more active role in driving economic growth.

# FOURTH: DEVELOPMENT FINANCING FOR Structural Reforms & Improving the Business Climate



In a broader context, international development financing emerges as a key tool in supporting these objectives. According to data from the Ministry of Planning, Economic Development, and International Cooperation, concessional financing has played a critical role in mobilizing long-term resources that empower national institutions to implement projects across vital sectors such as infrastructure, healthcare, education, and digital transformation. This type of financing is particularly valuable because it eases pressure on the public budget compared to traditional funding methods, while simultaneously improving the efficiency and sustainability of public spending.

In recent years, the government has undertaken an ambitious structural reform program aimed at reinforcing macroeconomic stability, enhancing the business environment, and accelerating the transition toward a green economy. These efforts have received significant support from international development partners and financial institutions, which have provided funding to back specific reform policies and measures.



One notable example is the Development Policy Financing (DPF) program with the World Bank, valued at \$700 million, and forming part of a broader \$6 billion support package over three years. This program is designed to foster private sector-led growth, improve human capital outcomes, enhance climate resilience, and strengthen overall economic governance. Key reforms supported by this program include improving the governance of state-owned enterprises, empowering the Competition Authority to address anticompetitive mergers and acquisitions, and boosting domestic revenue mobilization.

Within the framework of Egypt's strategic partnership with the European Union, the Macro-Financial Assistance (MFA) mechanism and budget support provide €5 billion in concessional financing to help implement the national structural reform program. This assistance promotes reform efforts across several pillars, including macroeconomic stability and resilience, business climate competitiveness, and green economic transformation. In addition, through cooperation with the African Development Bank (AfDB), Egypt is implementing the Private Sector Development and Economic Diversification Program, with funding of \$170 million, to carry out the second phase of reforms focused on green growth. The program aims to improve Egypt's business climate—particularly in manufacturing and agriculture—and to expand green growth drivers, including renewable energy and emissions reduction.

Through the Country Program with the Organisation for Economic Co-operation and Development (OECD), Egypt is also advancing a range of initiatives in governance, investment, private sector competitiveness, regional development, and sustainable growth. This program serves as a critical tool for promoting evidence-based policymaking, strengthening public institutions, and supporting the systematic implementation of structural reforms.

# FIFTH: THE ROLE OF THE MINISTRY OF PLANNING, ECONOMIC DEVELOPMENT & INTERNATIONAL COOPERATION

The Ministry of Planning, Economic Development, and International Cooperation plays a central coordinating role among all relevant stakeholders. It leads efforts to strengthen strategic partnerships with development partners through a framework rooted in national ownership, and works to mobilize a diverse range of financial instruments—including foreign direct investment, concessional and commercial financing, and risk guarantees.

The Ministry is firmly committed to the principle of country ownership, which forms the foundation of Egypt's economic diplomacy framework. Joint strategies between Egypt and its bilateral and multilateral development partners are developed through a participatory approach that reflects the principles of transparency, integration, coordination, and firm alignment with the national priorities for sustainable development. These strategies are grounded in Egypt's overarching policy frameworks, most notably: Egypt Vision 2030, the Government Work Program, the National Human Rights Strategy, the Sustainable Energy Strategy 2035, and the National Climate Change Strategy 2050—alongside major presidential initiatives such as Decent Life for rural development and the National Family Development Project.

The Ministry also works to facilitate private sector access to both financial and technical assistance, while supporting its capacity development through evidence-based analysis, studies, and policy guidance. As a result of these efforts, the private sector in Egypt has secured over \$15.6 billion in development financing over the past five years, allocated across multiple sectors. This reflects the success of the Ministry's collaboration with development partners in supporting private sector growth and empowerment.



# **COORDINATING EFFORTS BETWEEN DEVELOPMENT PARTNERS & THE PRIVATE SECTOR**

In line with its mandate, the Ministry coordinates efforts between the government, development partners, and the private sector—given its pivotal role in national planning, priority setting, and strategic framework design in cooperation with multiple relevant entities.

In this context, the establishment of the Private Sector Engagement Unit serves as an institutional mechanism to operationalize this coordination role. The unit facilitates direct collaboration with government bodies, international financial institutions, and the private sector to ensure that international cooperation programs are responsive to real market needs, while fostering alignment between national initiatives and development partnerships.

At the same time, the unit works to enhance private sector access to financing and technical assistance, and to build sustainable communication channels with the business community. These efforts aim to improve private sector competitiveness and contribute to inclusive and sustainable development driven by private enterprise.

## **Private Sector Engagement Tools**

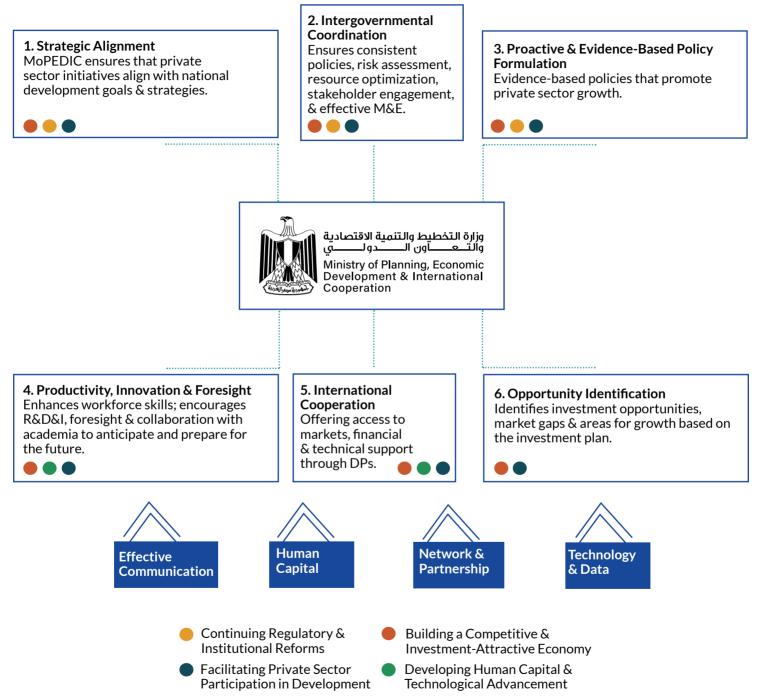
The Ministry of Planning, Economic Development, and International Cooperation is committed to enhancing private sector participation in development efforts through six interlinked pillars. These aim to build a comprehensive and enabling investment environment, grounded in institutional coordination, the strategic use of international cooperation tools, and alignment between national priorities and promising growth opportunities.

The first pillar focuses on strengthening inter-ministerial coordination to ensure the coherence of economic policies across sectors. This fosters institutional harmony and creates a stable environment for private investment. This coordination also extends to achieving strategic alignment with the private sector by incorporating its insights and proposals into the national development planning process, thereby directing national priorities toward more realistic opportunities that are closely tied to market needs.

In shaping public policy, the Ministry places particular emphasis on proactively formulating private-sector-related economic policies that are evidence-based. This is achieved through the use of robust databases and partnerships with research institutions, enabling informed decision-making that responds to economic shifts. The Ministry also prioritizes productivity and innovation as key drivers of competitiveness by supporting entrepreneurship, technology adoption, and innovative solutions that can create new growth pathways and help Egypt move beyond the "middle-income trap."

Moreover, the Ministry actively pursues and expands international partnerships to maximize the benefits of development financing, technical assistance, and knowledge transfer—all of which contribute to strengthening private sector capabilities. Finally, the Ministry plays a central role in identifying investment opportunities, whether through encouraging private sector participation in national investment projects or facilitating access to opportunities financed by development partners, both domestically and internationally. These efforts aim to broaden the scope of Egyptian private sector participation at the local and global levels.





## BRIDGING THE INFORMATION GAP TO SUPPORT THE PRIVATE SECTOR

Despite the range and value of support provided by development partners—whether through technical assistance or development financing—a key challenge persists: the information gap, which limits the ability of businesses, particularly small and mediumsized enterprises (SMEs), to fully capitalize on these opportunities.

This gap stems from several structural issues, including the fragmentation of information across multiple sources, language barriers that hinder comprehension of technical details, and the difficulty in comparing different financing tools due to unstructured or outdated data presentation. These factors often constrain businesses from making informed decisions and accessing available support effectively.

Building on this approach, and with the aim of enhancing effective communication with the private sector and bridging the information gap, the Ministry of Planning, Economic Development, and International Cooperation launched two key tools: the Hub for Advisory, Finance, and Investment for Enterprises (HAFIZ Platform), and the Business Roundtables for Innovation, Development and Government Engagement (B.R.I.D.G.E) Series.

To address this challenge and enhance communication with the private sector, the Ministry launched two key initiatives:



### Hafiz Platform for Financial & Technical Assistance to the Private Sector

The private sector in Egypt is increasingly becoming a central engine of economic transformation, playing a vital role in driving sustainable development, creating new jobs, and fostering innovation across various industries. This dynamic expansion is underpinned by the government's strong commitment to cultivating a more supportive and investmentfriendly business climate, while also activating effective partnerships with international institutions and development partners. The ultimate goal is to maximize private sector access to available financial resources, technical assistance, and advisory services at both the local and international levels.

In this context, the Ministry of Planning, Economic Development, and International Cooperation launched the Hafiz Platform for Financial and Technical assistance to the Private Sector, as an innovative mechanism to advance the private sector empowerment agenda. The platform is designed to facilitate access to development financing and technical services through a fully integrated digital gateway that connects development partners, implementing agencies, government entities, and the business community—including large corporations, SMEs, micro-enterprises, and startups.

The platform is positioned as a strategic tool within the Ministry's broader efforts to strengthen economic diplomacy and stimulate finance for sustainable development.

#### Through the Hub for Advisory, Finance and Investment for Enterprises (منصة حافز): Expanding Access to Financial & Technical Assistance

Through the "Hafiz" platform, more than 90 financial and technical assistance services are now accessible, provided by 44 bilateral and multilateral development partners. Since its launch in December 2023, the platform has grown significantly—from 62 services at launch to over 90 services today—attracting close to 18,000 private sector users and entrepreneurs. Its database includes over 700 companies that have already benefited from the platform's support offerings. In addition, it showcases over 1,000 tenders and development initiatives funded by development partners in Egypt and more than 80 other countries, creating tangible opportunities for expansion and access to regional and global markets.





# The platform offers a broad range of services, summarized as follows:

### **Financial Services**

Currently, the platform features 60 financial tools provided by more than 30 development partners, encompassing a diverse array of instruments such as: Concessional development financing, Equity investment, Trade finance, Risk guarantees, and Grants. These services aim to facilitate private sector access to a variety of funding sources, enabling the launch of new projects, business expansion, and risk mitigation ultimately enhancing company growth and long-term sustainability.

### **Technical Assistance**

Currently, the platform features 60 financial tools provided by more than 30 development partners, encompassing a diverse array of instruments such as: Concessional development financing, Equity investment, Trade finance, Risk guarantees, and Grants. These services aim to facilitate private sector access to a variety of funding sources, enabling the launch of new projects, business expansion, and risk mitigation ultimately enhancing company growth and long-term sustainability.

### Matchmaking Atlas

The Matchmaking Atlas is an interactive tool that enables stakeholders—whether governmental entities, private sector companies, or development partners—to showcase their development projects in detail, including the type of support needed (financial, technical, implementation partnerships, etc.).

This hub fosters coordination and collaboration, helping stakeholders access the resources and expertise required to advance their initiatives and achieve development objectives more efficiently.





### **Tenders & Opportunities**

The platform provides direct access to the latest local and international tenders, enhancing private sector participation in development projects and strengthening the global competitiveness of Egyptian companies. As of May 2025, over 850 tenders have been published across various sectors by 45 development partners. In addition, the platform has listed more than 330 business opportunities—including competitions, acceleration programs, webinars, and other initiatives—shared by 50 development partners. This contributes to better integration into global development networks and supports the institutional growth of companies on the ground.

### **Deals Tracker**

The Deals Tracker offers a dynamic database of concluded development finance transactions between the private sector and development partners. Deals are categorized by year and sector, helping to: Promote transparency by documenting past collaborations, Highlight investment trends in development finance, and Inspire companies with successful case studies and improve market insight.

### **Reports & Knowledge Tools**

This section features a wide array of analytical reports and diagnostic studies published by over 40 development partners, covering sectors relevant to private sector growth. So far, more than 200 publications have been uploaded, offering: Insights into challenges and opportunities, Data-driven analysis to guide decision-making, and Evidence-based recommendations to inform policy and enhance business capacity.

### **AI-Powered Support**

The platform also integrates an intelligent chatbot assistant that helps users navigate the platform and identify relevant content. By asking questions or describing their needs, users receive tailored service or opportunity recommendations—making information access more intuitive and efficient.



**Taken together**, these features make the "Hafiz" platform a comprehensive solution to several persistent challenges facing the private sector—such as limited access to information, financing barriers, and language constraints—by providing customized, accessible tools tailored to the specific needs of each company.

The platform aligns closely with Egypt's strategic vision for sustainable economic growth, offering innovative mechanisms to promote public-private partnerships, enhance the business environment, and enable the private sector to play a greater role in priority sectors such as renewable energy, infrastructure, manufacturing, health, and education.

Looking ahead, "Hafiz" is expected to play an even more pivotal role in advancing Egypt's transition to a more resilient and diversified economy, through continued expansion of its services, outreach to a broader user base, and deeper integration with international partners and development programs.

# Expanding Access at the Governorate Level

In line with its commitment to localizing development and strengthening partnerships with the private sector nationwide, the Ministry of Planning, Economic Development, and International Cooperation is launching a new initiative to enhance private sector engagement in sustainable development at the governorate level.

This initiative, implemented in cooperation with the Egyptian-Italian Debt Swap Program for Development, aims to close the information gap for private companies outside Greater Cairo by improving access to development finance, technical assistance, and international partnership opportunities.

The initiative will leverage the "Hafiz" platform to offer tailored financial tools, training programs, and market-linkage solutions—ensuring inclusive outreach across all segments of the private sector, regardless of geographic location.

# B.R.I.D.G.E Series: Business Roundtables for Innovation, Development & Government Engagement

As part of Egypt's national strategy to empower the private sector and strengthen cooperation with international development partners, the Ministry has also launched the B.R.I.D.G.E Series—short for Business Roundtables for Innovation, Development & Government Engagement. This series serves as an innovative strategic platform for structured dialogue between the government, the business community, and international institutions.

The B.R.I.D.G.E series seeks to: Identify and address real-world challenges facing the private sector, Connect businesses with relevant technical and financial support opportunities, and Foster a more dynamic and responsive business environment aligned with national development goals.

Importantly, this initiative reflects a paradigm shift in how the government engages with the private sector—moving beyond simply announcing programs, to actively co-creating solutions through direct interaction and participatory project design.

So far, B.R.I.D.G.E roundtables have tackled key strategic themes, including: Investment opportunities in high-priority sectors such as renewable energy, food production, and agri-industrial value chains, Innovative financing instruments available through international partners, Incentivizing Egyptian companies to compete in global tenders, Promoting economic empowerment for women and youth, and Supporting digital transformation and green economy transitions. These efforts are fully aligned with Egypt's shift toward a more inclusive and sustainable development model. Moreover, the B.R.I.D.G.E Series plays a critical role in aligning national business and investment policies with available international resources—whether in financing, capacity building, or knowledge sharing. This enhances the overall effectiveness of Egypt's development efforts, supporting the realization of Egypt Vision 2030 and the 2024–2027 Government Work Program.

The series also complements the "Hafiz" platform by: Facilitating access to financial and technical assistance, Offering updated, targeted information, and Promoting evidence-based, incentive-driven development partnerships. Together, the "Hafiz" platform and B.R.I.D.G.E Series represent two cornerstone tools in Egypt's strategy to enable the private sector as a key driver of inclusive, sustainable development.

#### A Series of Strategic Dialogues under the B.R.I.D.G.E Series

Several sessions have been convened under the B.R.I.D.G.E series to focus on a range of key sectors. One of the first was the youth and sports sector, in partnership with UNICEF. In August 2024, the Ministry held the inaugural B.R.I.D.G.E session in collaboration with the Ministry of Youth and Sports, bringing together over 50 representatives from the private sector, international organizations, the Executive Director of the National Training Academy, and UNICEF officials. The session emphasized youth and sports as a key driver of human capital development.

The second edition of B.R.I.D.G.E featured the participation of representatives from the British Embassy, British International Investment (BII), and UK Export Finance (UKEF), along with more than 85 companies and export councils. Discussions centered on the financial instruments available to Egyptian companies, including long-term financing and export credit guarantees, with a particular focus on green growth and digital transformation. During the session, international institutions presented the private sector with a wide range of financing and investment tools designed to support private enterprise and enhance bilateral trade between Egypt and the United Kingdom, which currently stands at GBP 4.8 billion annually.

In alignment with Egypt's African expansion strategy and the strategic partnership with the African Development Bank (AfDB), the third B.R.I.D.G.E session focused on strengthening collaboration with the AfDB. During the session, the Bank announced its intention to inject USD 300 million into Egypt's private sector in 2025, primarily targeting small and mediumsized enterprises (SMEs) and green projects. The dialogue aimed to deepen engagement with the business community, familiarize companies with AfDB financing instruments, and support Egypt's broader vision of private-sector-led growth. The session was attended by business associations and prominent leaders from across the private sector.

# **CONCLUSION**

The report clearly underscores that enabling greater private sector participation is no longer optional—it is a strategic imperative for building a resilient economy, driving inclusive growth, and advancing social equity. In an era marked by global financial constraints, development finance emerges as a vital tool for bridging the development funding gap. It provides not only concessional financing, but also technical expertise and innovative mechanisms that help de-risk investments, especially in high-priority sectors.

This report outlines a comprehensive framework for private sector empowerment, encompassing improvements to the business environment, competitiveness support, and institutional capacity building. It also details efforts to expand access to diverse financing instruments, whether through concessional development finance, equity partnerships, or customized technical assistance. These efforts are not merely about increasing the volume of financing, but rather about enhancing the efficiency of resource utilization and maximizing developmental impact—fully aligned with Egypt's Vision 2030.





The report also emphasizes that focusing on green transition, digital economy, entrepreneurship, and inclusive growth as strategic pillars for the coming phase is aligned with national priorities. These themes are being actively integrated into international cooperation frameworks to ensure that resources are directed toward areas that offer long-term value creation. This highlights the need for development financing strategies that are rooted in clearly defined national priorities, while also being flexible and responsive to the evolving needs of the private sector.

In this context, the State's continued efforts to strengthen institutional coordination mechanisms, enhance transparency, and build effective partnerships with development partners are crucial to advancing high-impact projects that generate employment, localize development, and contribute to a comprehensive and sustainable economic transformation. Empowering the private sector through development finance is not only an investment in economic growth—it is a direct investment in the future.



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