

Country Assistance Policy for the Arab Republic of Egypt

As of September, 2020

1. Objectives

Egypt is located in the node of Asia, Africa and Europe as well as in the geopolitically important area with the Suez Canal, which is the strategic hub of international maritime transportation, and thus has played an important role in the political and economic aspects for the peace and stability of the whole Middle East and African region. Support for Egypt's efforts against development challenges and contribution to the stabilization of Egypt contributes to the stabilization of the whole region.

The economic growth of Egypt was slowed down after the political turmoil in 2011, but as a result of Egypt's efforts for economic and social reform based on the Sustainable Development Strategy 2030, the economic growth rate of Egypt has been gradually recovered with 4-5 % annual rate. On the other hand, reduced incomes in the tourism sector and remittances, which are the main sources of foreign currencies for Egypt, and public spending greatly impacted on the promotion of economic and social reform of Egypt. Cooperation for the realization of Sustainable Development Goals (SDGs) and quality growth is thus needed.

Egypt hosts more than 100 million population, two thirds of which are occupied by young generation under 35 years old. Egypt is therefore a potential market, and the expansion of Japanese business activities is also expected. Also, the Japan-Egypt Joint Statement issued in February 2016 affirmed to strengthen the historically friendly relationship between the two countries in all sectors. Against this backdrop, support for Egypt's economic and social reform is extremely important not only for further strengthening the bilateral relations, but also from the perspective of ensuring peace and stability of the Middle East and African region as a whole and stabilization of maritime transportation.

2. Basic policy of Japanese ODA: Cooperation for sustainable and inclusive economic and social development and promotion of stability and development of the regional and global community

Based on the Japan-Egypt Joint Statement in February 2016, Japan actively provides cooperation to support the efforts promoted by Egypt for its economic and social reform and to further strengthen the bilateral strategic relations, as well as to promote the stability and development of the regional and global community. Because the achievements of such cooperation will contribute to the achievement of the SDGs, especially SDG2 (hunger), 3 (health), 4 (education), 6 (water and sanitation), 7 (energy), 8 (economic growth and employment), 9 (infrastructure, industrialization and innovation), 10 (inequality), 11 (sustainable cities) and 17 (means of implementation), Japan implements its cooperation taking into consideration the accordance with these goals.

3. Priority Areas

1) Promotion of sustainable economic growth

Japan implements cooperation in both hardware and software aspects, eyeing the utilization of Japanese technologies, including economic and social infrastructure development, improvement of policies and institutions, capacity development of implementing agencies, in order to improve the investment and business environment. In addition to that, Japan provides supports taking employment generation into full consideration.

2) Promotion of social inclusiveness

Together with the improvement of basic social services toward the achievement of universal health coverage, Japan implements cooperation for environmental challenges including water, sewerage, and waste management, and agriculture production and rural development to correct gaps between urban and agricultural areas, among others. Japan provides supports that contribute to the promotion of Egypt's social inclusiveness through addressing social challenges such as support for people with disabilities, poverty reduction and enhancement of living standard.

3) Promotion of education and human resource development as well as regional cooperation

Japan will implement comprehensive cooperation in the education and human resource development sectors utilizing the characteristics of Japanese education, based on the Egypt-Japan Education Partnership (EJEP), which was released in

conjunction with the Japan-Egypt Joint Statement in February 2016, and work on the development of human resources that will contribute to the development of public and private sectors. Japan also intends to promote the human resource development of the implementing agencies on the Egyptian side regarding intra-regional cooperation, and thus regional stabilization and the development promotion of the Middle East and African region through third-country training programs.

4. Notes

- 1) Japan supports efforts for Egyptian development strategies and challenges that contribute to the stabilization and development of not only Egypt but of the whole Middle East and Arab region.
- 2) In addition to the promotion of economic growth of Egypt, Japan implements supports that lead to business and investment promotion of Japanese companies from the perspective of public-private partnership.
- 3) Japan endeavors to strengthen the bilateral relations through various support and cooperation together with wider stakeholders, beyond government-to-government development cooperation, by strengthening collaboration with various partners such as Japanese universities, local governments, non-governmental organizations, and other donors, taking note of the safety management and efficient and effective implementation.

Appendix: Rolling Plan