



INFF

Integrated National
Financing Frameworks



وزارة التخطيط والتنمية الاقتصادية
والتعاون الدولي
Ministry of Planning, Economic
Development & International
Cooperation

EGYPT'S INTEGRATED NATIONAL FINANCING STRATEGY | KEY MESSAGES

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E-INFS: KEY MESSAGES

Egypt's financing context

Egypt is committed to achieving the Sustainable Development Goals (SDGs) guided by *Egypt Vision 2030*, its comprehensive national development strategy. As most countries, Egypt faces a funding gap to achieve its development aspirations, especially in health, education, electricity, water and sanitation, and transportation. Egypt has also been challenged in recent years by a series of socioeconomic shocks that have affected the mobilization and allocation of sufficient financing for the SDGs, including COVID-19, tensions in Eastern Europe, and other conflicts in neighboring countries i.e. Sudan and Gaza. Meanwhile, new development challenges are emerging that will require significant outlays in the coming period, such as financing a just and equitable energy transition and adapting and building resilience to climate change.

The Government of Egypt has been undertaking an ambitious set of structural reforms to support macroeconomic stability and sustainable growth, including actions targeting fiscal and debt sustainability, exchange rate flexibility, human capital development, and a strengthened private sector.

Egypt's Integrated National Financing Strategy (E-INFS)

Egypt's Integrated National Financing Strategy (E-INFS) serves as a key communication document highlighting Egypt's approach to financing the Sustainable Development Goals (SDGs)¹ and proposing an overall national financing framework that acts as an umbrella for different financing initiatives that targets accelerating the SDGs. The document will be further developed through national efforts with the support of the development partners, in order to outline a context-specific and actionable roadmap with a defined monitoring framework.

The detailed road map highlights actions, which aims at closing the financing gap, increasing resource flows to key sectors, fostering innovative financing mechanisms, and strengthening private sector engagement in sustainable development. Looking ahead, a comprehensive whole-of-government approach will be needed to implement the necessary policies and initiatives. The strategy thus also details oversight, coordination, and monitoring arrangements to support effective implementation and track progress.

¹ The strategy targets seven sectors; social protection, health, education, women's empowerment, sanitation, transportation, and climate change, identified as national priorities by the Government of Egypt. Each sector has both direct impacts on a particular SDG, as well as indirect impacts on a wider set of SDGs.

Specifically, objectives of the E-INFS include:

- Mobilizing domestic and international financial resources for sustainable development.
- Increasing private sector participation and partnerships in financing the SDGs.
- Creating an enabling environment for sustainable financing solutions.
- Increasing resource allocation to priority sectors to support SDG acceleration.

The development of the strategy was led by the Ministry of Planning and Economic Development (MPED) in collaboration with key government entities, including the Ministry of Finance (MOF), Ministry of Social Solidarity (MOSS), Ministry of International Cooperation (MOIC), and the Central Bank of Egypt (CBE). UNDP provided technical leadership, with additional inputs from other UN agencies including UNICEF, UNCTAD, UN Women, and ILO. The strategy was also developed in alignment with other key Egypt national strategies and policies, including *Egypt Vision 2030*, the National Structural Reform Program (NSRP), the State Ownership Policy, and the Sovereign Sustainable Financing Framework. It also aligns with the reform program supported by the IMF.

A non-exhaustive list of priority action areas include:

- **Domestic Public Finance:**
 - Revenue and debt sustainability reforms, including increased tax compliance, addressing tax loopholes, digitizing tax administration, and reforming SOE governance.
 - Accelerated adoption of new financing instruments (e.g., green bonds, sukuk).
 - Prioritized expenditures based on impact and cost-effectiveness.
- **Domestic Private Finance:**
 - Strengthened ESG (environmental, social, and governance) investing, such as through enhanced ESG reporting and transparency.
 - Incentivized PPP equity participation and de-risking.
 - Developing Egypt's carbon market (e.g., carbon tax, carbon trading scheme).
 - Expanded Islamic financing instruments for the SDGs, such as through a national digital platform to encourage Islamic financial contributions to SDG projects.
 - Reducing illicit financial flows, including strengthening statistical capacity.
- **International Public Finance:**
 - Enhancing alignment of Development Finance with national SDG priorities and reducing duplication and fragmentation.
 - Advocating for “just financing principles” and building financial literacy and capacity building related to new financing instruments.
 - Increasing use of multilateral guarantees and insurance instruments.

- **International Private Finance:**
 - Strengthening the business environment to support increased FDI.
 - Making better use of remittances from Egyptian expatriates, such as identification of a relevant pipeline of SDG investments.

Looking Forward: Coordinated oversight, implementation and monitoring

Achieving the SDGs requires mobilizing financial resources from diverse sources while coordinating a wide range of stakeholders. This includes identifying and building consensus on priority actions, sequencing, and partnerships. To support implementation, the E-INFS thus proposes arrangements for government-led coordination, monitoring, and review.

Recent experience has also shown how quickly the economic context can change in Egypt. A static strategy will not meet Egypt's SDG financing needs. The E-INFS is therefore dynamic by design, requiring consistent review and adaptation. The strategy's ultimate impact will be achieved by the multi-stakeholder approach which will facilitate the implementation by the government, the private sector, and the international development partners.

INFF Oversight will be anchored in the Financing for Development Working Group (FDWG) chaired by MPED². This mechanism will guide implementation and coordinate relevant policies, initiatives, and resource mobilization activities across government and non-government entities (public and private). The FDWG includes relevant entities such as the Prime Minister's Office, the Ministry of Finance, the Ministry of International Cooperation, the Central Bank of Egypt, and the line ministries. Participation and organization of the Working Group in the context of the E-INFS may be reviewed.

The FDWG will also collaborate closely with the work of the National Committee for Monitoring the implementation of the SDGs and the Sustainable Finance Working Group (SFWG) chaired by the Ministry of Finance. The coordination with the National Committee for Monitoring the SDGs will help ensuring the alignment of financing activities with national SDG priorities. The SFWG, though focused on climate finance, is meanwhile an important vehicle for mobilizing sustainable debt instruments and will be important to E-INFS implementation. This collaborative approach will foster whole-of-government ownership and provide a base for effective and collective decision-making.

² It is important to underscore that on July 2024 ³, a new Cabinet was formed in which the Ministry of International Cooperation, and the Ministry of Planning & Economic Development were merged to be led by one Minister. Views in this document precede this material event.

The FDWG will thus be responsible for overall E-INFS implementation, including coordination across the public and the private sectors and adaptation of the roadmap aligned with national sustainable development priorities and changes in context. Specific responsibilities further include:

- **Government and non-government coordination:** Coordinating in both government and non-government entities, as well as working with relevant national committees and working groups to ensure public and private financing policies are aligned with SDG priorities and coherent across financing areas. This includes regular technical meetings to manage implementation, inter-ministerial annual meetings to agree on policy and reform priorities, engagement with governorates to foster SDG localization, and regular dialogue with development partners.
- **Roadmap development:** Guiding development of annual implementation roadmaps, including sequential priorities, capacity-building activities, and investments to maximize impact and sustainability aligned with other national strategies and reforms.
- **Analysis and assessment:** Commissioning and conducting as necessary analyses to gather evidence on financing needs, trends, risks, and constraints to inform E-INFS implementation and alignment with national sustainable development priorities.
- **Monitoring and review:** Developing and overseeing a monitoring and review plan to track performance and impact. Includes measuring public and private flows, establishing baselines and targets to track performance, identifying gaps and shortcomings in implementation, and proposing corrective actions as needed.
- **Reporting and transparency:** Generating an annual performance report on progress towards the SDGs and reducing the financing gap, detailing reforms undertaken, resources mobilized, SDG impacts, and challenges encountered. This will align with existing national SDG monitoring mechanisms and processes. In close coordination with the Government, the report will be publicly available and will contribute to national reporting mechanisms. A communications strategy will also be developed to raise awareness about the SDGs and the INFF, build partnerships, and increase public engagement.

The E-INFS will help financing the SDGs aligned with *Egypt Vision 2030*. Its mechanisms and actions for collaboration, decision-making, and stakeholder engagement can contribute to achievement of Egypt's sustainable development aims by closing the financing gap and minimizing future fiscal and debt risks. Systematic coordination and alignment of financing sources and policies with national development priorities will support the effective mobilization, management, and monitoring of resources necessary to accelerate SDG progress.