



# EGYPT

Southern Neighbourhood



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## EU-EGYPT PARTNERSHIP PRIORITIES



Sustainable Modern Economy and Social Development



Partnering in Foreign Policy



Enhancing Stability



## TRADE & INVESTMENT

The EU is Egypt's biggest trading partner, representing **27% of the country's total trade**, and the biggest foreign investor in Egypt with almost €22 billion in foreign direct investments in 2022. Total trade in goods between the EU and Egypt has almost quadrupled since the Free Trade Agreement entered into force in 2004, growing from less than €9 billion in 2002 to more than €32 billion in 2023.



## MOBILITY

Under the Erasmus+ programme, **6 371** Egyptian students, professors and university staff travelled to Europe and **2 980** European counterparts travelled to Egypt between 2014 and 2022.



## EU FUNDING

- The **Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)** is the main instrument for EU cooperation with external partners, including Egypt for the period 2021-2027.
- The EU bilateral allocation to Egypt for 2021-2024 amounts to **over €450 million**. NDICI funds are channelled to support:
  - green and sustainable development;
  - human development, economic resilience and prosperity building through green and digital transition; and
  - social cohesion, and the development of a modern and democratic state.
- In addition, and to mitigate the impact of Russia's war in Ukraine on food security in the southern Neighbourhood, the European Commission created a "Food and Resilience Facility" from which Egypt received **€100 million** to expand grain storage capacity and production.
- Projects ongoing under the **EU Emergency Trust Fund for Africa (EUTF Africa)** amount to **€90 million** to enhance the response to migration (€60 million of bilateral funds, the rest coming from regional programmes supporting security, labour mobility, asylum, children and family refugees).
- Under the NDICI instrument, the EU has allocated around **€164 million** for bilateral migration-related programmes from 2021 to 2023. This included support provided to Egypt in the context of the Sudan crisis. In addition, Egypt benefits from regional and multi-country programmes, funded under NDICI in the areas of legal migration and labour mobility, assisted voluntary returns and reintegration and regional police cooperation.
- Under NDICI, the allocation for **human rights and democracy** for Egypt amounts to almost €10 million for the period 2021-2024.
- In the area of **research and innovation**, by 2023 Egypt will have participated in 59 Horizon 2020 projects and 69 Partnership for Research and Innovation in the Mediterranean Area (PRIMA) projects.

In addition to the bilateral envelope, Egypt has benefitted from the following allocations:



## EU-EGYPT STRATEGIC AND COMPREHENSIVE PARTNERSHIP

In March 2024, the EU and Egypt signed a declaration on a Strategic and Comprehensive partnership. The EU financial package which underpins this partnership is worth **€7.4 billion** for 2024-2027. The partnership covers the following areas:

- political relations
- economic stability
- trade and investment
- migration and mobility
- security
- demography and human capital



# ECONOMIC AND INVESTMENT PLAN

In 2021, the EU launched the **Economic and Investment Plan for the Southern Neighbourhood** (EIP) to support human development, strengthen resilience, build prosperity, and increase trade and investments in the region. In Egypt, the EIP has been implemented so far via **22 projects** in several fields including, among others, energy, governance, green transition and resource efficiency. Around **€447 million** has been committed, including grants, blending and guarantees, with expected mobilised investments amounting to about **€5.5 billion**.

Projects supported by the EIP include:

## MEDUSA digital connectivity project for North Africa

*Estimated project cost: €342 million*  
*EU grant contribution: €40 million*  
*EIB: up to €100 million*

With a length of 7 100 km, Medusa will be the longest submarine fibre optic cable connecting the two shores of the Mediterranean Sea. The EU contribution will result in a significant upgrade in the interconnectivity of research and education centres in the North African countries, with each other and with EU peer organisations, fostering exchange of information and scientific contributions. This will stimulate innovation and research in the region.

 *Flagship 7: Digital transformation, research and innovation*

## Support to the Helwan Wastewater Treatment Plant

*Estimated project cost: €288 million*  
*EU grant contribution: €26 million*  
*EIB: €166 million*

The project will increase wastewater treatment capacity and coverage in Cairo and reduce wastewater related pollution, thus contributing to sustainable growth.

 *Flagship 11: Resource efficiency*

## Expansion of the Gabal Asfar Wastewater Treatment Plant

*Estimated total cost of the project: €510.5 million with the contribution of AFD and AfDB*  
*EU grant contribution: €10.5 million*

The project will contribute to the improvement of Egypt's wastewater treatment services in the largest treatment plant in Cairo (and the largest of its kind in the Middle East and Africa).

 *Flagship 11: Resource efficiency*

## Nexus Water, Food and Energy initiative

*EU grant contribution: €35 million*  
*EIB: €1 billion*

The Nexus Water, Food and Energy initiative was launched at COP27 last year to implement Egypt's climate strategy. The EU will support the Energy pillar, to foster Egypt's energy transition, whilst EIB will address the food, agriculture and water related aspects of this initiative.

 *Flagship 10: Energy transition and energy security*



## KEY MILESTONES

Source: EU Data

**JUNE 2001**

Signature of the EU-Egypt Association Agreement

**JULY 2004**

The Association Agreement entered into force

**JULY 2017**

Adoption of the EU-Egypt Partnership Priorities for 2017-2020

**JUNE 2022**

Adoption of the EU-Egypt Partnership priorities for 2021-2027

Adoption of the Multi-Annual Indicative Programme European Union – Egypt for 2021-2027

**MARCH 2024**

Signature of a declaration on an EU-Egypt Strategic and Comprehensive Partnership

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