



European Bank
for Reconstruction and Development

To: Steering Committee
Middle East and North Africa Transition Fund

London, 9 April 2014

Subject: Egyptian Central Bank Clearing & Settlement Depository System for Government Securities – Endorsement Letter

The European Bank for Reconstruction and Development (EBRD) is pleased to endorse the submission of the Egyptian proposal “Egyptian Central Bank Clearing & Settlement Depository System for Government Securities” to the MENA Transition Fund.

The proposal aims at addressing risks arising from operational inefficiencies in the payment and settlement system for government securities in Egypt and enabling the development of the country’s domestic debt capital markets with direct impact on the ability of the Government to reduce its borrowing costs.

The project brings forth an implementable concrete action resulting from the work undertaken by IFIs under the Deauville Capital Markets Access Initiative, co-led by EBRD and AMF, and the capital markets assessment of Egypt conducted in February 2014 by the joint IFI working group.

The project will be executed by, and will benefit, the Central Bank of Egypt (CBE) which has also committed to provide sizable co-financing for the project. Additional resources have been pledged by the African Development Bank.

On request of the CBE, the EBRD is pleased to act as the Implementing Support Agency for this project.

The proposal was prepared in accordance with EBRD’s policies and procedures, which have been followed to the point of finalisation of project preparation, as required by Paragraph 53 of the Transition Fund Operations Manual.

We take this occasion to thank the Steering Committee Members for their consideration of this proposal, and the Government of Egypt for their continuous support and cooperation in the context of the MENA Transition Fund.

Yours sincerely,

Camilla Otto
Director, Donor Co-Financing