

PRESS RELEASE

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Egypt: Council and European Parliament secure agreement on macro-financial assistance

The Council has reached a provisional agreement with the European Parliament about a decision to grant €4 billion of macro-financial assistance (MFA) to Egypt.

Together with the IMF programme for the period 2024-2027, the MFA would help Egypt cover part of its external financing gap.

The disbursement of the EU loan would take place in instalments, with the release of each instalment linked to satisfactory progress with the implementation of both the IMF programme and in relation to a number of additional policy measures to be agreed between the European Commission and the Egyptian authorities.

The Council and European Parliament agreed that the Commission will also have to draw up an annual report examining the progress made in implementing the economic policy and financial conditions of the Memorandum of Understanding and the steps taken by Egypt towards respecting democratic mechanisms and the rule of law and guaranteeing human rights.

In addition, the text includes reporting requirements for the Commission who will be tasked to report regularly of developments regarding the EU's macro-financial assistance.

Next steps

The agreement between Council and European Parliament negotiators is provisional and has to be confirmed by both institutions. Formal adoption is required before the MFA decision can enter into force.

Background

On the basis of a request made by Egypt in March 2024, the Commission proposed a macro-financial assistance operation to Egypt for an overall amount of €5 billion in concessional loans. The MFA was divided into two parts amounting to €1 billion and €4 billion, respectively.

The first €1 billion loan for Egypt, approved in April 2024, was meant to cover part of its financing needs for the fiscal year 2024/2025 and ensure macroeconomic stability. The second MFA loan of €4 billion, on which the Council and the European Parliament agreed today, will address the deteriorating macro-fiscal situation and financing needs of the country and should cover Egypt's financing gap between July 2025 and June 2027. It will be granted at terms that allow Egypt to repay the loan during a long period, including a possible grace period.

These two MFA operations are part of the Strategic and Comprehensive Partnership signed with Egypt on 17 March 2024 during a visit of the President of the Commission and five other European leaders.

- [Decision on providing macro-financial assistance to the Arab Republic of Egypt \(negotiating mandate\), 9 April 2025](#)

Press office - General Secretariat of the Council of the EU

Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319

press@consilium.europa.eu - www.consilium.europa.eu/press