

No. 27055

**UNITED STATES OF AMERICA
and
EGYPT**

Joint Statement relating to greater support to economic progress in Egypt. Washington, 4 February 1982

Authentic text: English.

Registered by the United States of America on 24 January 1990.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

Déclaration conjointe relative à un appui accru au progrès économique de l'Égypte. Washington, 4 février 1982

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 24 janvier 1990.

JOINT STATEMENT¹ BY THE UNITED STATES OF AMERICA AND EGYPT RELATING TO GREATER SUPPORT TO ECONOMIC PROGRESS IN EGYPT

Whereas:

Egypt and the United States have been full partners in the pursuit of peace in the Middle East;

Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;

The United States has cooperated in the economic development of Egypt through a programme of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;

The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;

Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;

Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;

It is in the interest of both Nations to assure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing of the U.S. to provide resources that may be utilized to this end.

Now, therefore:

The U.S. endorses the intentions expressed by the Government of Egypt to acknowledge the continued need for economic reform and progress and to undertake necessary measures towards that end;

The Government of Egypt expresses appreciation for U.S. assistance and the significant contribution it is making to Egypt's present stage of development and to the enhancement of living conditions in Egypt;

Both Nations recognize Egypt's commitment to improving the efficiency with which it uses its human and financial resources;

Both Nations are now embarking on a new phase of greater interest in Economic Progress in Egypt with a view toward making U.S. assistance, as permitted by U.S. law, be of an optimum impact and to assure Egypt a more active role in the allocation and disbursement of the U.S. assistance.

Accordingly:

1. The two Parties agree that directing U.S. economic resources into program assistance in support of Egypt's sectoral strategies can significantly improve overall sectoral efficiency and therefore they shall seek means for increasingly program-

¹ Came into force on 4 February 1982, the date of its release.

ming resources in this manner. Under sectoral funding Egypt shall be responsible for the design, implementation and evaluation of specific activities, the allocation of resources to those activities, and related policy objectives within each sector.

2. The use of incremental budgeting can increase the flow of assistance and expand its effectiveness. The current program and planned new activities will be reviewed to apply this budgeting principle. To the maximum extent consistent with Egypt's sectoral strategy and specific nature of the financing of capital projects, U.S. assistance will be provided on an incremental basis, thus assuring maximum current distribution of the resources transferred.

3. The two parties agreed that the Commodity Import Program can play an important role not only for financing imports of consumption and intermediate commodities but also for investment in productive enterprises and to support structural program adjustment. Both parties agreed to consider additional means for using the CIP in support of development objectives. Specifically, the Parties agree to consider programming \$350 million for CIP in FY 1982,¹ of which \$300 million will be obligated immediately, and to consider an increasing level of CIP in future fiscal years.

4. Egyptian professional and technical experts shall have wider opportunity to participate in the design and implementation of all projects and programs funded through U.S. assistance programs.

5. In recognition that the assistance pipeline of obligated but undisbursed funds represent a substantial resource available for economic progress in Egypt, both Parties agree to develop effective ways to accelerate the utilization of these funds.

February 4, 1982

¹ See p. 333 of this volume.