



ممول من الاتحاد الأوروبي
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Workshop on Fiscal Risks Management, Monitoring and Reporting in Egypt

ورشة عمل: إدارة المخاطر المالية ورصدها والإبلاغ عنها في مصر

Summary Note



19 and 24 July 2023

Holiday Inn Cairo - City stars (Aswan Ballroom)

Cairo, Egypt

Working language: English, with simultaneous Arabic Interpretation

لغة العمل: الإنجليزية، مع ترجمة فورية للغة العربية

Workshop on Fiscal Risk Management, Monitoring and Reporting in Egypt

Towards enhancing the resilience of public finances through a stronger approach in planning, forecasting, and managing of Fiscal Risks in #Egypt



On 19 and 24 July 2023, a workshop was conducted in Egypt on Fiscal Risks Management, Monitoring and Reporting, with a special focus on fiscal risks from State-owned enterprises (SOEs) and from loan guarantees gathering all relevant units and departments at the Ministry of Finance, led by the First Deputy Minister for Economic Affairs Mrs Sherine El Sharkawy. To ensure the technical discussions were relevant, OECD countries' frameworks and practical experiences with fiscal risks identification, prevention and mitigation were consistently linked to the Egyptian experience which was presented by the MOF at the outset of the workshop. The second day focused on elements of fiscal risks management in OECD countries for two of Egypt's main sources of fiscal risks: guarantees and SOEs.

On the first day, OECD technical expert this time being the Lead of the OECD Working Party on Public Financial Management, focused on introducing and defining fiscal risks and fiscal risks management while presenting generic OECD frameworks with a focus on fiscal risks reporting and transparency practices. To provide a more comprehensive context, case studies and OECD countries practices with fiscal risks management provided an overview of the most advanced practices.



Participants were given a practical exercise to apply the acquired knowledge and identify the strengths and weaknesses of Egypt's fiscal risks management framework from the OECD 2018 Budget Practices and Processes Survey.



The Second day of the workshop addressed Fiscal risks from loan guarantees including those generated during external shocks such as the COVID-19 pandemic. Based on international experience, #goodpractices for budgeting and reporting for guarantees in countries relying on cash accounting and the most common approaches for analyzing and managing associated fiscal risks were discussed. In addition, the second day also focused on the nature of fiscal risks that may be generated by SOEs with approaches to identifying, analyzing and managing these risks in the OECD.



Key workshop takeaways:

- ✓ MOF Egypt has a clear understanding of existing fiscal risks and possible mitigation and prevention strategies.
- ✓ Efforts to manage and report on fiscal risks exist in various institutions inside the Egyptian Government and can benefit from consolidation efforts and enhanced coordination across ministries.
- ✓ No one size fits all for fiscal risks management but good practices from OECD countries can inform Egypt's own reforms in this area.
- ✓ Quantification of fiscal risks is key. Qualitative discussion is not enough to serve the fiscal risk management objectives. The tools and approaches to measure the risks used in different countries depend on the capacities at the MOF.
- ✓ Ways to budget for guarantees for countries following cash accounting like Egypt.
- ✓ Close monitoring of fiscal risks from guarantees and from SOEs is crucial. OECD countries adopt a mix of approaches and tools which can be relevant for Egypt.

Enhancing Egypt's Fiscal Risk Management, Monitoring and Reporting process aligns with this EU-funded project's overall objective of supporting effective and efficient execution of robust public finance systems. These objectives respond to the EU-Egypt Partnership Priorities 2021-2027 on cooperating closely on long-term socio-economic recovery, and sustainable development, also in line with #EgyptVision2030. Workshop discussions also referred to the fiscal risks statement in Egypt's Budget statement as well as the Consolidated Public Finance Law (6/2022).



Day 1 group photo



Day 2 group photo