

EU-OECD PROJECT ON SUPPORTING THE  
DEVELOPMENT OF THE SUEZ CANAL  
ECONOMIC ZONE

WORKSHOP N°1



**INFRASTRUCTURE  
GOVERNANCE AND  
FINANCING IN THE  
SUEZ CANAL ZONE**

**3 May 2016 ♦ 09:00 – 16:45**

**Fairmont Nile City** - Nile City Towers, 2005 B  
Corniche El Nil, Ramlet Beaulac  
Cairo, Egypt

*For more information, please contact:*

- *Sabri DRAIA, Policy Analyst, OECD (Sabri.Draia@oecd.org) ;*
- *Reham GALAL, International Relations, Suez Canal Zone (Reham.Galal@sczone.eg).*

## Context

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The development of the Suez Canal Economic Zone (SCZ) into a global port and logistic hub needs to be buttressed by high quality infrastructure assets and services. Putting in place a robust governance framework for infrastructure development based on best international practices will be fundamental in order to generate confidence in the SCZ Authority's ability to deliver. What are the delivery and finance options available for the SCZ? What are the pre-conditions required to attract sustainable financing? What are the capabilities and processes required to deliver an ambitious investment programme and ensure value for money? This workshop will seek to address these questions by bringing together representatives from the financial services industries, multilateral banks, the Egyptian government and an OECD member country.

*Each session will consist of a short introduction by the session's moderator, an overview of the state of play by the Suez Canal Economic Zone Authority (SCZ) and a lead presentation. The formal presentations will be followed by round table discussion and open debate.*

## Project Team

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- **Raffaele Della Croce**, Portfolio Manager, Long Term Investment, OECD
- **Juliane Jansen**, Policy Analyst, Budgeting and Public Expenditures, PPP Unit, OECD
- **Juan Garin**, Infrastructure Governance Specialist, Consultant for the OECD
- **Frédéric Bobay**, Project Director, Infrastructure Financing Support Mission, France
- **Sabri Draia**, Project Co-ordinator, MENA Competitiveness Programme, OECD

## Participants

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- General Authority for the Suez Canal Economic Zone (SCZone)
- Central Government Line Ministries
- EU Delegation & multilateral donors, domestic and international banks

## Background materials

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- OECD Framework for the Governance of Infrastructure
- OECD Recommendation on Public Governance of Public-Private Partnerships
- G20/OECD Guidance Note on Diversification of Financial Instruments for Infrastructure and SMEs and accompanying Support Note
- G20/WorldBank/IMF/OECD Capital Market Instruments to Mobilize Institutional Investors to Infrastructure and SME Financing in Emerging Market Economies

## Practical information

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Arabic/English interpretation will be provided during the meeting.

**9:00**      **Registration**

**9:15 - 9:30**      **Opening**

- Welcoming remarks by **Dr Magdy Rady**, Assistant Minister of International Economic Cooperation, Ministry of Foreign Affairs
- Welcoming remarks by **Amany Essawi, SCZone Authority**
- Introduction by **Raffaele Della Croce**, Portfolio Manager, Long Term Investment, Financial and Enterprise Affairs, OECD and **Juliane Jansen**, Policy Analyst / PPP Unit, Budgeting and Public Expenditures, OECD

**9:30 - 11:00**      **Session 1: Fostering effective infrastructure delivery in the SCZone**

**Key questions:**

- What conditions need to be satisfied for a project to receive support from the key ministries (Finance, Planning and sectoral ministries)?
- How can central government line ministries support the SCZone?
- To what extent do SCZone projects need to be integrated into investment planning processes at the central level?
- Can lessons be learned from other mega-projects in Egypt (New Capital)?
- What are the resources and capabilities necessary for the SCZone Authority to deliver its vast infrastructure programme?
- What capabilities should it internalise vs. outsource?
- What do infrastructure investors expect from their public sector counterparts?

**Moderator: Raffaele Della Croce**, Long Term Investment, OECD

**The state of play**

- Representative from Strategic Management Office, **SCZone Authority**

**Lead presentation**

- **Dr Atter Hannoura**, Director, PPP Central Unit, Ministry of Finance

**Tour de table of Ministries**

- Ministry of Investment
- Ministry of Transportation
- Ministry of Water Resources and Irrigation
- Ministry of Housing, Utilities and Urban Communities
- Ministry of Planning, Monitoring and Administrative Reform

**11:00 - 11:30**      *Coffee Break*

## 11:30 - 12:30 Session 2: Achieving value for money in infrastructure development

### Key questions:

- How does the SCZone justify infrastructure choices? What criteria and evaluation methodologies should it apply?
- What approvals are required for an infrastructure project to proceed to implementation?
- What internal processes and methodologies does the SCZ need to adopt to maximise value for money over the infrastructure lifecycle?

**Moderator:** **Juan Garin**, Infrastructure Governance Consultant for the OECD

### The state of play

- **Ahmed Ogeiz**, Project Management Office, SCZone Authority

### Lead presentation

- **Dr Hisham Fouad**, Senior Logistics Expert - Logismed Project

### Discussant

- **Frédéric Bobay**, Projects Director, Infrastructure Financing Support Mission (FIN INFRA), Treasury, France

12:30 - 14:00 *Lunch offered by the OECD*

## 14:00 - 15:00 Session 3: Infrastructure delivery models for the SCZone

### Key questions:

- What delivery models should the SCZone privilege (public procurement, PPPs, concessions)?
- What types of projects in the SCZone would be suitable for PPPs?
- What is the appetite among investors for different risks (e.g. construction, demand, currency, etc)?
- How should these risks be allocated for projects in the SCZone?
- How can projects be structured to reduce or mitigate these risks?

**Moderator:** **Juan Garin**, Infrastructure Governance Consultant for the OECD

### The state of play

- Representative from **SCZone Authority**

### Lead presentation

- **Frédéric Bobay**, Projects Director, Infrastructure Financing Support Mission (FIN INFRA), Treasury, France

### Discussants

- **Sherine ABDEEN**, Sector Manager, PPP Central Unit, Ministry of Finance
- **Sherief Rashed**, Partner, White & Case LLP

15:00 - 15:30 *Coffee Break*

## 15:30 - 16:30 Session 4: Financing infrastructure in the SCZone

### Key Questions:

- How can the domestic financial sector contribute to infrastructure development - in the SCZone?
- What is the appetite for infrastructure opportunities in the SCZone among international lenders?
- What are the deal breakers for investors and banks considering infrastructure projects in Egypt?
- How can the SCZone maximise its chances of attracting financing for infrastructure?
- What type of guarantees and insurance policies will investors require?

**Moderator: Raffaele Della Croce**, Long Term Investment, OECD

### The state of play

- Representative from **SCZone Authority**

### Lead presentation

- **Matthew Jordan Tank**, Head of Infrastructure Policy and Project Preparation, European Bank for Reconstruction and Development

### Discussants

- **Shadia K. Tawfik**, Transport Sector Specialist, European Investment Bank
- **Rana Ali**, Deputy Deputy Head of Project Finance, QNB Al Ahli

16:30 - 16:45 **Closing Remarks**



## Who's who?



**Juliane Jansen**, a German national, has an MSc in Agricultural Economics from the University of Copenhagen and a B.Sc in International Economics from the University of Tuebingen, Germany. Before joining the OECD Public Expenditure and Budgeting Division (PPP Unit), Juliane provided support for the Costa Rican Agriculture Review and the review of climate change adaptation in China. She also conducted research at the German Institute of Global and Area Studies in Hamburg, the Institute for Applied Economic Research in Tuebingen and the Hanns-Seidel Foundation in Buenos Aires. Juliane is currently working on governance of infrastructure issues, capital budgeting and related topics.

**Raffaele Della Croce**, an Italian national, is Lead manager for the OECD project on “Institutional Investors and Long-term Investment”, in the Financial Affairs Division of the OECD, working on long-term investment by investors such as pension funds, insurance companies and sovereign wealth funds – and contributing to the new G20/OECD Taskforce on Institutional Investors and Long-Term Financing. Before joining the OECD, Raffaele worked in the financial industry, with Ernst & Young and Moody’s Investors Services in London. As part of international teams advising governments or private consortia, he has been involved in the analysis, structuring and negotiation of transactions in the utilities and infrastructure sectors. Raffaele was educated at University La Sapienza in Rome and Columbia University in New York.



**Juan Garin** is an advisor to the OECD on infrastructure governance, supporting governments strengthen how they plan, finance and deliver infrastructure across a wide range of sectors including energy, transport, water and telecommunications. He is also an associate at NormannPartners, a strategy consulting firm which helps organisations innovate and adapt to changes in their competitive and contextual environment. Previously he was director of advisory at Oxford Analytica, an international consulting firm.

Juan holds an MBA from the University of Oxford and a B. Eng. from Concordia University in Montreal, Canada.

**Frédéric Bobay**, currently serving as Projects Director within the Infrastructure Financing Mission of the French Treasury, has worked on performance budgeting and public performance analysis as Deputy Head of Public Spending Evaluation Division, and represented France at the OECD Senior Budget Officials (SBO) and European Union public finances working groups. Throughout his career, Frédéric Bobay has worked in other parts of the Economic and Finances Ministry and followed European Union affairs - including the EU budget and EU multi-annual Financial Framework.



**Sabri Draia** joined the OECD in 2013 as a Policy Analyst/Junior Economist in the Middle East and North Africa Division, focusing on private sector development and investment-related projects. Prior to this, Sabri served in the *Banque de France* internal audit and participated in a G20 peer review of banks’ compensation practices. Sabri holds a Master’s degree in Public Affairs from Sciences Po Paris and Columbia University in New York.