

THE EBRD'S CLIMATE STRATEGY AND DELIVERY IN ACTION:

EGYPT CASE STUDY

Khalid Hamza
Director, Head of Egypt

June 2023
Bonn, Germany



European Bank
for Reconstruction and Development



EGYPT: A RENEWABLE ENERGY SUPERPOWER

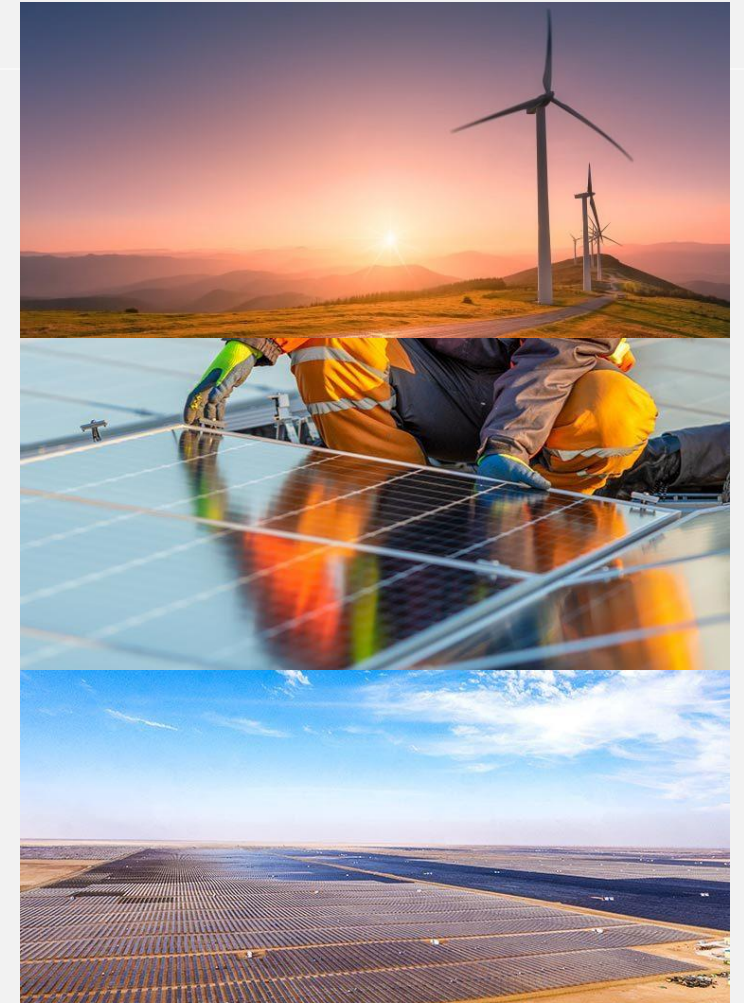
- **Massive wind and solar** resources on a vast scale and an ideal geographical location to reach international markets with **green products**.
- Cost-competitive renewable energy potential.
- Unlocks economic opportunities:
 - Exports at competitive prices
 - Use domestically to help decarbonise the local economy, including manufacturing sectors and shipping (bunkering) – future-proofing the Egyptian economy
 - Use domestically to produce green products (e.g. green steel, green fertilizers) for international trade

+ 42% of
additional RE Capacity
by 2030

Egypt committed to update its NDC by June 2023 and install additional renewable energy capacities that will generate 42% of electricity by 2030.

Driving Egypt's
Climate Ambition

Help informing future NDC updates and driving Egypt's climate ambition, in line with its development needs, national policies and regulations by accelerating development and deployment of renewable energy.



NWFE – EP: A COP 27 INITIATIVE

- The NWFE – EP seeks to establish a green energy transition platform for Egypt in order to:

+10 GW
New renewables

Accelerate the deployment of **new renewable energy capacity** and support the development of production capacity of renewable feedstock and fuels.

-5 GW
Decommission

Retire **existing fossil fuel power capacity** to enable a substantive reduction of natural gas consumption and greenhouse gas emissions.

+US\$10
Billion
Investment

Mobilise green investments from national and international developers, utilities, institutional investors, commercial banks and IFIs towards **network infrastructure**.

+US\$500
Million
Climate Finance

Mobilise **institutional support**: grants and low-cost finance to support transmission investments, decommissioning, just transition and supply chain development.

NWFE-EP: NEW RENEWABLES



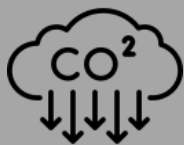
It is estimated that once the **10 GW wind & solar capacity** is installed and operating, it will generate around

The cumulative 10 GW capacity will comprise a combination of:

- Renewable energy tenders,
- Long-term offtake arrangements by the EETC,
- Bilateral private-to-private procurement for the production of renewable hydrogen and derivatives.

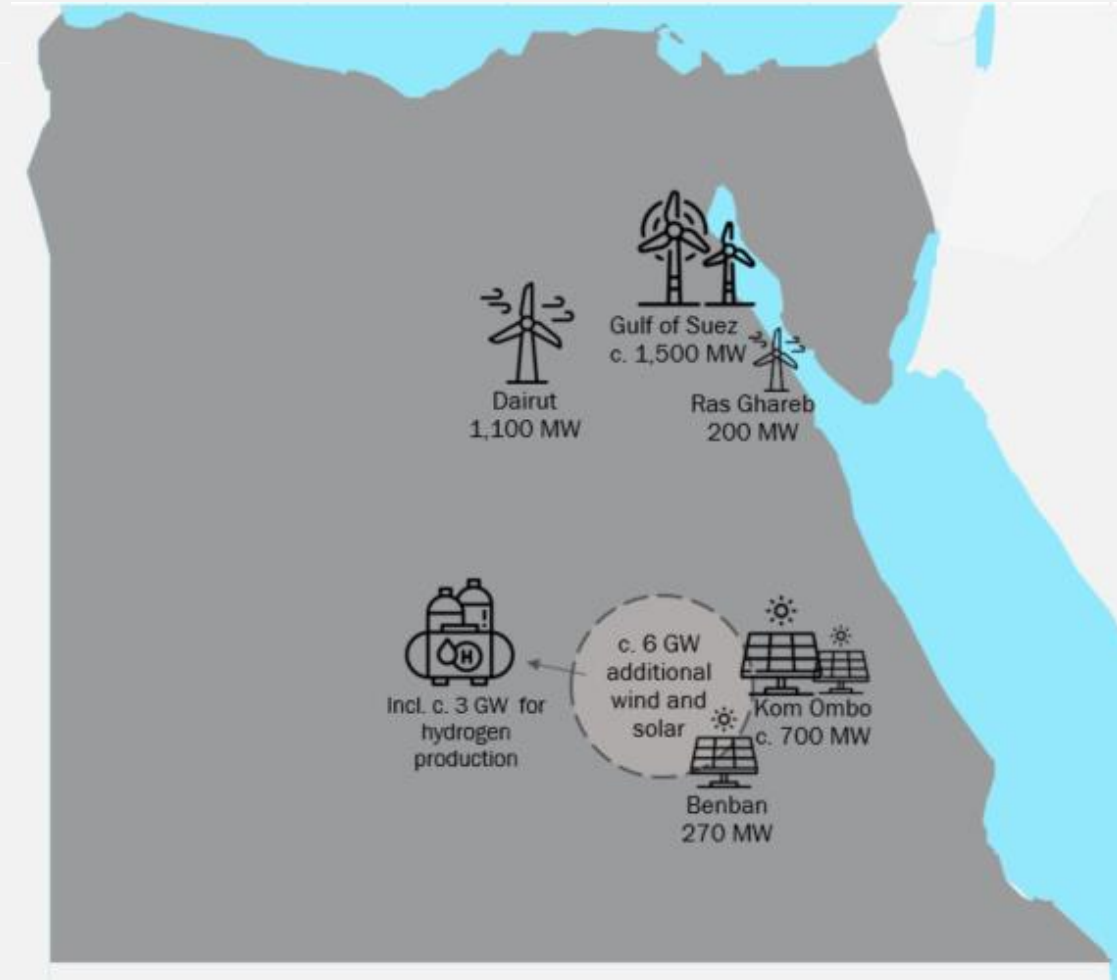


30 million MWh electricity annually



17 million tonnes of CO₂ emissions savings

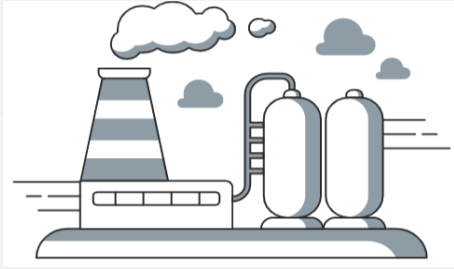
Associated
USD 10 billion
of private climate
finance



2023

2028

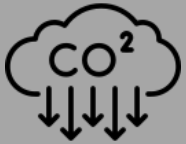
NWFE-EP: DECOMMISSIONING OF 5GW



Decommissioning* of 5 GW
oil and gas fired plants
12 plants accounting for
c. 9% of existing fossil-fuelled capacity

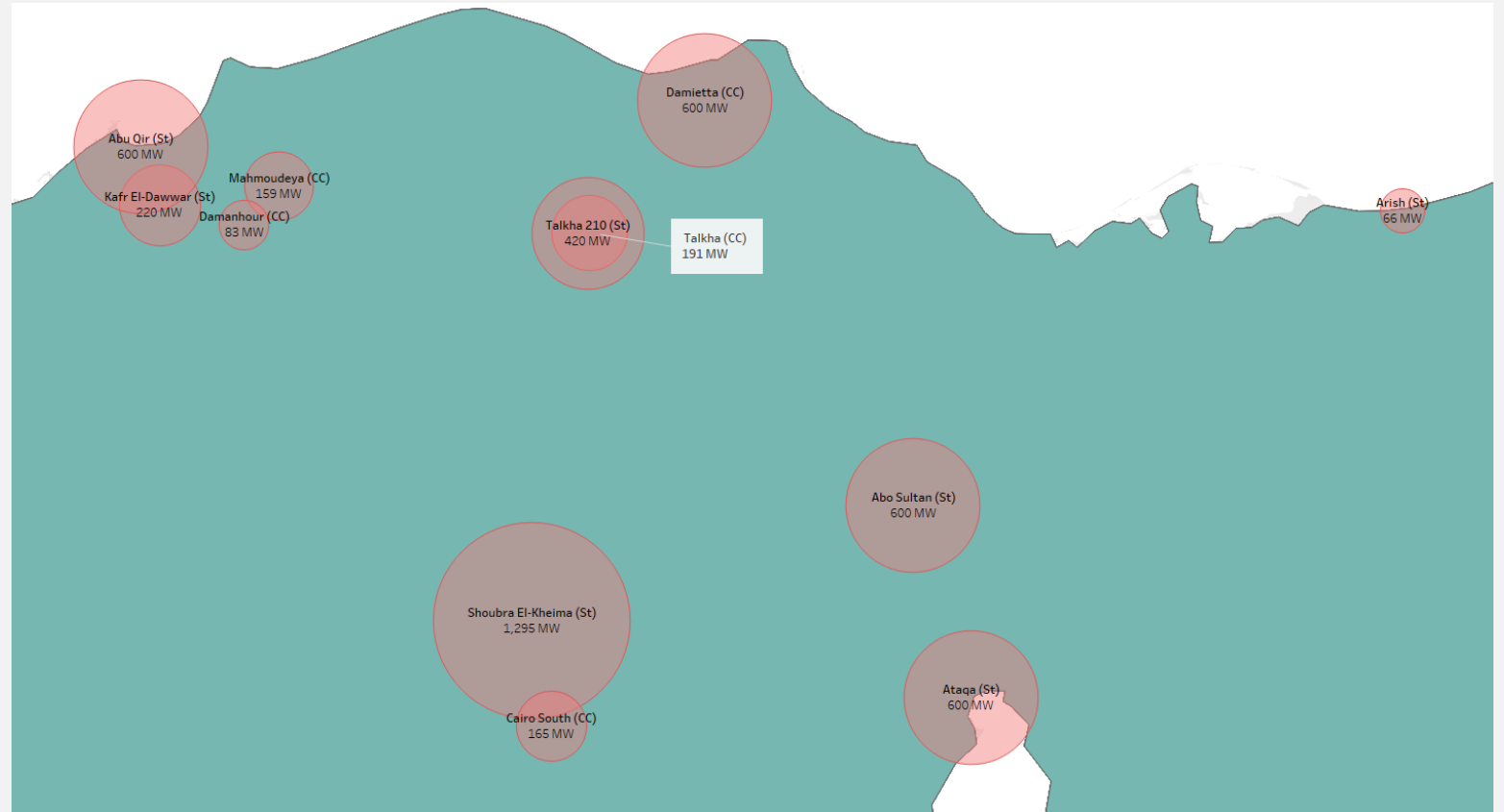


10 million MWh
electricity
annually



7 million tonnes
of CO2 emissions
annually

> 2 BCM gas saved



*Decommissioning entails the retirement and dismantling of the plants indicated in the graph.

NWFE – EP: PUBLIC INVESTMENT PLAN AND INSTITUTIONAL SUPPORT



10 GW
additional RES



5 GW O&G
decommission



USD 10B
private capital



USD 500M
package

This will increase the share of variable renewable energy in Egypt's current generation

from c. **10%**



to c. **25%**

USD 480 million public investment plan

- Targeting investment plan to strengthen the **transmission network**.
- Investment towards **decommissioning**.

USD 20 million institutional support

- **Just Transition** plan to support more than 6,000 employees affected by the plants' decommission.
- Action plan targeting policies and measures to incentivise the **development of local value chain components and services** for renewables and low-carbon technologies, consistent with international trade rules.
- **Renewable expansion plan**, incl. (1) TA on network investment planning and implementation, (2) network operation and (3) renewable energy procurement plan.
- Programme implementation.

NWFE-EP: THE ROLE OF THE EBRD

Launching



Origination

The EBRD is Egypt's lead partner on the NWFE Energy Pillar and has been engaged in the programme since its origination for the design of the climate actions, the legal documentation and the outreach to donors/partners.



Implementation

Prior to launching the NWFE programme at COP27, the Bank has:

- Closely cooperated with the Government of Egypt in defining the core components targeted under the NWFE-EP,
- Actively coordinated with the Government and international partners in securing political and financial support for the energy pillar to finance and facilitate Egypt's transition to clean energy.

NWFE-EP implementation in an effective and timely manner is a priority for the Bank.

The EBRD has taken the lead to coordinate the implementation of the programme and ensure the engagement in the multi-stakeholder platform through the Coordination Platform.

In addition, the Bank will coordinate and support climate finance mobilisation and private investments.

NWFE-EP: IMPLEMENTATION SUPPORT

Supporting in overcoming challenges for transition to cleaner energy by mobilizing project finance, day-to-day management of operations, and stakeholder engagement.

Technical Support Unit (TSU)

Dedicated unit of experts, facilitate the implementation of the NWFE Energy Pillar and ensure strategic engagement and coordination among stakeholders and partners, monitor progress on technical assistance and investments under the programme, administer day to day activities alongside the relevant Ministries and the EBRD.

Cooperation Platform (CP)

Chaired by the Ministry of International Cooperation and the Ministry of Electricity and Renewable Energy, the Egyptian Electricity Holding Company (“EEHC”), the Egyptian Electricity Transmission Company (“EETC”), the Bank, and -NWFE-EP MDBs, Donors and IFIs.

- Overseeing and agreeing on the strategic direction of the programme
- Regular meetings to coordinate and update on the progress among all partners, to ensure flow of information and facilitate the engagement
- The multi-stakeholder platform’s structure is intended to mitigate the risk of potential overlaps and inefficiencies arising from various partners conducting similar overlapping work

THANK YOU



Khalid Hamza
Director, Head of Egypt
Hamzak@ebrd.com