

THE EBRD IN EGYPT

Green economy transition

2013-20

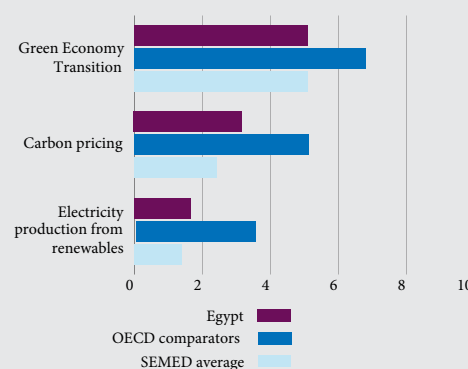
Related SDGs



Because of its historical access to fossil fuels and associated subsidies, Egypt has developed very energy-intensive industries, such as fertiliser, steel, cement, chemicals and petrochemicals. This has left Egypt in the top five EBRD economies in terms of annual greenhouse gas emissions. Despite its vast potential, renewable energy remains largely untapped. Non-hydro renewable energy has witnessed significant growth in recent years with installed capacity quadrupling from 687 MW in 2015 to more than 2.7 GW in 2019, primarily delivered by the private sector. The government has also established bold targets for renewable energy to 2035. However, hydrocarbons have continued to dominate the country's power generation, both in terms of installed capacity and electricity generated. This has put Egypt among the top 11 fastest-growing emitters globally. At the same time, Egypt is highly exposed to the effects of climate change, with significant implications for private-sector development. With a growing population, rapid urbanisation and industrial growth, it is vital that Egypt manage its energy use and resources effectively.

EBRD score

(1-worst, 10-best)



How we work

The EBRD supports the transition towards a greener economy through investments and policy dialogue. For example, the Bank is the largest financier in the Benban solar park, having financed more than half of its installed capacity. The Bank's support also includes technical assistance to structure appropriate market mechanisms, such as the feed-in tariff framework and competitive tenders. The Bank also provides credit lines via partner banks through the Green Economy Financing Facility (GEFF), a €140 million framework co-financed by the European Investment Bank and Agence Française de Développement. It also seeks to foster positive demonstration effects, particularly with respect to financial intermediaries to increase energy efficiency and promote small renewable energy investments.

In numbers

€2.8 billion

Green economy finance commitments through 64 projects

21

Renewable energy projects (with €414 million in net cumulative investment)

€118 million

Cumulative disbursements under the EBRD Green and Sustainable Economy Frameworks (GEFF and SEFF)

Quick links

- > [Green Economy Transition](#)
- > [Green Climate Fund](#)

The Green Economy Financing Facility (GEFF) in Egypt is a credit line of up to €140 million for participating financing institutions in Egypt to on-lend to businesses investing in energy efficiency and renewable energy projects.



Achievements and results (2013-20): Green economy transition

We help to reform the energy sector and increase renewable energy by:

- ▶ providing advice to the Egyptian Electricity Transmission Company on launching and completing competitive renewable energy tenders (for example, for the Kom Ombo renewable power plant)
- ▶ supporting improvements to the regulatory framework to attract private-sector investment in renewables, reduce reliance on hydrocarbons, and avoid CO₂ emissions
- ▶ supporting the Egyptian electricity regulator (EgyptERA) in developing the key parameters for opening the market to the private sector, including the ability to sell directly to consumers
- ▶ encouraging energy efficiency and small renewable energy investments through dedicated credit lines to a number of local banks and technical advisory services, such as the EgyptSEFF and GEFF
- ▶ promoting womens' access to green finance and entrepreneurship (for instance, through gender activities under the GEFF).

Better regulation for renewable energy

The EBRD helped the government develop a tender for the Kom Ombo solar power plant. The project increased private-sector investment in renewable energy, boosted solar capacity by 200 MW and reduced Egypt's reliance on hydrocarbons. The EBRD supported the government in developing a contractual framework for renewable energy investments that is both acceptable, commercially viable and fair to investors and sustainable for the public counterparts.

More renewable energy

EBRD investments have helped Egypt to increase electricity produced from renewable energy by 16,933,902 MWh per year.

Cleaner air

EBRD investments are linked to an estimated reduction of 30,718kt of CO₂ per year, equivalent to 6.6 million passenger vehicles driven for one year.

Energy saved

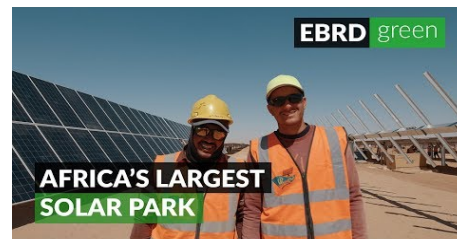
EBRD investments in the green economy have saved 229 million GJ of energy per year.

Solar energy capacity

With the help of the EBRD, Egypt's installed solar photovoltaic capacity increased dramatically, from 15 MW in 2013 to 1.6 GW in 2019.

Our case study:

Realising Egypt's renewable energy potential



Watch how the EBRD helped to complete Benban, Africa's largest solar park



See how the [EBRD Green Economy Financing Facility \(GEFF\)](#) in Egypt helps Egyptian businesses invest in high-performing technologies by providing financing through local participating financial institutions.



A more energy efficient aluminium producer in Zagazig: Arab Aluminum worked with the EBRD GEFF team to assess the economic viability of its new furnace. The US\$ 200,000 investment helped to reduce overall energy consumption in addition to final product quality. The reduction of greenhouse gases associated with this investment is estimated at 3,500 tonnes of CO₂ per year, a valuable contribution to mitigating the negative impacts of climate change.

Better tendering in the renewable energy sector in Kom Ombo: The EBRD assisted the government in developing tenders for the Kom Ombo solar power plant.

Supporting the Egyptian green energy plan in Suez: The EBRD financed a 252 MW onshore wind farm in the Gulf of Suez to reduce Egypt's reliance on fossil fuels. The privately owned facility is expected to avoid more than 450,000 tonnes of CO₂ emissions annually and generate energy at a lower cost than conventional power.

More renewable energy in Aswan: Under the EBRD's US\$ 500 million framework for renewable energy in Egypt, the Bank has provided a financing package of US\$ 73 million for the construction and operation of three solar photovoltaic power plants in Egypt totalling 120 MW. These plants contribute to a reduction of approximately 150,000 tonnes of CO₂ emissions yearly and help the economic development of the Aswan province.