وزارة التخطيط والتنمية الاقتصادية
والتعاون الدولي

Ministry of Planning, Economic Development & International Cooperation

NWFE

EGYPT'S NEXUS OF WATER, FOOD & ENERGY
FROM PLEDGES TO IMPLEMENTATION

Progress Report — No. 2
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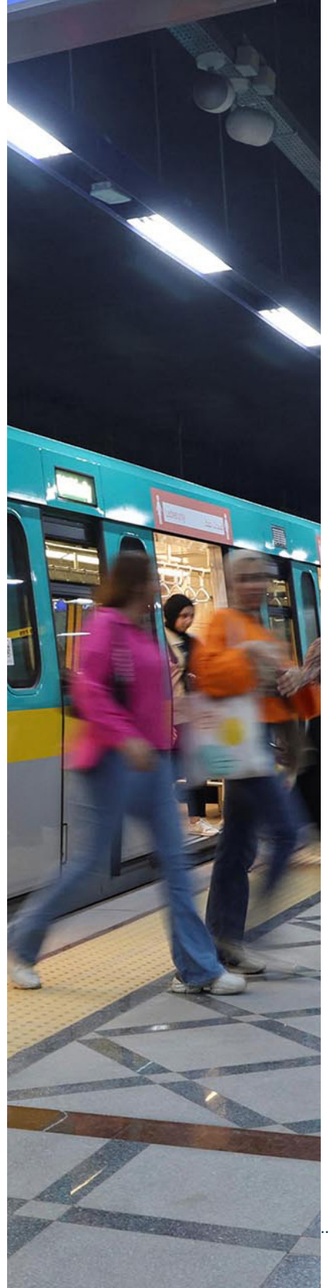

H.E. PRESIDENT ABDEL FATTAH EL-SISI

President of the Arab Republic of Egypt at COP27

"Egypt launched the Nexus for Water, Food and Energy, the NWFE program, as an embodiment of its ambition in climate action. The transformation that Egypt is witnessing towards a green, low-emission economy in all fields is a practical translation of what we have called for and are calling for, namely the necessity of actual on-ground implementation. This is the proof that overcoming the challenge of climate change is still feasible, if the will and determination is present."

"Egypt is keen to adopt an integrated national approach aimed at transitioning towards sustainable development that is environmentally compatible. We have launched the National Climate Change Strategy 2050 and the Sustainable Development Strategy 2030, directing investments toward green transformation projects. In this context, Egypt has launched a country platform and program for projects under the name 'NWFE Platform,' which includes priority projects for implementation, including water and energy projects, along with expanding sustainable transport projects in major cities with support from several development partners." ***H.E. Dr. Mostafa Madbouly, Prime Minister, during his participation in a high-level panel at COP29.***

"Nearly two years since the launch of the Country Platform for the NWFE program, driven by country ownership and a clear vision for advancing the green transition, we have made significant strides in driving the green transition through mitigation and adaptation efforts. With a focus on key sectors—water, food, energy, and sustainable transport—and through close partnerships with the EBRD, AfDB, IFAD, and EIB, we have achieved tangible progress in implementing the National Climate Change Strategy 2050 and the Nationally Determined Contributions (NDCs). Our efforts have mobilized private investments to boost Egypt's renewable energy capacity while introducing innovative financing tools for green transition projects. These successes have garnered ongoing international recognition, and we are now sharing our expertise in launching climate action platforms with partner countries." ***H.E. Dr. Rania Al-Mashat, Minister of Planning, Economic Development, and International Cooperation.***

"Under the leadership of H.E. President Abdel Fattah El-Sisi, significant achievements have been made across all transport sectors, whether in roads and bridges, railways, electric traction, or land and dry ports and logistical areas. Egypt is expanding its green, environmentally friendly, sustainable transport network. We are working on implementing the Abu Qir Metro project, which will mark a significant shift in Alexandria's sustainable, eco-friendly mass transportation system and contribute to economic and social development." ***Engineer Kamel Al-Wazir, Deputy Prime Minister for Industrial Development, Minister of Industry and Transport.***

"The water sector is one of the most important pillars included in the country platform for green projects, the 'NWFE Program,' as the water sector is a top priority for the Egyptian state. The water pillar includes several projects aimed at enhancing efforts for climate mitigation and adaptation, transitioning to a green economy, and expanding the use of solar energy in water pumping and desalination. Additionally, it aims to improve climate resilience through the modernization of agricultural practices and the transition to modern irrigation systems in agriculture, using the latest globally used systems while considering water, environmental, economic, and social dimensions." ***H.E. Dr. Hani Sewilam, Minister of Water Resources and Irrigation.***

"Through the Climate-Resilient Agri- Food Transformation (CRAFT), one of the food sector projects under the 'NWFE Program,' we aim to enhance crop productivity and adapt it to climate changes in the Nile Valley and Delta regions. The project supports small farmers' capacities to cope with the risks and impacts of climate change, directly benefiting the inhabitants of the valley and delta regions. The goal is to improve resilience in areas expected to face climate changes and increase crop productivity." ***H.E. Alaa Farouk, Minister of Agriculture and Land Reclamation.***

"Egypt recognizes the severity of climate change, especially in developing countries, which is why we are committed to reducing our carbon footprint by expanding renewable energy projects. We have integrated renewable energy projects into our national plans and climate policies, focusing on energy efficiency to ensure that our transition to clean energy is sustainable and inclusive. In this regard, the NWFE program is being implemented, aiming to decommission 5,000 megawatts of traditional energy sources and facilitate approximately $10 billion in private sector investments to support the production of 10,000 megawatts of renewable energy, which is expected to reduce emissions by around 17 million tons of carbon dioxide. Two of those plants have already been decommissioned, and we are using available funds from the program to support the government's efforts in strengthening the electricity grid, a key component necessary to accommodate the targeted renewable energy capacity." ***H.E. Dr. Mahmoud Esmat, Minister of Electricity and Renewable Energy.***

"Egypt is a force in the field of transition to renewable energy among emerging countries, and this creates huge opportunities to transition from dependence on gas and open the way for new industries. The NWFE program will be a transformative paradigm shift for Egypt and will also be a model for application in many other countries that face the same challenges and have the same opportunities. We are proud of our partnership with the Government of Egypt in efforts to launch the country platform for green projects, the NWFE program, and expand the scope of partnership between the government and private sectors." ***Odile Renaud-Basso, President of the European Bank for Reconstruction and Development (EBRD).***

"Egypt is a key partner for the European Investment Bank, and I was delighted to welcome Minister Al-Mashat to Luxembourg today at our headquarters to explore how we can further deepen our cooperation. Today's discussions pave the way for more collaboration in the future reflecting the shared commitment of Egypt and the European Union to promote impactful investments in clean energy, sustainable transport, water and SMEs across the country via Egypt's NWFE platform and as part of the upcoming EU-Egypt Strategic and Comprehensive Partnership." ***European Investment Bank President Nadia Calviño.***

"On behalf of the African Development Bank, I express our deep appreciation for the partnership with Egypt and our commitment to moving forward to finance more projects that reflect the achievement of development. Egypt has demonstrated success with Public-Private Partnership (PPP) projects, offering models that can be shared with other African countries. Over the decades, Egypt has also succeeded in implementing many water treatment projects in partnership with the bank, providing a development model that many countries can replicate." ***Dr. Akinwumi Adesina, President of the AfDB.***

"The NWFE Program will change the lives of many smallholder farmers and will also change the agricultural sector itself. With millions of small farmers suffering from the effects of the shocks we are witnessing due to climate change, this program will give them hope and show how we can combine climate and food action to achieve food security." ***Dr. Álvaro Lario, President of the International Fund for Agricultural Development (IFAD).***

OUR LEAD PARTNERS

European Bank for Reconstruction and Development

IFAD

African Development Bank

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PARTNERS

german cooperation DEUTSCHE ZUSAMMENARBEIT

KFW

British International Investment

THE WORLD BANK IBRD • IDA

IFC

European Union

UNITED NATIONS

OPEC FUND for International Development

JICA

FMO Entrepreneurial Development Bank

HSBC

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

Standard Chartered

IsDB البنك الإسلامي للتنمية Islamic Development Bank

SuMi TRUST

CIF CLIMATE INVESTMENT FUNDS

ARAB BANK البنك العربي

ETAF Energy Transition Accelerator Financing Platform

GFANZ Glasgow Financial Alliance for Net Zero

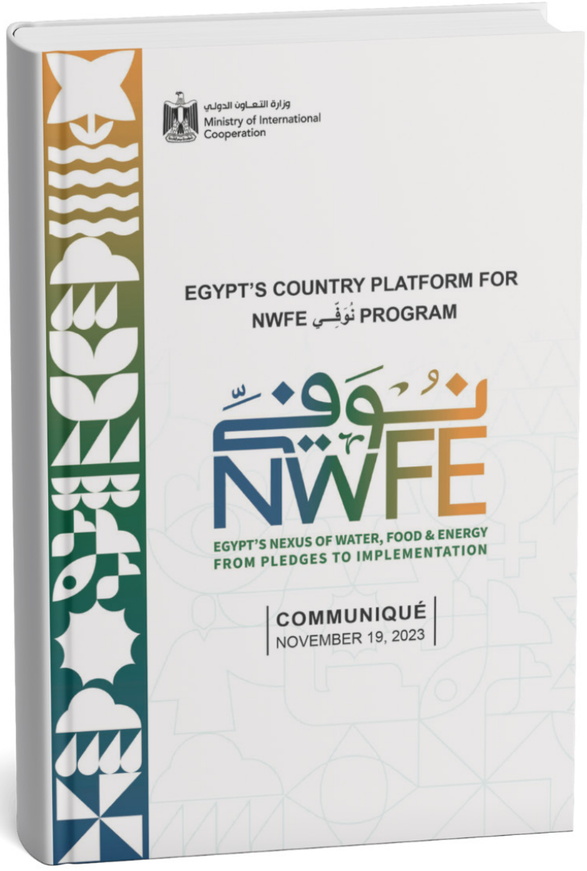
IRENA International Renewable Energy Agency

SMBC 三井住友銀行

JBIC JAPAN BANK FOR INTERNATIONAL COOPERATION

AIIB ASIAN INFRASTRUCTURE INVESTMENT BANK

GREEN CLIMATE FUND



THE GLOBAL CONTEXT: COMMON DEVELOPMENT & CLIMATE ISSUES

Global Climate Action & Commitments – Accelerating Climate Action in a Dynamic World

Emerging market and Developing economies (EMEDs) strive to achieve low-carbon development pathways under their commitments to the Paris Agreement, however ensuring sustainable outcomes requires inclusive and efficient green growth. The green transition presents an effective model for development pathways, offering investment opportunities capable of driving growth, as such clean energy is indispensable to reach the 1.5°C target (Prizzon, A. et al., 2024). The Global Soupillth is distinguished by the abundance of new and renewable energy resources, with 70% of global renewable energy potential (Rocky Mountain Institute, 2024). Climate-smart investment opportunities in emerging markets are estimated at approximately $23 trillion between 2016 and 2030 (International Finance Corporation, 2016), with potential investment returns exceeding 7% annually (Amundi, 2024). Furthermore, the Global South accounts for 56% of the world's population and is expected to represent about 85% of new energy demand in the coming years (World Economic Forum, 2024), driven by rising energy demands and growth requirements. In this context, and adhering to the principle of leaving no one behind, it is essential for developed countries to commit to the principles of just transition, enabling developing nations to achieve their development agendas (United Nations, 2023).

Despite the global momentum surrounding the importance of a just transition and the numerous initiatives announced in this regard, these initiatives have not been clearly reflected in nationally determined climate plans. According to the United Nations Development Programme (2022), only about 38% of countries have included the concept of a just transition in their short-term climate plans, and around 55% in their long-term strategies. This is attributed to the lack of a global consensus on the definition and principles of this concept. That being the case, Egypt's Presidency of COP27 sought to address this issue by launching the **Sharm El Sheikh Guidebook for Just Financing,** which, for the first time, provided a comprehensive definition of just climate financing: *"Financing that accounts for historical responsibility for climate change while ensuring equitable access to quality and quantity climate financing that supports resilient development pathways leaving no one behind"*. Financing, therefore, becomes a fundamental factor in the equation of a just transition.

Significant efforts are still required to close the global climate action financing gap. While annual climate financing more than doubled between 2018 and 2022, reaching $1.46 trillion, an additional fivefold increase is urgently needed to reach the $7.4 trillion annually required by 2030 (Climate Policy Initiative, 2024). Current climate financing represents only 1% of the global GDP, the High-Level Expert Group on Climate Finance (2022) estimates that EMEDs need to allocate approximately 6.5% of their GDP—equivalent to $2.4 trillion annually by 2030—to close investment gaps in mitigation, adaptation, and resilience sectors. Moreover, $3 trillion is required for annual investments in human capital and infrastructure, which is necessary to achieve sustainable development (McKinsey & Company, 2023). Thus, innovative financing mechanisms and instruments play a pivotal role in improving access to climate finance in terms of both quality and quantity. These mechanisms should serve the interconnected agendas of climate action and sustainable development in EMEDs (Sharm El Sheikh Guidebook for Just Financing, 2022).

Amid the ongoing global geopolitical and economic turmoil and its impact on key macroeconomic determinants, particularly interest rates, it is imperative to strategically design financing packages to safeguard against climate shocks (University of Pennsylvania, 2024). According to the UNCTAD report (2024), the interest payments of developing and emerging economies surpass their climate investments. Additionally, public debt in these countries has increased at a rate as twice as that of developed economies. The rise in interest rates has elevated borrowing costs, negatively impacting not only public investments but also private investments in green technologies and projects (University of Pennsylvania, 2024). That is why innovative financing instruments have a great potential, given that they can be tailored to the specific needs of developing and emerging economies, particularly when presented as packages like in a platform rather than on the project level. Examples of such platforms include Just Energy Transition Partnerships (JETPs) and Egypt's Country Platform for the Nexus of Water, Food, and Energy (NWFE) (Sharm El-Sheikh Guide to Just Financing, 2022).

Multilateral international partnerships play a critical role in mobilizing the necessary resources to create and enhance low-carbon development pathways. While governments have a leading role in creating enabling environments for climate investment, advancing the transition to a low-carbon pathway is dependent on the interaction and complementary efforts of all stakeholders. A broad engagement of stakeholders in a country's climate-related needs assessment, planning, resource mobilization and implementation ensures just and equitable outcomes (Sharm El-Sheikh Guide to Just Financing, 2022), particularly in areas such as reducing carbon emissions and advancing green hydrogen (McKinsey & Company, 2023). Consequently, establishing a governance framework is essential to regulate the dynamics and interactions among various stakeholders, ensuring effective collaboration and the efficient allocation of resources.

The Road from Glasgow to Baku

The escalation of climate crises worldwide underscores the urgent need for more effective international mechanisms to formulate a comprehensive global agenda. Such an agenda should establish a clear roadmap that enhances the efforts of developing and least-developed countries in adapting to and mitigating the impacts of climate change, particularly on the groups in vulnerable situations.

Examining the pathways of international negotiations during the United Nations Climate Change Conferences of the Parties (COP), various topics related to climate action have been addressed, including maintaining global temperature limits, ensuring accessible and innovative climate finance, funding loss and damage, fostering multilateral cooperation, promoting investments, and encouraging private sector participation.

Highlights From COP26: Glasgow, 2021

Looking at the trajectory of the COPs and the important decisions that have been taken since the launch of the Paris Agreement, we find that there are many axes that have played a major role in the climate action scene globally, especially climate finance. The road from Glasgow to Baku included many important milestones that worth mentioning, and hereunder we will give you some of the crucial insights as follow:

The Glasgow Climate Pact Prioritized Four Pillars of Action[1]:

Achieving Global Net-Zero Emissions by Mid-century

This includes maintaining the 1.5°C target, accelerating the phasing out of coal, curbing deforestation, promoting the transition to electric vehicles, and increasing investment in renewable energy.

Adapting to Protect Communities & Natural Habitats

This involves enabling climate-affected countries to restore ecosystems, build resilient infrastructure, and develop early warning systems.

Mobilizing at Least $100 Billion

Mobilizing at least $100 billion annually in climate finance.

Collaborating

Collaborating to achieve these goals.

Key Outcomes of COP27: Sharm El-Sheikh, 2022

The Sharm El-Sheikh conference concluded with several landmark decisions:

Establishment of a Loss and Damage Fund

This fund is dedicated to supporting vulnerable nations severely impacted by climate-related disasters, such as floods and droughts. This decision was widely acclaimed as a historic step toward achieving equity and justice in climate finance.

Reaffirmation of the 1.5°C Target

A Mitigation Work Program was launched in Sharm El-Sheikh to increase ambition and expedite implementation by 2026. Efforts to phase out coal and eliminate inefficient fossil fuel subsidies were emphasized, alongside the importance of clean energy integration.

Enhancing Transparency & Accountability

This includes commitments made by sectors, corporations, institutions, and non-governmental actors.

Aligning Financial Flows with Low-Emission & Climate-Resilient Development

The Sharm El-Sheikh Implementation Plan highlighted the need for an estimated $4–6 trillion annually to transition to a low-carbon global economy. Meeting this demand requires a swift and comprehensive transformation of the financial architecture, involving governments, central banks, commercial banks, institutional investors, and other financial stakeholders.

These initiatives underscore the importance of advancing global climate action and bolstering support for developing and emerging economies[2].

[1] *https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf*
[2] *https://unfccc.int/process-and-meetings/conferences/sharm-el-sheikh-climate-change-conference-november-2022/five-key-takeaways-from-cop27*

One of the main outcomes of the various decisions regarding climate finance was the call for developed countries to provide resources for the second replenishment of the Green Climate Fund. Discussions also continued on determining a "New Collective Quantified Goal on Climate Finance" for 2024, taking into account the needs and priorities of developing countries. However, participants expressed grave concern that the target set by developed countries to mobilize $100 billion annually by 2020 has not yet been achieved. Developed countries were urged to meet this goal, while multilateral development banks and international financial institutions were called upon to mobilize climate finance.

Climate pledges are as valuable as the tangible actions they produce. This is why COP27 in Sharm El-Sheikh was the "conference of implementation," following the agreement in Paris and the action plans of Katowice and Glasgow.

Notably, the Egyptian presidency launched one of the most important initiatives to accelerate the attainment of justice and equity in climate financing: the "Sharm El Sheikh Guide for Just Financing". This initiative, introduced by the Egyptian presidency through the Ministry of International Cooperation at the time, aimed to promote principles of just finance and delineate the roles and responsibilities of all relevant parties and stakeholders. The goal was to enhance the ability of developing and emerging economies to attract environmentally friendly funding and investments, particularly for private sector projects. It emphasized financing that balances historical responsibilities with increased sustainable funding allocated to climate action, ensuring equitable access to financing that addresses national priorities and needs without leaving anyone behind.

In the same vein, Egypt leveraged its COP presidency to launch one of the most prominent mechanisms supporting the global climate agenda while strengthening national ownership of developmental efforts in this domain. It introduced the **Egyptian Country Platform – the "NWFE" Program,** highlighting the importance of country platforms and the interconnectedness of various sectors. This national program serves as an effective regional model and an approach to blended finance for tackling adaptation, mitigation, and resilience challenges. Egypt developed a comprehensive national climate change strategy with major objectives extending to 2050 and identified 26 priority projects by 2030. Of these, nine projects were selected in water, food, and energy sectors with an estimated investment of $14.7 billion. These projects are being implemented in partnership with the European Bank for Reconstruction and Development, the African Development Bank, the International Fund for Agricultural Development, and various development partners, utilizing innovative financing mechanisms such as debt swaps, grants, concessional financing, and private sector investment facilitation and guarantees.

COP28 in Dubai in 2023

COP28 in Dubai during 2023 was a landmark event, marking the conclusion of the first "Global Stocktake" of global efforts to address climate change under the Paris Agreement. The resolutions included a call for countries to transition away from fossil fuels, which was part of the decision adopted by nearly 200 parties. **This "Global Stocktake"** aims to intensify climate action before the end of the decade, with the overarching goal of keeping the global temperature rise within 1.5 degrees Celsius, and countries must incorporate these findings into their strategies by February 2025.

Additionally, COP28 activated financing arrangements to address loss and damage through a related fund established at COP27, with commitments reaching $661 million—a symbolic step reflecting the urgency of the climate emergency and progress toward achieving international climate justice.

In terms of enhancing global resilience efforts, parties agreed on the parameters of the Global Goal on Adaptation and its framework. While adaptation efforts are harder to quantify than those for reducing greenhouse gas emissions, **the Global Goal on Adaptation** was established to guide planning and strategies at all levels. It aligns financing, technology, and capacity-building support with these goals. **The Green Climate Fund received a significant boost**, with pledges totaling $12.8 billion from 31 countries—a record amount. Additional pledges were made to the **Least Developed Countries Fund, the Special Climate Change Fund, and the Adaptation Fund.**

A resolution also emphasized the "importance of preserving, protecting, and restoring nature and ecosystems to achieve the Paris Agreement temperature goal." This involves protecting terrestrial and marine ecosystems that act as sinks and reservoirs for global greenhouse gases while maintaining biodiversity. Furthermore, high-level champions under the **Marrakech Partnership for Global Climate Action** launched a roadmap for implementing climate solutions by 2030.

Among the noteworthy outcomes, 125 countries signed the UAE Climate and Health Declaration, and financiers mobilized an initial tranche of $1 billion for climate and health solutions. Additionally, the UAE launched initiatives on sustainable agriculture, resilient food systems, and climate action, alongside commitments totaling $2.6 billion for regenerative agriculture and climate-food innovation. **The European Union and its member states pledged €175 million to the Methane Finance Sprint,** aimed at reducing methane emissions. The conference also paved the way for negotiations on the **"Enhanced Transparency Framework" under the Paris Agreement,** heralding a new era of implementation.[3]

COP29 in Baku in 2024

COP29 in Baku, concluded with numerous positive outcomes. One of the most significant was the 1) establishment of a new financing goal—**the New Collective Quantified Goal (NCQG)**—to assist countries in protecting their populations and economies from climate disasters while enabling them to benefit from the clean energy boom.

COP29 gathered nearly 200 countries in Baku, Azerbaijan, and reached a critical agreement to triple climate financing for developing nations, increasing from the previous target of $100 billion annually to **$300 billion annually by 2035. It also set a target to mobilize $1.3 trillion annually from public and private sources by 2035 to support developing countries.**

COP29 also reached two key agreements: 2) an agreement on carbon markets, which aims to help countries implement their climate plans more quickly and cost-effectively, and to make faster progress in **halving global emissions this decade**. This agreement ensures that trade between countries and the carbon credit mechanism operate at full capacity through the **"Paris Agreement Carbon Credit Mechanism"**; 3) Regarding transparency, transparent climate reports made significant progress in Baku, building a stronger evidence base to enhance climate policies over time, helping identify funding needs and opportunities. **Additionally, the crucial role of the REDD-Plus framework**[4], which focuses on reducing emissions from deforestation and forest degradation in developing countries, was recognized, along with the role of forest conservation, sustainable management, and enhancing carbon stocks in forests in developing nations.

COP29 marked an important milestone for adaptation efforts, with several key outcomes: 4) The establishment of a support program to implement **National Adaptation Plans (NAPs) for the least developed countries**. Countries also agreed on a decision regarding gender and climate change; 5) The extension of the **Lima Gender and Climate Change Work Program**[5] **for another 10 years**, reaffirming the importance of gender equality and strengthening the integration of gender considerations throughout the agreement. **A new gender action plan will be adopted at COP30.** The decisions made at COP29 also highlighted the critical importance of empowering all stakeholders to engage in climate action, including **civil society participation and the involvement of children and youth.**

[3] *https://unfccc.int/cop28/5-key-takeaways#looking-ahead*
[4] *https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd*
[5] *https://www4.unfccc.int/sites/NWPStaging/Pages/Lima-Work-Programme-on-Gender.aspx*

The Role of Country Platforms in Strengthening Climate Action

Many countries have adopted national platforms as a model, particularly in the context of increasing international momentum to develop effective mechanisms to address complex, multidimensional developmental challenges arising from climate change and environmental disasters. Egypt launched **the Country Platform — the "NWFE" program — during COP27** with the aim of driving climate action through the interlinkages between the energy, food, and water sectors. This approach offers a comprehensive and effective solution focusing on the human (community) aspect to address the negative impacts of climate change and strengthen the resilience of the most vulnerable communities through joint policies and systems that ultimately depend on natural resources and human activities in geographically focused development.

Recognizing the importance of country platforms (Country-Led Platforms), Egypt has made significant progress in this area. **During the COP28, multilateral development banks issued a joint statement** highlighting the importance of state-level cooperation as part of comprehensive support for sustainable development. **They emphasized the role of state-led platforms** in enhancing coordination and impact within countries across all aspects of development, including climate. As government-led mechanisms, these platforms can integrate a collectively enhanced mix of policy reforms, investor appetite, external support, financing programs, and coordinated technical assistance for climate investments.[6]

In the context of evolving efforts by multilateral development banks to enhance their effectiveness and impact, and according to a **viewpoint note published in April 2024**, the potential role of these banks in supporting the development and implementation of national climate action platforms was highlighted. Such country-led platforms can act as powerful mechanisms for supporting the development and execution of countries' strategies, Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and mobilizing climate finance through **a coordinated state-led process and partnerships among relevant stakeholders to build a common understanding and coordinated approach to progress.**[7]

UN member states, within the framework of the **"Pact for the Future"** have endorsed the call for multilateral development banks to provide timely support to developing countries through increased and improved long-term concessional financing, including local currency lending. **They also called for the design, financing, and scaling up of innovative country-owned and led mechanisms.** Member states have requested the UN Secretary-General to establish a **high-level independent expert team** to provide recommendations on a limited set of country-owned, globally applicable indicators for sustainable development that complement GDP, in close consultation with member states and stakeholders, considering the work of the statistical committee and building on the global indicator framework for the Sustainable Development Goals and the 2030 Agenda for Sustainable Development, with results to be presented at the **80th session of the General Assembly.**[8]

A joint statement was also issued by multilateral development banks during COP29 under the title "Country Platforms for Climate Action … Shared Understandings and the Road to the Future" in which 12 development banks emphasized that country platforms could serve as powerful mechanisms for supporting the development and implementation of countries' strategies, NDCs, NAPs, and mobilizing climate finance. These platforms, through a state-led coordinated process and partnerships among relevant parties, aim to build shared understandings. **The development banks praised Egypt's Country Platform for the "NWFE" Program,** launched in 2022, which focuses on the interlinkages between water, food, and energy, areas prioritized by the country for climate and development. **Thus, the Egyptian platform contributes to mitigating the impacts of climate change,** enhancing adaptation, supporting resilience, and facilitating a just transition within the broader environmental goals across the energy, transportation, water, and agriculture sectors.[9]

It is worth mentioning that the updated draft of the elements paper to be issued by the Fourth International Conference on Financing for Development, scheduled to take place from June 30 to July 3, 2025, in Spain, includes many recommendations towards committing to comprehensive country platforms to improve coordination at the national level by: **1) placing developing countries in the lead,** with plans and strategies led by countries at its core (for example, Integrated National Financing Frameworks - INFFs, ensuring that such plans and strategies are at the heart of the work of development partners); **2) engaging all relevant actors** – multilateral development banks, other national development banks, the UN system, bilateral partners, private sector actors where appropriate, and other partners; and **3) ensuring efficient and effective division of labor**, enhancing the bottom-up approach according to each partner's comparative advantage and knowledge of the local context to improve efficiency, coordination, and co-financing.[10]

[6] *COP 28 Multilateral Development Banks (MDB) Joint Statement - New Development Bank*
[7] *https://www.adb.org/sites/default/files/news-release/962971/Heads-of-MDBs-Viewpoint-Note.pdf*
[8] *https://www.un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf*
[9] *https://www.ndb.int/wp-content/uploads/2024/11/Brief-on-Country-Platforms-for-Climate-Action_V12_11112024_FINAL.pdf*
[10] *https://financing.desa.un.org/sites/default/files/2024-11/FfD4%20Elements%20paper_Nov%2022.pdf*

COUNTRY CONTEXT: EGYPT'S CLIMATE EFFORTS & COMMITMENTS

In May 2022, Egypt launched the comprehensive National Climate Change Strategy for 2050, which includes the Egyptian government's targets across various sectors through a set of priority projects until 2030. **The NWFE program** includes nine priority projects focusing on mitigation and adaptation in the water, food, and energy sectors. These projects are considered an essential part of achieving the goals set in the 2050 strategy, which emphasizes sustainable development and resilience to the impacts of climate change. **In addition, four sustainable transport projects have been added to the "NWFE+" program** to promote a comprehensive green transition.

In this regard, a joint political statement was issued between Egypt, Germany, and the United States, reaffirming their commitment to tackling climate change through tangible projects that enhance sustainable development in Egypt. The statement highlights the importance of mobilizing financial resources to implement the program, including the nine priority projects. It also emphasizes the role of international partnerships in achieving climate goals, particularly in supporting Egypt's efforts to transition to a green economy. **Furthermore, the statement supports Egypt's Nationally Determined Contributions (NDCs) and aligns with its broader climate strategy, aiming to turn commitments into actionable results**. Consistent with these joint efforts, the government announced an update to its NDCs in June 2023, reflecting the country's commitment to a low-carbon development pathway. It aims to achieve a target of 42% renewable energy in the energy mix by 2030, instead of 2035 as previously outlined in the earlier NDC plan.

Framework for Sustainability and Financing for Economic Development

In this context, the Ministry of Planning, Economic Development, and International Cooperation issued the "Framework for Sustainability and Financing for Economic Development" which works to bridge development gaps by integrating qualitative growth as a top priority. Achieving sustainable, inclusive, and resilient growth is one of the core pillars of the new government, central to the country's development agenda. Egypt's goals for qualitative growth go beyond GDP growth to include benefit distribution, sustainability, and human development. The framework is built around three main pillars.[11]

First Pillar: The formulation of evidence-based economic development policy to provide information on needs and opportunities, bridging gaps in areas such as human capital, industrial development, small and medium-sized enterprises (SMEs), technology, entrepreneurship, sustainable infrastructure, green investments, and others, with strong monitoring and evaluation mechanisms to track progress and improve outcomes. In this regard, the new Planning Law strengthens this pillar by institutionalizing a strategic planning approach based on comprehensive data analysis in planning, imposing the use of data analysis and real-time tracking, and aligning national priorities with long-term strategies. The ministry is also working on a unified approach to investment planning and development financing for sustainable development, which includes a comprehensive investment framework considering modern planning tools, precise project evaluation, strategic finance allocation, private investment calculation methodology, performance-based governance, and information systems integration.

The planning system is expected to include a comprehensive information infrastructure to track data related to investment, considering geographic factors, including "spatial changes" and "spatial signatures," which will help analyze how investments impact land use, infrastructure, and local economies. Additionally, with the aim to foster effective international development cooperation and promote transparency and mutual accountability, the Ministry developed, for the first time in Egypt, the Integrated Automated Information Management System (AIMS), to facilitate the regular follow-up of development projects, including reporting on financial and technical information. It aims to track progress achieved, pinpoint successful practices, identify and resolve bottlenecks, and support evidence-based decision-making.

Second Pillar: Egypt seeks to build a resilient economy and enhance macroeconomic stability by implementing a series of structural reforms aimed at increasing competitiveness and improving the business environment. These reforms include several key areas: the first is building macroeconomic stability, aimed at creating a stable economic environment that promotes growth and development. This includes fiscal discipline by reducing budget deficits, enhancing revenue collection, and efficiently managing public expenditure. Effective monetary policies are also applied to control inflation and stabilize the currency. The second is enhancing economic competitiveness and improving the business environment, which aims to create a more favorable environment for business operations and attract investments. This includes regulatory reforms to simplify laws, reduce bureaucratic hurdles, and provide incentives to attract foreign direct investment and support local businesses. The third is supporting the green transition, focusing on promoting sustainable practices and addressing climate change challenges. This includes investing in renewable energy projects, promoting sustainable agriculture, and implementing strategies to mitigate the impacts of climate change. These pillars collectively aim to create a strong, resilient economy that can thrive in a dynamic global environment, ensuring inclusivity and sustainability. These reforms are part of a comprehensive vision aimed at achieving sustainable and inclusive economic growth, improving citizens' living standards, and enhancing Egypt's economy's ability to face future challenges.

Third Pillar: Mobilizing both local and external financing to achieve sustainable development through an integrated national financing framework, which enhances resource allocation to priority sectors, stimulates private sector investment, and accelerates progress toward achieving sustainable development goals.

[11] *https://mmd-moic.s3.eu-west-1.amazonaws.com/files/New%20Operational%20Framework%20for%20Economic%20Development%20En.pdf*

Egypt's Integrated National Financing Strategy for Development (E-INFS)

Egypt has set ambitious development goals through its national development plan, the Sustainable Development Strategy: Egypt Vision 2030 (SDS), aiming to achieve the Sustainable Development Goals (SDGs) by 2030. In this context, the government launched the Integrated **National Financing Strategy for Development (E-INFS)** in September 2024, during the Summit of the Future on the sidelines of the 79th session of the United Nations General Assembly in New York.

The Integrated National Financing Strategy for Egypt aims, through its sub-objectives, to: (a) mobilize and align local public financing with national development priorities; (b) align private sector financing and investment; (c) align developmental cooperation; and (d) create an enabling environment and non-financial means for implementation. **The strategy includes all the financing tools that the Egyptian government can utilize to address development gaps in various sectors.**

The strategy was developed in close cooperation with all relevant national and international stakeholders. The Steering Committee for the strategy, led by the Ministry of Planning, Economic Development, and International Cooperation, holds meetings in coordination with the National Working Group for Financing Development. The strategy serves as an umbrella for various national development financing initiatives such as the Sovereign Sustainable Financing Framework, and aims to accelerate the achievement of the SDGs and the national development agenda.

Through this strategy, Egypt prioritizes investment in seven critical sectors, including health, education, social protection, women empowerment, sanitation, transport, and climate change. The strategy emphasizes adopting a unified approach to financing development through the integration of public and private investments, policy coherence, and enhancing transparency and accountability. It also provides a structured framework to address financing gaps, encourage innovation, and prioritize projects that have the maximum impact on economic, social, and environmental dimensions.

Egypt's Macroeconomic Reforms & Green Transition

The Egyptian government has set its sights on achieving several goals, with a primary focus on adopting strategies that maximize Egypt's economic capabilities and resources, strengthen the resilience and flexibility of the Egyptian economy, and implement comprehensive institutional reforms aimed at ensuring fiscal discipline, generating public revenues, optimizing the use of Egypt's human resources, enhancing the quality of education, upgrading healthcare services, and continuing to support social safety nets. **The Egyptian government's program** aims to achieve these strategic goals in line with the targets of Egypt Vision 2030, recommendations from the National Dialogue sessions, sector-specific targets, the national structural reform program, and various national strategies. **It focuses on four main pillars:** 1) protecting national security and Egypt's foreign policy, 2) building the Egyptian human capital and enhancing well-being, 3) building a competitive economy that attracts investments, and 4) achieving political stability and national cohesion.

The green and just transition is one of the most crucial issues in our modern era, as achieving this transition is a key step towards sustainable and inclusive economic development, enhancing social justice, and protecting the environment. It also requires effective management of natural resources to ensure their optimal use and minimize waste, as well as securing the necessary financing for implementing green projects that contribute to adapting to climate change or mitigating its impacts. **Implementing adaptation and mitigation projects is a key element in achieving both environmental and social goals.** To ensure the achievement of these goals, governments must define a clear and tangible national vision tied to an integrated national strategy based on evidence and science, encompassing all economic and social sectors. This requires coordination between local and international policies and activating cooperation between the public and private sectors to ensure social justice through providing job opportunities and promoting inclusivity in accessing environmental and economic benefits, which in turn will help bridge social and spatial gaps between different governorates.

The Egyptian government has effectively implemented these principles by developing a comprehensive national vision linked to a national strategy aimed at defining the general framework for dealing with the impacts of climate change through the development of policies and practical plans, and launching projects aimed at adapting to and mitigating these impacts. This ensures sustainable development and strengthens environmental and economic security in the long term, thereby ensuring a green and just transition. **In 2022, the Egyptian government launched the "National Climate Change Strategy 2050"** which focuses on developing plans for climate change adaptation projects and mitigating its effects, with an emphasis on sustainability in various sectors. A significant step toward Egypt's evolving approach to climate action, as the strategy shifts its focus to implementing mitigation and adaptation measures simultaneously to support sectors most vulnerable to impact, particularly water and agriculture. The strategy also considers the objectives and progress made under the National Adaptation Strategy for Climate Change and Disaster Risk Reduction from 2011.

COUNTRY PLATFORM FOR THE NWFE PROGRAM

In July 2022, the Country Platform for the "NWFE" Program was launched as a national initiative representing an effective regional model and a method for accessible and fair financing to address issues related to adaptation, mitigation, and resilience, through the interconnection between water, food, and energy. The Egyptian government identified a key set of priority projects, including nine projects within the water, food, and energy sectors. Additionally, four sustainable transport projects were added to the NWFE+ program, aimed at promoting a comprehensive green transition.

NWFE Country Platform Projects

PILLAR	PARTNER	PROJECT	BENEFICIARIES	CATEGORY
Energy	European Bank for Reconstruction and Development	Replacing Inefficient Thermal Power Plants with Renewable Energy	Ministry of Electricity and Renewable Energy, Ministry of Environment	Mitigation
Food	IFAD	Adaptation of Crop Production in the Nile Valley and Delta	Ministry of Agriculture and Land Reclamation	Adaptation
		Adaptation of the Northern Delta Affected by Sea Level Rise	Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation	Adaptation
		Enhancing Resilience in Vulnerable Areas		Adaptation
		Modernizing Irrigation System in Old Agricultural Lands		Adaptation
		Establish an Early Warning System	Ministry of Agriculture and Land Reclamation	Adaptation
Water		Water Desalination of Using Solar Energy	Ministry of Housing, Utilities and Urban Communities	Mitigation & Adaptation
		Expanding Solar Irrigation Systems	Ministry of Water Resources and Irrigation, Ministry of Commerce and Industry	
		Improving Agricultural Climate Resilience by Modernizing Agricultural Practices	Ministry of Water Resources and Irrigation	

NWFE+ Projects – Sustainable Transport Sector

PILLAR	PARTNER	PROJECT	CATEGORY	BENEFICIARIES
Transport NWFE +	European Investment Bank	Extension of the 1st Line of the Metro to Shibin Al-Qanater	Mitigation	Ministry of Transport (National Authority for Tunnels)
		The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) - Phase II.		
		The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) Phase III		
		Construction of a Railway Line (Al-Rubiki-10th of Ramadan-Belbeis)		Ministry of Transport - Egyptian National Railways Authority
		Tanta-Al Mansoura-Damietta Railway Line Rehabilitation Project		
		Sherbin Qellin Damanhur Railway Line Rehabilitation Project		

Innovative Financing Solutions

- "Grant" Platform in support of NWFE Program Projects
- Guarantees & Derisking Measures
- Debt Swaps
- Private Sector Investment
- Capacity Building Technical Assistance for Projects & Conducting Feasibility Studies
- Leveraging Partnerships
- Concessional Finance from Trust Funds

South-South Cooperation

The Country Platform for the NWFE Program (covering energy, water, and food sectors) provides a successful and applicable regional and international model for implementing climate commitments and advancing efforts for a just transition toward a green economy. Several multilateral and bilateral development partners, including countries and international institutions led by Egypt, gathered during the COP27 conference to apply the country platform model, which enhances the sustainability of development impacts and the national ownership of adaptation and mitigation projects that stem from related national strategies (such as the National Climate Change Strategy 2050).

The platform has facilitated cooperation and coordination among various stakeholders, including development partners, leading each platform sector—such as the European Bank for Reconstruction and Development (EBRD) in the energy pillar, the African Development Bank (AFDB) and the International Fund for Agricultural Development (IFAD) in the food and water pillars, and the European Investment Bank (EIB) in the NWFE+ program for sustainable transport, along with other partners, including the governments of the United States, the United Kingdom, Japan, Denmark, the United Nations, the European Union (EU) the World Bank Group, the Islamic Development Bank (IsDB), the Asian Infrastructure Investment Bank (AIIB), the Agence française de développement (AFD), the International Renewable Energy Agency (IREENA), the Global Financial Alliance for Net Zero (GFANZ), and the OPEC Fund for International Development.

In 2020, the Ministry of Planning, Economic Development, and International Cooperation (formerly the Ministry of International Cooperation) activated the "International Cooperation and Development Financing Framework" to enhance the concept of economic diplomacy, aiming to support the realization of national priorities by maximizing the economic and social benefits of international cooperation and concessional development financing.

This framework has played a significant role in launching and implementing the "NWFE" Program, as it includes a principle for enhancing country platforms for joint development action, which will continue in the coming period, particularly after the merger of the Ministry of Planning, Economic Development, and International Cooperation, into a broader framework called the "Sustainability and Financing for Economic Development Framework." This aims to continue the success story that Egypt has established in this field, according to relevant international reports. The joint statement by multilateral development banks during COP28 emphasized full support for such platforms, and the Future Summit held in September 2024 issued the "Future Charter," reinforcing the importance of expanding the scope of innovative mechanisms owned and managed by countries.

Egypt's experience in maximizing benefits from international partnerships, based on integration and inclusivity, is among the pioneering models. The Country Platform for the NWFE Program, in partnership with over 25 international finance institutions and international climate action alliances, has enhanced Egypt's access to untapped climate finance sources, mobilized financing, stimulated private sector investments, and utilized innovative financing mechanisms such as blended finance and debt swaps, along with providing the necessary technical support.

In line with our commitment to strengthening South-South cooperation, technical support has been provided to Tanzania for launching its own national investment platform to accelerate the transition to clean energy and a just shift to low-carbon pathways. The "NWFE" platform has also inspired countries such as North Macedonia to launch their own platform in collaboration with the European Bank for Reconstruction and Development, based on the bank's successful partnership with Egypt as the main partner in the energy pillar.

Egypt's pioneering experience in designing a country platform to mobilize climate finance for priority mitigation and adaptation projects through the NWFE program model was showcased in the "Solutions Guide" for the "Clean and Renewable Energy Investment Network in Southern Countries," co-chaired with the World Economic Forum. This was launched alongside the G20 Energy Ministers' meetings in Brazil.

The Country Platform for the NWFE Program has received strong international support, as demonstrated by over 20 development partners and international financing institutions issuing joint statements in September 2022 and November 2023 to commend Egypt's efforts in fulfilling its commitments to low-carbon development pathways. The statements also reaffirm the continued collaboration with the Egyptian government to complete the implementation of NWFE projects to meet national aspirations and the United Nations' climate and development goals.

Furthermore, Egypt participates in the Sustainable Water, Energy, and Food Security Initiative in Africa launched by the African Development Bank to showcase its leading experience in launching the "NWFE" platform. This initiative aims to support solutions that balance the needs of water, energy, and food, along with environmental considerations across the continent. It will also develop a framework to guide investment in water, energy, and food security, generating new opportunities for financing these projects and assisting African countries in managing these resources.

KEY OUTCOMES RELATED TO PROJECTS & FUNDING WITHIN THE FRAMEWORK OF EGYPT'S COUNTRY PLATFORM FOR THE NWFE PROGRAM

Energy Pillar

Replacing Inefficient Thermal Power Plants with Renewable Energy (Mitigation)

Objective:

The Energy Pillar aims to deploy 10 gigawatts of renewable energy capacity and gradually phase out 5 gigawatts of fossil fuel-based power generation by 2028, while also enhancing and developing the grid infrastructure.

Components of the Energy Pillar:

- Retirement of 5 gigawatts of currently inefficient oil and gas-based power generation capacity.
- Installation of new renewable energy capacities in capacity of 10 gigawatts by facilitating private sector investments worth $10 billion.
- Support for grid investments.

Beneficiaries:

Ministry of Electricity and Renewable Energy, associated companies, and agencies.

Development Impact:

The Energy Pillar of NWFE sets ambitious targets, aiming to add 10 GW of renewable energy capacity and phase out 5 GW of fossil-fuelled power generation by 2028, while strengthening and further developing the grid infrastructure. Achieving these targets is expected to yield significant benefits, including reducing CO2 emissions by 17 million tonnes annually, and mobilising over USD 10 billion in green investments to finance Egypt's transition to a low carbon future. The NWFE-EP is built on the principles of a just transition, emphasising workforce reskilling and minimising community impacts as Egypt phases out fossil fuels and expands renewable energy.

Lead Development Partner:

European Bank for Reconstruction and Development (EBRD)

Government Efforts to Elevate the Electricity & Renewable Energy Sector

- The Egyptian leadership is committed to supporting the electricity and renewable energy sector, aiming to achieve a significant leap in this vital sector. The comprehensive and ambitious strategy for the electricity sector includes specific implementation plans to maximize the use of natural renewable energy resources. The strategy includes increasing renewable energy's share in the energy mix to 42% by 2030 and 60% by 2040, in partnership with the private sector. The state also prioritizes local manufacturing and the development of industries, particularly in the field of electrical equipment related to renewable energy and the localization of modern technologies to improve energy efficiency.

- The Ministry of Electricity and Renewable Energy, in collaboration with the Ministry of Petroleum and Mineral Resources, has developed a comprehensive energy strategy for Egypt. This strategy is designed to ensure Egypt can make a leap in the energy sector by 2030, focusing on harnessing renewable energies like wind and solar power.

- The Ministry of Planning, Economic Development and International Cooperation plays a crucial role in attracting investments and investors to the sector, particularly through international partnerships in the NWFE program.

- In light of the urgent plan for securing the summer of 2025, which was developed by the Ministry of Electricity and Renewable Energy to add 4,000 megawatts of renewable energy to the national grid before the summer of 2025, the Ministry of Planning, Economic Development and International Cooperation has approved the allocation of investments amounting to 6.7 billion Egyptian pounds in the fiscal year 2024/2025 for the first urgent phase project to reinforce the national electricity grid to accommodate the expected capacities to be added from renewable energy by the summer of 2025.

- The cost of connecting the first urgent phase projects to the national electricity grid (targeted to enter service before the summer of 2025) with a total capacity of 3,700 megawatts (solar energy), in addition to storage capacities through batteries with a total capacity of 2,840 megawatt-hours, amounts to (26.2 million US dollars + 16.48 million euros + 4,601 million Egyptian pounds), equivalent to about 6.7 billion Egyptian pounds. The importance of this project lies in reinforcing the unified network to accommodate the expected capacities to be added from renewable energy, which will contribute to solving the problem of power outages and securing the country's electricity needs.

The Distribution of Costs is as Follows:

- Connecting the AMEA station with 1,000 MW in South East Benban at a cost of (9.1 million USD + 1,050 million EGP).
- Connecting the Scatec station with 1,000 MW in Nagaa Hamadi at a cost of (2.7 million USD + 520 million EGP).
- Connecting the Masdar station with 900 MW in the Western Desert at a cost of (14.4 million USD + 2,815 million EGP).
- Connecting the 500 kV transformer station in the 10th of Ramadan city, Sharqia governorate, to the grid at a cost of (16.48 million EUR + 216 million EGP).

The Cabinet, in its session No. (11) held on 19/9/2024, approved the inclusion of projects to reinforce the national electricity grid to accommodate the expected capacities from renewable energy sources as national strategic projects in the Ministry of Electricity and Renewable Energy's budget. The required financing will be provided according to the cash flow plan prepared by the Ministry.

The Ministry of Planning, Economic Development, and International Cooperation has approved securing investments of 6.7 billion Egyptian pounds in the fiscal year 2024/2025 for the project, distributed as follows:

- 3 billion Egyptian pounds from the general treasury funding.
- 1.1 billion Egyptian pounds equivalent to 21.9 million euros, the value of the second and third tranches of the grant funded by the European Union under the "Supporting the Energy Sector Policy" program.
- 2.6 billion Egyptian pounds from the general treasury funding, to be completed according to the progress of work.

EU Cooperation in the Electricity & Energy Sector

EU-Egypt Green Facility Program

Under the framework of supporting Egypt-EU relations, the "EU-Egypt Green Facility" program is funded with a 7 million EUR grant from the Annual Action Plan (AAP) For 2023, funded through the Global Europe mechanism.

The program aims at facilitating the response to critical challenges Egypt is facing, among which are the need to diversify energy sources and the transition towards a low-emissions economy, with a particular focus on renewable energy and energy efficiency, and water scarcity. It supports Egypt's Sustainable Development Strategy "Egypt Vision 2030", including a green, resilient and just transition in the energy and water sectors. The Action is linked to the Egyptian initiative NWFE (Nexus Water, Food, Energy), consisting of a country platform focusing on translating the climate change strategy into high-priority development projects meant to accelerate the implementation of the Nationally Determined Contributions (NDCs), that Egypt presented in 2022.

Investment Guarantees and Blending Operations under the European Fund for Sustainable Development Plus (EFSD+)

A total of 1.8 billion EUR in investment guarantees is included in the EFSD+ framework, as part of the Political Declaration between the Arab Republic of Egypt and the European Union signed on 17th of March, 2024, which includes the financing package With total amount of EURO 1.8 Billion. Egypt is committed to maximizing the benefit of these allocations to support sustainable development initiatives.

This support is expected to generate investments worth 10.8 billion EUR in the sectors of energy, water, climate change, trade, food security, and human capital through various tools, including guarantees to reduce investment risks.

Public Sector Projects

Support for lending to the Egyptian government and public utilities to finance infrastructure projects in energy, digital projects, water, sanitation, and communications technology.

Private Sector Projects

Guarantees to support lending and investment in capital stocks for small and medium-sized enterprises (SMEs) and micro-enterprises.

Blended Financing

EU grant financing has been integrated with loans and equity investments from international financial institutions to make the project more accessible to beneficiaries and improve its quality.

Technical Assistance

Enhancing quality and administrative capacity in investment processes or improving the regulatory environment.

The tools of the "European Sustainable Development Plus Fund" are accessible through European and international financing institutions supported by the European Commission, such as: European Investment Bank (EIB), French Development Agency (AFD), Dutch Development Bank, German Development Bank, CDP, European Development Finance Institutions, COFIDES, Spanish Agency for International Development Cooperation (AECID), International Finance Corporation (IFC - World Bank Group), Polish National Development Bank (BGK).

Examples of EU Guarantees & Blended Financing in Egypt

NASIRA Program (Dutch Development Bank)

€48 million to support young entrepreneurs

European Bank for Reconstruction & Development (EBRD) - Resilience

€1.9 million investments in green technology, transport, and logistics

French Development Agency (AFD) – Al-Jabal Al-Asfar Wastewater Treatment Plant

€10 million for water recycling for irrigation purposes

European Investment Bank (EIB) – Green Sustainable Industry

€30 million to support the transformation of Egypt's industry towards green industry

Energy Pillar Progress & Updates as of 2024

- Continuing from the previous year (2023) and the first annual report, agreements have been signed for power purchase agreements (PPAs) between the Egyptian Electricity Transmission Company and private sector companies (such as ACWA Power, Masdar & Infinity, SCATEC, AMEA Power, Orascom, Hassan Allam Utilities) with a capacity of 4.2 GW.
- Thermal stations with capacities of up to 1200 MW out of 5000 MW targeted within the platform have been decommissioned.
- Funding has been secured for the financial closure of seven renewable energy projects (wind/solar) with an investment cost of approximately 4 billion US dollars. The funding has been provided by our development partners (such as EBRD, IFC, African Development Bank (AFDB), British International Investment (BII), OPEC Fund for International Development,Japan Bank for International Cooperation (JBIC), Japan International Cooperation Agency (JICA), Green Climate Fund (GCF), and DEG/KFW.
- Several technical assistance programmes have been activated and initiated, one of the most important of which is the promotion of **green supply chains** that will contribute to attracting foreign direct investment and promote the localization of industries for renewable energy projects, and prepare a **decommissioning master plan** with the aim of providing a master plan for a comprehensive framework for a safe and effective decommissioning process, **just transition plan** that will provide training and upskilling for workers, employment and training for those in the energy sector, in addition to supporting **EgyptERA** to establish a **P2P regulatory framework** to facilitate the direct sale of renewable energy between private sector entities, further accelerating the transition to clean energy, Preparation of technical studies for **wind speed measurement campaign**, launch of a **strategic environmental assessment of the Gulf of Suez region**, and **Guarantees of origin** assignment.
- **Concessional financing agreements** directed to the Ministry of Electricity and Renewable Energy for strengthening the grid (control centers, lines, stations, and distribution) have been finalized with development partners such as German, EBRD, AFD, and the EU.

Technical Assistance

The energy pillar in the NWFE Program offers institutional technical support to ensure the delivery of key aspects of fossil fuel decommissioning and efficient renewable energy development. *The following programs have been initiated:*

Decommissioning Master Plan

This aims to develop a comprehensive framework for the overall decommissioning process of the 12 plants and serve as a strategic document to outline the objectives and milestones, timeline and strategies for the safe and efficient decommissioning.

Just Transition Plan

This has been launched by the EBRD to identify the needs for training and reskilling and to ensure an efficient and just transition plan for the affected workers.

Green Supply Chains

This initiative aims to enhance Egypt's ability to attract Foreign Direct Investment (FDI) and establish diversified, resilient renewable energy supply chains with strong local participation. This initiative is expected to significantly contribute to economic growth and job creation, ensuring that the benefits of Egypt's green transition extend beyond the energy sector into broader industrial and economic development.

The technical assistance initiative is now in its final stages, with an Action Plan already prepared. The next steps involve discussing this plan with relevant public sector authorities and industry stakeholders to ensure alignment and pave the way for the strategic development of local renewable energy supply chains.

Support for EgyptERA to Establish a P2P Regulatory Framework

Assistance is provided to establish a P2P regulatory framework to facilitate the direct sale of renewable energy between private sector entities, further accelerating the transition to clean energy. The P2P rules were approved in March, proceeding with a pilot implementation phase. The Bank is supporting EgyptERA in the first phase, with an open call for projects for at least 500 MW capacity in total.

Wind Measurement Campaign

To identify and select land areas for renewable energy projects, helping to expedite these studies and ensure projects can start immediately. A wind measurement campaign will begin in Al Wahat as the first phase.

Strategic Environmental Assessment of the Gulf of Suez Region

Aiming to evaluate the environmental and social impacts of wind energy projects to ensure future projects align with sustainable development goals.

Guarantees of Origin

These will certify the renewable energy produced, enhancing transparency and boosting investor confidence in Egypt's renewable energy sector.

Private Sector Investments

Since the launch of the NWFE Program, long-term renewable energy (solar/wind) power purchase agreements (PPAs) have been signed between the Egyptian Electricity Transmission Company and private sector companies, with a total capacity of 4.2 GW (including companies like ACWA Power, AMEA Power, Masdar & Infinity, Orascom, Hassan Allam Utilities, SCATEC Norway, etc.).

Development partners (DPs) have provided necessary financing for these projects, approximately $4 billion, including the signing of financial closure agreements for the following projects:

Red Sea Wind Farm Project (GOS II)

A 650 MW wind farm developed by the Red Sea Wind Power Consortium (Orascom Construction, Engie, Toyota), with an investment of $725 million funded by Japan International Cooperation Agency (JBIC) and EBRD.

"Abidos" Solar Power Plant

A 500 MW solar power plant in Kom Ombo, Aswan, developed by AMEA Power, with an investment of $500 million funded by IFC, Dutch Development Bank (FMO), and JICA. The plant was inaugurated in December 2024.

"Amunet" Wind Power Plant

A 500 MW in Ras Gharib area, Red Sea Governorate, to be implemented by AMEA Power. The total investment cost of the project is 700 million USD, financed by the International Finance Corporation (IFC), the Japan Bank for International Cooperation (JBIC), Standard Chartered Bank, Sumitomo Mitsui Banking Corporation (SMBC), and Sumitomo Mitsui Trust Bank. The commercial operation of the station is expected to begin in May 2025.

Kom Ombo Photovoltaic Solar Power Plant

A 200 MW, to be implemented by ACWA Power. The total investment cost of the project is 182 million USD, with financing provided by the European Bank for Reconstruction and Development (EBRD), the OPEC Fund for International Development, the African Development Bank (AFDB), the Sustainable Energy Fund for Africa (SEFA) under the African Development Bank, the Green Climate Fund (GCF), the Arab Petroleum Investments Corporation (APICORP), and the Arab Bank.

1.1 GW Wind Power Plant Project in the Gulf of Suez

1.1 GW wind power plant project in the Gulf of Suez, to be implemented by the consortium of ACWA Power and Hassan Allam Utilities (HAU). The total investment cost of the project is 1.1 billion USD, with financing from the European Bank for Reconstruction and Development (EBRD), the British International Investment (BII), the DEG, a member of the German Development Bank (KfW), the OPEC Fund for International Development, the African Development Bank (AFDB), and the Arab Petroleum Investments Corporation (APICORP).

200 MW Wind Power Plant Project in the Gulf of Suez

200 MW wind power plant project in the Gulf of Suez, to be implemented by the consortium of Masdar and Infinity. The total investment cost of the project is 215 million USD, financed by the European Bank for Reconstruction and Development (EBRD) and other partners. Commercial operation is expected to begin in October 2026.

"Obelisk" Solar Power Plant Project in Nagaa Hammadi

"Obelisk" solar power plant project in Nagaa Hammadi, with a capacity of 1,000 MW, along with a 200 MW by Battery Energy Storage System (BESS). The total investment cost of the project is 600 million USD, with financing from the European Bank for Reconstruction and Development (EBRD), the British International Investment (BII), the African Development Bank (AFDB), and the U.S. International Development Finance Corporation (DFC).

Additionally, several renewable energy projects (solar/wind) with a total capacity of 3.4 gigawatts are expected to sign the financial closure agreements during 2025. These projects include:

- A 1,000 MW solar power plant for electricity production and feeding the industrial complex in Nagaa Hammadi near the aluminum production plant, to be implemented by the Norwegian company SCATEC, with an estimated investment of approximately 600 million USD.
- The establishment of the "Abidos 2" solar power plant with a capacity of 1,000 MW, to be implemented by AMEA Power, a subsidiary of Al Nowais Group from the UAE, with an estimated investment of approximately 1 billion USD.
- The establishment of the "Amunet 2" wind power farm in Ras Gharib, Red Sea Governorate, with a production capacity of 500 MW, to be implemented by AMEA Power, a subsidiary of Al Nowais Group from the UAE.
- The establishment of a 900 MW wind power farm as the first phase of a 5 GW project in West Sohag, to be implemented by the Norwegian company SCATEC, with direct foreign investments amounting to 5.7 billion USD.

List of Signed Private Sector Projects: Energy Pillar Projects with Feasibility Studies That are in Line with International Standards

Project	Investment Cost	Capacity (Wind/ Solar)	Development Partners
Red Sea Wind Farm Project GOS II – Orascom & Engie & Toyota	USD 725 Million	650 MW **Wind**	Japan International Cooperation Agency (JBIC) and EBRD
Abydos Solar Power Plant – AMEA Power	USD 500 Million	500 MW Solar + 300 MW Battery Energy Storage System	IFC, Dutch Development Bank (FMO), and JICA
"Amunet" wind farm	USD 600 Million	500 MW **Wind**	International Finance Corporation (IFC), the Japan Bank for International Cooperation (JBIC), Standard Chartered Bank, Sumitomo Mitsui Banking Corporation (SMBC), and Sumitomo Mitsui Trust Bank
Kom Ombo Photovoltaic Solar – ACWA Power	USD 182 Million	200 MW **Solar**	European Bank for Reconstruction and Development (EBRD), the OPEC Fund for International Development, the African Development Bank (AFDB), the Sustainable Energy Fund for Africa (SEFA) under the African Development Bank, the Green Climate Fund (GCF), the Arab Petroleum Investments Corporation (APICORP), and the Arab Bank
1.1 GW Wind Farm in Gulf of Suez - ACWA power & Hassan Allam Utilities	USD 1000 Million	1100 MW **Wind**	European Bank for Reconstruction and Development (EBRD), the British International Investment (BII), the DEG, a member of the German Development Bank (KfW), the OPEC Fund for International Development, the African Development Bank (AFDB), and the Arab Petroleum Investments Corporation (APICORP)
Ras Ghareb 200MW Wind – Masdar & Infinity	USD 125 Million	200 MW **Wind**	European Bank for Reconstruction and Development (EBRD) and other partners
"Obelisk" Solar Power Plant – SCATEC Norway	USD 600 Million	1,000 MW Solar + 200 MW by Battery Energy Storage System (BESS)	European Bank for Reconstruction and Development (EBRD), the British International Investment (BII), the African Development Bank (AFDB), and the U.S. International Development Finance Corporation (DFC)
Total	**USD 3900 Million**	**4.2 GW**	

Developmental Financing to Support the National Electricity Grid

- A project agreement was signed for the development of the smart grid with a total value of 53 million Euros, which includes a 3 million Euro grant. The project aims to increase the capacity of the "Abis transformer station" by 450 megawatts, reduce power loads in Abu Qir, support network stability after decommissioning low-power stations, and improve access to renewable energy from the Red Sea to the northern coastal region.
- The agreements for the establishment of the Regional Control Center project in Alexandria, valued at 60 million Euros provided by AFD, including 10 million Euros from the European Union, have been finalized and are expected to be signed in the first quarter of 2025.
- The agreements for the establishment of the Cairo 500 kV transformer station and the construction of the S4 economic line for evacuating energy from the Gulf of Suez power plant, with a total value of 200 million USD from the European Bank for Reconstruction and Development, including a 35 million Euro investment grant from the European Union, are being finalized, and the official signing is expected during the first quarter of 2025.
- The EIB has provided an EUR 800k grant from the EU to conduct the feasibility study of the Distribution Control Center - Phase 3 project and the consultant "Cowaters" was assigned to implement the study starting from Q1 of 2025.
- On other hand, coordination has been made between MoPEDIC, EIB and MoERE and they agree to finance a program for renewable energy worth EUR 900 million from the pledges dedicated by the EIB to NWFE program. An appraisal mission in 2025 will be conducted by the EIB and technical assistance will be provided to determine the specific needs for the aim of providing all possible facilities, with the electricity and renewable energy sector focusing on diversifying energy production sources, leveraging Egypt's natural resources, and increasing the share of renewable energy, positioning Egypt as a central hub.

Success Story of the Abidos Solar Power Project (500 Megawatts)

This marks Egypt's success in renewable energy projects, particularly solar energy, and follows up on the success story of the Benban Solar Power Plant in Aswan, which is considered the largest solar power plant for electricity generation in Africa and the Middle East. The goal of the project is to produce 2,000 megawatts of electricity, and the station is located in the Benban village, about 35 kilometers north of Aswan.

Aswan is one of the leading regions in Egypt and globally for solar energy generation, due to the continuous sunlight throughout the year and the vast unused desert spaces, making it an ideal location and a key center for large solar energy projects. These projects are a crucial part of Egypt's strategy for transitioning to renewable energy sources and reducing dependence on fossil fuels.

In December 2024, the Abidos Solar Power Plant project in Aswan with a capacity of 500 megawatts was inaugurated. The event was attended by the Prime Minister, the Ministers of Planning, Electricity, and Petroleum, the Governor of Aswan, ambassadors from the UAE and Japan, and representatives from international financing institutions that participated in financing the project. This project is one of the first renewable projects within the energy pillar of the NWFE program.

The power plant comprises more than one million solar cells, along with 1,920 substations and 64 transformation stations. Among these, there are the two largest main transformers in Africa and the Middle East, each with a capacity of 300 MW and weighing 255 tons. These transformers are the largest of their kind in the region, marking a significant achievement in Egypt's renewable energy infrastructure.

The power plant is designed to provide electricity to approximately 256,000 homes, contributing substantially to the country's energy needs. Furthermore, the station plays a crucial role in mitigating environmental impact, helping to reduce carbon dioxide emissions by about 760 tons annually, thus making a significant contribution to Egypt's efforts in combating climate change and reducing its carbon footprint.

Construction at the "Abidos Solar Power Plant" commenced in March 2023. The project stands as a testament to the strength of Egyptian talent, with 95% of the administrative staff for the project being Egyptian, while 100% of the workers on-site are Egyptian. This highlights Egypt's capacity to undertake large-scale, complex projects with local expertise.

During the peak of construction, the site employed approximately 3,500 workers. This reflects the scale and scope of the project and the extensive labor force required to bring such an ambitious renewable energy initiative to life. The project also achieved an impressive milestone by recording 4.9 million safe work hours, demonstrating the commitment to safety and the welfare of workers during the construction phase.

Debt Swap Agreement

As part of the continued cooperation between Egypt and Germany, the third tranche of the debt swap agreement has been signed, amounting to €54 million out of a total €104 million allocated within the Political Declaration signed during COP 27.

This agreement was finalized during the previous year. This financial agreement is critical to Egypt's energy transformation strategy, specifically the electricity transmission project under the "NWFE" program. The agreement was signed between the Ministry of Electricity and Renewable Energy, the Central Bank of Egypt, and the German Development Bank (KfW).

Currently, there is ongoing coordination with the Ministry of Electricity and Renewable Energy to utilize the new tranche of the debt swap, which amounts to €50 million, to finance high-priority electricity projects slated for 2025. This continues the strategic alignment between Egypt and its international partners to boost renewable energy infrastructure and foster sustainable growth.

Leveraging Development Partnerships

In order to ensure the maximization of benefits from the expertise of international multilateral and bilateral financing institutions, Egypt has adopted a collaborative approach. Coordination is taking place among various development partners involved in the energy sector to ensure that the work is divided efficiently and integrated seamlessly.

This approach aims to leverage the comparative advantage of each development partner, avoiding duplication of efforts or overlap in the activities carried out by any of the partners. The focus on maximizing the impact of these partnerships is crucial for Egypt's sustainable development goals and its ambitions to become a regional leader in renewable energy production.

Egypt's Efforts in Green Hydrogen Production

In light of the growing global demand for clean energy and the increasing interest in investing in new and renewable energy sectors, particularly the production of green hydrogen, Egypt has focused on positioning itself as a leading producer of green hydrogen at a highly competitive cost. Green hydrogen, produced using renewable energy sources such as solar and wind, is seen as a key element in the future global energy mix. Egypt's geographic advantages, including its abundant renewable energy resources and strategic location, give the country a unique opportunity to excel in green hydrogen production.

In response to this opportunity, the Egyptian government has established the "National Green Hydrogen Council" to coordinate and manage efforts related to the development of this emerging industry. This initiative is part of the country's broader efforts to localize the production of green hydrogen, aligning with the directives of His Excellency the President of Egypt to create a dedicated institutional body that will oversee all matters related to the green hydrogen sector. The council's mission is to unify Egypt's efforts to encourage investment in green hydrogen and its derivatives, aligning with sustainable development objectives and Egypt's broader economic and social development plans. This will ensure Egypt's competitiveness in the global and regional markets for green hydrogen and related industries.

The council is tasked with overseeing the implementation of the national green hydrogen strategy, which includes approving necessary policies, plans, and mechanisms to execute and update the strategy. The council also works to facilitate coordination among relevant ministries and organizations, proposing solutions to overcome obstacles to investment in the green hydrogen sector. In addition, the council is responsible for reviewing the existing legislation and regulations that govern the green hydrogen sector and recommending necessary updates. Furthermore, it will introduce a series of investment incentives designed to attract both local and international investors to Egypt's green hydrogen sector, further strengthening the country's position as a global hub for this future fuel.

The efforts made by Egypt in recent years to localize the green hydrogen industry are beginning to yield tangible results. The country has seen notable improvements in international rankings, particularly among Arab and African nations. The 2024 Climate Change Performance Index (CCPI) highlighted Egypt's progress, ranking the country 22nd out of 67 nations, a significant improvement compared to previous years. This ranking places Egypt ahead of other countries such as Algeria (ranked 54th), Turkey (ranked 56th), and the United Arab Emirates (ranked 65th). Within the Middle East and North Africa (MENA) region, Egypt secured the second position, coming just behind Morocco. The CCPI attributed this improvement to Egypt's proactive measures in investing in large-scale renewable energy projects, including the promotion of solar and wind energy installations.

Egypt's advanced position in the Arab world is also reflective of the number of green hydrogen projects that have been announced or are in the planning stages. As of March 2024, Egypt has announced or planned 33 green hydrogen projects, a significant portion of which are focused on the production of green hydrogen and green ammonia. These projects form part of a larger total of 103 such projects across the Arab region, illustrating Egypt's leadership in the development of the green hydrogen sector.

In addition to this, Egypt has launched an ambitious plan to localize green hydrogen production in the Suez Canal Economic Zone (SCZone). As part of this initiative, the Egyptian government has passed a new draft law that includes a package of incentives for green hydrogen production projects and their derivatives. This law aims to provide various incentives, exemptions, and guarantees to retain investors who have already signed memoranda of understanding or framework agreements in the field of green hydrogen production. The law also seeks to create an investment-friendly environment that will accelerate the implementation of green hydrogen projects in Egypt, positioning the country as a global center for green hydrogen production. This aligns with Egypt's long-term vision of utilizing renewable energy sources, such as solar and wind power, as the foundation for its green hydrogen industry.

The implementation of this law is expected to transform Egypt into a key player in the global green hydrogen market, with the potential to export this clean energy source to international markets. As green hydrogen emerges as a critical component of the future global energy mix, Egypt's investments in this sector will play a crucial role in supporting its transition to a sustainable and low-carbon energy future.

Article 2 specifies the scope of the law's application to green hydrogen production projects and its derivatives, which enter into project agreements within five years from the date of its enactment. These projects include facilities for green hydrogen production and its derivatives, water desalination plants, renewable energy-based power generation plants, and projects dedicated solely to the transportation, storage, or distribution of green hydrogen and its derivatives. It also covers projects focused directly on manufacturing the necessary components or production inputs for green hydrogen production plants and their derivatives.

Article 3 provides certain guidelines for establishing project companies, the applicable laws, and the maximum duration of project agreements. Additionally, the article requires that expansion agreements be concluded within seven years from the commencement of the project's commercial operations. This condition ensures that both green hydrogen production projects and their future expansions can benefit from the incentives specified in the law.

Article 4 grants various tax incentives to green hydrogen production projects and their expansions, governed by the provisions of this law. The most significant of these incentives include a cash investment incentive named the "Green Hydrogen Incentive," which ranges from 33% to 55% of the tax paid, in accordance with the income tax on revenues generated from the project's activities or its expansions, as applicable.

Egypt's Efforts in Green Hydrogen Production

In light of Egypt's efforts to create an enabling environment for green hydrogen production, the Egyptian government, represented by the Ministry of Planning, Economic Development, and International Cooperation, has reinforced both bilateral and multilateral cooperation with various development partners to provide technical and financial support for green hydrogen projects.

These efforts have materialized through the signing of several agreements, including:

- **Partnership with the European Bank for Reconstruction and Development** (EBRD): In coordination with the Ministries of Electricity and Renewable Energy, and Petroleum and Mineral Resources, this partnership aims to implement Egypt's national green hydrogen strategy and evaluate the feasibility of a low-carbon hydrogen market in Egypt.
- **European Investment Bank (EIB) Support:** The European Investment Bank (EIB) remains committed to supporting Egypt's green hydrogen goals, particularly following the announcement of Egypt's national carbon reduction strategy. This commitment aligns with the strategic partnership between Egypt and the European Union, announced in March 2024.
- **Due Diligence for Green Hydrogen Projects:** The EIB is currently conducting due diligence on one green hydrogen project in Egypt. Furthermore, the EIB has signed a letter of intent with Norwegian company Scatec, expressing interest in supporting a green ammonia project in Damietta.

Cooperation with Norway in Green Hydrogen & Renewable Energy

- Egypt and Norway share historically strong economic relations, which have translated into concrete projects benefiting both economies. The Ministry of Planning, Economic Development, and International Cooperation has prioritized providing the necessary support and mobilizing the required financing through development partners to facilitate Norwegian companies' investments and expansion, particularly in the fields of renewable energy, green hydrogen, and ammonia production, in line with Egypt's ambitious strategies.
- Norwegian company Scatec has invested approximately $10 billion in several projects in renewable energy, green hydrogen, ammonia, and water desalination. This investment complements Egypt's efforts to achieve its clean energy transition, aiming for 42% of the country's energy from renewable sources by 2030 and contributing to Egypt's Nationally Determined Contributions (NDCs).
- The new partnerships with Scatec reinforce the active collaborations between the public and private sectors and development partners, aimed at fostering a green transition. These partnerships also build on existing collaborations, as Scatec has already contributed to the implementation of the Benban solar power project—one of the largest solar power parks in the world—and the first green hydrogen plant in the Suez Canal Economic Zone, in cooperation with the EBRD and other partners.

The Ministry of Planning, Economic Development, and International Cooperation continues to support international partnerships and mobilize both domestic and international financing to bolster Egypt's green transition and increase the number of environmentally friendly projects. Below is a portfolio of cooperation with Scatec, which falls under the energy sector in the NWFE Program:

Egypt Green Hydrogen Project

- Launched in 2021, the project aims to develop, construct, and operate a 100 MW green hydrogen production plant in the Ain Sokhna Port, where it will be converted to green ammonia at Egypt's Fertilizer Company and exported through the project company "Egypt Green Hydrogen S.A.E.," a consortium involving Scatec, Fertiglobe, Orascom Construction, and the Sovereign Fund of Egypt.
- The project aims to produce about 13,000 tons of green hydrogen annually, which will be converted into approximately 74,000 tons of renewable energy-produced ammonia (equivalent to 3 million tons over the project's lifetime). It also includes the construction of two power plants, solar and wind, with a capacity of 270 MW to supply hydrogen production and ammonia manufacturing processes.
- The project is expected to create 1,330 job opportunities during construction, operation, and maintenance stages, and generate 70,000 tons of green ammonia annually (equivalent to 140,000 tons of CO2 emissions annually, or 3 million tons over its lifetime).
- The project's total cost is $500 million, with financing from international financial institutions and development partners, including the EBRD, EIB, British International Investment (BII), KFW, U.S. International Development Finance Corporation (DFC), and the Green Climate Fund (GCF).
- During the Hamburg Sustainability Conference in Germany in October 2024, a €30 million grant agreement was signed for the green hydrogen project in Egypt between Scatec and the PTX Hydrogen Mechanism.

Green Ammonia Production Project in Damietta

- The initial investment cost for the project is estimated at $890 million, with a production capacity of 150,000 tons of green ammonia annually. The project aims to generate 480 MW of renewable energy from wind and solar power.
- It is part of Egypt's strategy to establish itself as a green hydrogen hub and deepen the local production of green ammonia.
- During the Egyptian-European Investment Conference, the Egyptian Petrochemical Holding Company and Egypt's Mopco Fertilizer Company signed an agreement with Scatec and Norwegian company Yara to produce green ammonia.

1 GW Solar Energy Project with Energy Storage Solutions (BESS)

- This is Egypt's first solar energy project utilizing energy storage solutions, with an estimated investment of $600 million.
- A 25-year Power Purchase Agreement (PPA) has been signed with the Egyptian Electricity Transmission Company to implement Egypt's first hybrid solar and battery energy storage project.
- The project will be financed by the EBRD, African Development Bank (AfDB), BII, and the DFC.

1 GW Solar Power Plant for the Aluminum Complex in Nagaa Hammadi

- This project aims to establish a 1000-megawatt solar power plant equipped with 200-megawatt hour storage batteries for sale to Egypt Aluminum Company. The project's investment cost is approximately 650 million US dollars. The project will convert 60% of Egypt Aluminum Company's energy consumption to clean electricity, preserving its exports to Italy while avoiding the Carbon Border Adjustment Mechanism (CBAM) on its products exported to Europe, which will come into effect from 2026. The project will also contribute to preserving Egypt Aluminum Company's foreign exchange earnings from its exports to secure its raw material needs without interruption.
- The project will also help maintain foreign currency earnings from the company's exports, securing its raw material needs without interruption.
- An agreement has been signed between Scatec and Egypt's Aluminum Company for the establishment of the solar power plant.
- The project is part of the comprehensive development plan for Egypt's Aluminum Company to increase production capacities and introduce new products, aligning with the global transition to a green economy and maintaining sustainable manufacturing standards.
- Coordination is underway with international financial institutions and development partners to provide necessary financing, including the EBRD, EIB, BII, AfDB, and DFC

Future Plan for the Energy Axis under the NWFE Program

Work will continue with development partners, building on the progress made over the past two years. The focus will be on leveraging innovative financing mechanisms, including debt swaps, utilizing available grants, and increasing private sector participation through the remaining investments from the $10 billion fund. Below is a summary of the remaining financing:

Availing the Financial Commitments as per the Joint Political Declaration

- Utilize the remaining debt swap, concessional financing, and grants from the German side: The Ministry of Planning, Economic Development and International Cooperation, in coordination with the Ministry of Electricity and Renewable Energy, is currently finalizing project proposals for implementation in collaboration with the German government using the remaining financing allocated for the energy axis of the NWFE Program, amounting to €151 million. This will be used in the form of debt swaps, concessional financing, and financial grants.

In addition to U.S. commitments in the form of $35 million in grants, which are divided as follows:

- $10 million through USAID, with $5.5 million allocated to clean energy activities under the first amendment of the Climate Initiative Agreement signed in September 2023.
- $25 million to be allocated through the U.S. Department of State to the European Bank for Reconstruction and Development.

Continuing to Secure Financing for Private Sector Investments Totaling $10 billion

- Since the launch of the NWFE Program, efforts have resulted in securing $4 billion for private sector investments in renewable energy projects (wind/solar). Work will continue to build on these achievements and secure necessary financing for private sector investments in the coming period.

Activation of the Grant Platform and Concessional Development Financing

- Efforts will continue to ensure the timely implementation of energy axis activities and components within the scheduled time frame.

Food Pillar

Main Outcomes & Achievements of the Technical Designing Phase for NWFE Food Pillar Projects

As highlighted in the first-year progress report of the NWFE Program, since 2023, the Ministry of Planning, Economic Development and International Cooperation has worked with key Development Partners and national line ministries on technical designing of food Pillar projects. The main objectives of this phase include the following:

- Ensuring integration and synergy between various projects, especially considering the shared scope and targeted geographic areas, and avoiding duplication in feasibility studies and technical reports, which will positively impact the financial structure of the projects.
- Maximizing the benefit from available resources provided by development partners, requiring the development of project components and operations to cover a broader developmental scope.
- Ensuring just allocation of development interventions to achieve rural sustainable development and enhance the resilience of agricultural communities across various governorates.

The exerted efforts with development partners, along with the Ministry of Agriculture and Land Reclamation and the Ministry of Water Resources and Irrigation, have successfully set the general framework for the food pillar projects, as outlined in the diagram on the next page.

Outcomes of the Technical Designing Phase for Food Pillar Projects

Project: Climate-Resilient On-farm Water Management in the Nile Valley (CROWN)

Geographical Scope	Line Ministry	Development Partner
The project areas were selected based on National needs and priorities, considering the national strategy for irrigation system development and ensuring just allocation of developmental projects across the country. Special attention was given to areas heavily impacted by climate change, with a focus on improving living conditions in the poorest regions, covering Middle and Upper Egypt.	Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation.	The International Fund for Agricultural Development (IFAD)

The detailed technical design report for the project, including the financial framework, was completed in the second year, with collaboration with the International Fund for Agricultural Development (IFAD)

Project: Climate-Resilient Agri- Food Transformation (CRAFT)

Geographical Scope	Line Ministry	Development Partner
The project areas were determined based on the needs and priorities of national authorities, with a focus on developing modern irrigation systems in the Delta (aligned with the "Hayat Karima" initiative) and implementing a nationwide early warning system.	Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation.	The World Bank

During the second year, The project Technical designing has been finalized.

Project: Adaptation of the Northern Delta Affected by Sea Level Rise - (Adaptation)

Geographical Scope	Line Ministry	Development Partner
The geographical scope of the project was identified based on the needs and priorities set by National Stakeholders, focusing on regions in the northern Delta of Egypt. The project is specifically focusing on five key governorates: Port Said, Damietta, Kafr El-Sheikh, Dakahlia, and Beheira. These areas are particularly vulnerable to the adverse effects of sea-level rise (SLR), making them critical for targeted intervention and climate adaptation measures.	Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation.	EU & EIB

The resources allocated for the Technical designing and consultancy services:
The European Union (EU)has allocated a grant of €125,000 to fund the consultancy services required for the preparation of the project studies and the design of the project. Additionally, the EIB has allocated €300,000 for preparing the technical studies and consultancy services.

First: Consultancy Services Funded by the European Union

- The consultancy team initiated their work on November 9, 2023, marking the official launching workshop of the technical studies and the preparatory phase of the project. These efforts were undertaken in close coordination with the relevant Egyptian ministries and technical team, ensuring that the project is designed to meet the needs of local communities while also adhering to international best practices.
- The study focuses on conducting a comprehensive analysis of Egypt's institutional, legal, financial, technical, and social landscape, with a particular emphasis on understanding how rising sea levels are impacting the country. This stage of the project involves an extensive review of existing policies, laws, and frameworks, assessing how they can be strengthened to address climate change and rising sea levels effectively.
- The study includes a thorough evaluation of the need for specialized non-financial services aimed at supporting the agricultural sector, particularly irrigation and coastal protection measures. Key to this process is engaging with local stakeholders through consultations and workshops. These sessions aim to refine financial strategies that support agricultural resilience and build a solid foundation for further development of adaptation initiatives.

The study also includes the preparation of several reports that will assess the impact of soil salinity on agricultural productivity in the affected areas. Three categories of land will be examined:

Salinity-Affected Lands

Lands that are directly impacted by rising salinity levels.

Rehabilitated Lands

Areas where soil rehabilitation measures have been implemented.

Normal Lands

Areas unaffected by salinity, serving as a baseline for comparison.

Another key objective of the consultancy services is to evaluate the existing land rehabilitation programs and propose improvements. The study will explore the feasibility of scaling up rehabilitation efforts and will assess the current state of soil treatments and irrigation practices in the affected regions. The ultimate goal is to create a sustainable plan for the restoration of agricultural lands and to improve productivity through targeted interventions.

The study will include a series of components designed to explore the following critical areas:

Feasibility Assessment

This component will evaluate the potential for restoring lands affected by salinity through targeted soil treatments and updated irrigation practices, thereby determining the viability of large-scale rehabilitation efforts.

Market Analysis

A thorough examination of the current agricultural marketing system will be conducted, identifying gaps in the market and assessing the need for financial and non-financial support services for farmers.

Technical Challenges

This part of the study will focus on identifying the specific technical challenges faced by farmers in salinity-affected areas. It will also explore the ongoing need for technical assistance and training programs to enhance the capacity of local farmers.

Risk Analysis

The study will conduct a detailed risk analysis related to financing the rehabilitation of agricultural lands, particularly in terms of maintaining the improvements in land quality and ensuring the long-term sustainability of these efforts.

Second: Consultancy Services Funded by the European Investment Bank

The European Investment Bank (EIB) launched a parallel consultancy services in February 2024 that is expected to be finalized by the first quarter of 2025. Aiming to expand the scope of the project and identifying additional strategies for climate adaptation, the EIB's consultancy services are designed to complement the work already initiated by the EU-funded team, ensuring that all aspects of the adaptation plan are thoroughly addressed.

- The EIB consultancy team has been working closely with the relevant ministries and technical agencies in Egypt, ensuring that the project is designed with a comprehensive understanding of local challenges and opportunities. Their work is focused on identifying investment options and activities that can support agricultural production and enhance food security in light of the worsening effects of sea-level rise and climate change in the Northern Delta region.

The consultancy services focus on the following main objectives:

- **Enhancing Resilience:** Strengthening the ability of smallholder farmers and rural communities to adapt to rising sea levels and other climate-related challenges, ensuring they can continue to produce food and sustain their livelihoods.
- **Promoting Agricultural Diversification:** Supporting the development of diversified agricultural practices that can increase food security and provide resilient income sources in the face of extreme weather events, rising salinity, and other climate-related risks.

A key deliverable from this phase of the consultancy is the preparation of various studies and reports, including a detailed climate risk assessment and an adaptation report. These reports will help identify potential climate adaptation projects within the agricultural sector, ensuring that the projects proposed are aligned with local needs and are financially viable.

Project: Resilience for the Most Vulnerable and Marginal Regions

Geographical Scope	Line Ministry	Development Partner
The geographical scope for this project has been determined based on the National needs and priorities, with a focus on ensuring a just allocation of projects across all regions of the country. Particular attention has been given to the areas vulnerable to the impacts of climate change. The targeted areas for the project include the New Valley Governorate, Giza Governorate, and there is a possibility of extending the project to include parts of Central Sinai.	Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation.	Islamic Development Bank

Achievements During the Second Year of the Technical Designing

The Islamic Development Bank (IsDB) has allocated the resources required to cover the consultancy services for preparing the project technical designing. The design phase of the project has been completed, with a detailed project design document prepared.

General Framework and Details of the Project:

This project is intended to create integrated agricultural-industrial zones in the targeted marginal regions, improving the livelihoods of local populations by providing a comprehensive package of investments aimed at enhancing their productivity and socio-economic standing. The focus will be on value chains for the specific crops produced in these regions. By creating a structured, sustainable agricultural industry in these areas, the project aims to elevate local economies, increase food security, and mitigate the impact of climate change.

The project is composed of five main components, each crucial for the successful establishment of a resilient, agricultural-industrial ecosystem (detailed on the next page).

Component 1: Supporting Governance & Management Framework for Agricultural Industrial Areas

This component aims to provide robust support to the structures responsible for maintaining quality standards within agricultural industries. It will focus on building capacity within key government entities involved in project implementation, such as the Ministry of Agriculture and Ministry of Water Resources. Training, guidance, and partnerships between the public and private sectors will be essential in ensuring smooth governance and management of the project's components. Specific attention will be given to developing the skills required for agricultural processing industries. This component also includes detailed value chain studies for the various crops grown in the targeted regions and the preparation of necessary studies to identify mitigation and adaptation measures for the effects of climate change in the vulnerable governorates.

Component 2: Sustainable Infrastructure for Agricultural Industrial Development

This component addresses the establishment and enhancement of infrastructure required for sustainable agricultural industrial zones, including subcomponents such as:

- Preparing agricultural lands and establishing irrigation networks.
- Rehabilitating existing groundwater wells and implementing comprehensive water management strategies to meet the irrigation needs.
- Enhancing crop production and productivity, supporting the cultivation of crops suited to the local environment and in-demand in the market, and fostering livestock and grazing land development.
- Setting up industrial processing units that will add value to agricultural products, such as sorting and packaging stations for fruits and vegetables, dairy processing facilities, and automated slaughterhouses.

Component 3: Capacity Building for Sustainable Agricultural Processing

This component focuses on the promotion of smart agricultural practices and supporting advisory services related to environmentally friendly and sustainable farming techniques. Training programs will be designed to help farmers and community members acquire the necessary skills and knowledge to implement sustainable agricultural practices, manage agricultural processing operations, and effectively market their products. By improving agricultural practices, boosting productivity, and increasing profitability, the project will contribute to the long-term sustainability of local agricultural systems. The provision of equipment, training, consultancy services, and support to farmer organizations, unions, and water user associations will ensure effective capacity building.

Component 4: Social Infrastructure

The social infrastructure component addresses access to essential services, including education and healthcare, in the project areas. Emphasis will be placed on improving access to vocational education and training, particularly related to skills that are directly applicable to the agricultural industrial zones and small-scale processing industries. Special attention will be given to providing training programs that cater to the needs of youth, women, and those working in the agricultural sectors, helping them to gain new skills, improve productivity, and transition into more sustainable livelihoods.

Component 5: Development of Small & Medium Enterprises (SMEs) & Access to Financial Services

This component aims to prepare a program to foster the growth of small and micro enterprises within the project areas. The goal is to encourage the expansion of local businesses by providing them with the necessary tools to thrive. This includes offering access to financial services, business development support, and facilitating partnerships between local enterprises and larger companies involved in agriculture and agro-processing. By building a sustainable entrepreneurial ecosystem, the project will contribute to job creation, economic diversification, and long-term prosperity in the targeted regions.

Global Partnerships to Integrate With Egypt's Country Platform under the NWFE Food Pillar

Partnership with the United Kingdom (UK) for achieving Sustainable Food Security:

- The Government of the Arab Republic of Egypt, represented by the Ministries of Planning, Economic Development, and International Cooperation, and the Ministry of Agriculture and Land Reclamation, have signed a Memorandum of Understanding (MoU) in the field of Food Security with the Government of the United Kingdom (UK), represented by the UK Foreign, Commonwealth & Development Office. This MoU strengthens the strategic partnership between the two countries in the area of sustainable food security.
- The MoU aims to establish a strategic partnership between Egypt and the UK concerning sustainable food security. It will involve exchanging technical expertise and fostering bilateral cooperation. One of the key components of this partnership is the initiation of a pilot program designed to enhance local wheat production and promote sustainable agriculture in Egypt, focusing on areas of mutual interest.
- Additionally, the Ministry of Planning, Economic Development, and International Cooperation, in partnership with the Ministry of Agriculture and Land Reclamation and the British Embassy in Egypt, launched the project "Increasing Egypt's Food Security and Economic Stability through Supporting Wheat Smallholders - GrainSustain." This is the first practical implementation of the MoU between Egypt and the UK on food security, aiming to further develop a strategic partnership in this critical area.
- The technical support provided by the UK through this project, valued at £2 million, will be implemented over two years by Technoserve. The project aims to improve soil fertility for small-scale wheat farmers, with a focus on enhancing agricultural productivity by improving soil conditions and increasing efficiency. The project also focuses on strengthening the resilience of local wheat production to global price fluctuations, ensuring food security in the face of external shocks.
- The project will also contribute to climate change mitigation efforts by reducing carbon emissions and improving soil fertility practices, which have been linked to the overuse of chemical fertilizers. Through strategic partnerships with agricultural input manufacturers and companies purchasing crops (such as exporters and processors), technical support will be provided to ensure the availability of necessary products and services for small farmers. It is expected that improving soil fertility will reduce Egypt's wheat import dependency by 20-25%.

This expanded scope and focus will ensure that the project has a lasting and far-reaching impact on both the vulnerable regions targeted and the broader goal of enhancing Egypt's agricultural resilience and food security.

Water Pillar

Main Outcomes & Achievements of the Technical Designing Phase for NWFE Food Water Projects

NWFE has aimed to mobilize all national and international efforts to explore mechanisms for supporting the private sector in the execution of water desalination projects using renewable energy. This is in direct alignment with **Egypt's National Strategy for Water Desalination**, which prioritizes the establishment of seawater desalination plants across the country. In addition, there is a strong focus on localizing the technology and industry associated with solar-powered irrigation systems, particularly with the aim of expanding Egypt's use of solar energy in agricultural irrigation.

The main outcomes of the technical designing phase, executed in collaboration with various development partners, are as follows:

- **Support for line Ministries:** The platform has actively provided support to technical ministries to facilitate the rapid preparation of essential studies for the proposed projects. This approach seeks to alleviate the financial burden on the Egyptian state by securing the necessary resources to cover the costs of preparing these studies, ensuring that they can be completed in a timely and efficient manner.
- **Provision of Technical and Consultancy Support:** In addition to providing financial support, the platform has also focused on ensuring that technical assistance and consultancy services are readily available. This has allowed for the expedited tendering and contracting process for implementing the projects under the "Public-Private Partnership" (PPP) model. By leveraging resources from development partners, the platform has ensured that these projects move forward swiftly and effectively.

After finalizing the preparation of the required technical and economic studies for the water pillar projects, the platform intends to engage in further consultations with development partners and national stakeholders to accomplish the following key objectives:

Financial Tools

The platform aims to explore and evaluate potential financial mechanisms that could support the companies and investors involved in the implementation of these projects. A primary goal is to offer attractive financing terms that will ultimately decrease the cost of producing desalinated water, ensuring that the water remains affordable for all users.

Incorporating Global Best Practices

One of the core objectives is to integrate international best practices into the financing and execution of desalination projects. The platform is keen to learn from successful global experiences in the desalination sector and apply these lessons to optimize the financial and operational framework for projects within the NWFE Program.

Exploring Investment Opportunities for Localizing Solar Panel Manufacturing

The NWFE platform aims to explore opportunities to localize the solar panel manufacturing industry in Egypt. In doing so, the platform hopes to attract foreign and domestic investments, incentivize local manufacturing, and contribute to Egypt's overall renewable energy goals. By creating a thriving local solar panel industry, this would reduce the cost of solar technology and create new business opportunities, ultimately contributing to Egypt's energy transition.

Outcomes of the Technical Designing Phase for NWFE Water Pillar Projects

Project: Water Desalination Using Renewable Energy: (Mitigation and Adaptation)

Geographical Scope	Line Ministry	Development Partner
The geographic scope of the water desalination plants to be implemented has been determined based on Egypt's water needs and in accordance with the **National Strategy for Water Desalinatio**n. The project will establish five desalination plants, located across 4 governorates, including Port Said, Alexandria, Matrouh, and the Red Sea (two plants).	The Ministry of Housing, Utilities, and Urban Communities	The African Development Bank (AfDB)

Achievements in the Second Year of Technical Designing Phase

As part of its efforts to secure the necessary technical and financial support for preparing studies and the design of the water desalination project, the platform has succeeded in mobilizing grants from the **African Development Bank (AfDB)** — the key partner for the **NWFE** water pillar.

- A grant of **€500,000 from the African Water Facility (AWF),** an initiative managed by the AfDB to support water-related projects in Africa.
- A grant of **280,000 UA** provided by the **Middle-Income Countries Technical Assistance Fund (MIC TAF)**

Detailed Breakdown of the Grant from the African Water Facility (AWF)

Key Data:

- **The Donor:** The **African Development Bank (AfDB)**, acting as the administrator of the **African Water Facility (AWF).**
- **Recipient**: The **Ministry of Housing, Utilities, and Urban Communities**, which will be responsible for overseeing the implementation of the desalination projects.
- **Amount**: **€500,000** from the **African Water Facility (AWF).**

Objectives of the Grant:
The primary objective of this grant is to fund the preparation of essential upstream technical studies for the development of five renewable energy-powered water desalination plants. These plants will be built as part of a **Public-Private Partnership (PPP)** model, and their goal is to increase the water supply by **525,000 cubic meters per day across four key governorates.** The long-term objective is to enhance water security, especially in areas experiencing high levels of water scarcity.

Project Components

The desalination project will consist of two major components, each designed to address different aspects of the overall project implementation:

Component 1: Preparation of Technical Studies for Each Desalination & Renewable Energy Plants

This component involves the preparation of comprehensive studies and designs for the five desalination plants, each one integrated by one desalination plant, one renewable energy plant and connecting line. It will cover the following elements:

- Location suitability assessment
- Hydrology study (intake and disposal)
- Preliminary assessment of intake location and brine disposal
- Preliminary technical designs
- Tariff study and revenue analysis
- Preliminary cost analysis for the project and economic viability
- Detailed technical studies
- Detailed cost estimates for CAPEX & OPEX
- Economic and Financial viabilit
- Detailed Technical specifications including output parameters
- Prepare project information memorandums of all the selected options.

Component 2: Project Management and Strengthening of the Project Management Unit (PMU)

This component is aimed at ensuring effective project implementation and oversight. It includes:

- Financial management
- Procurement management
- Monitoring and evaluation
- Project implementation
- Reporting
- The strengthening of the PMU through the recruitment of different expertise required during the Project duration

Grant from the Middle-Income Countries Technical Assistance Fund (MIC TAF)

Key Information

- **The Donor:** African Development Bank (AfDB) from MICTAF resources
- **Recipient**: Ministry of Housing, Utilities, and Urban Communities
- **Amount**: 280,000 Units
- **Objectives of the Grant:** The overarching goal of this grant is to significantly contribute to Egypt's long-term water security by increasing the availability of desalinated water for a wide array of uses. This project is part of a strategic initiative to secure sustainable water sources in a country where water scarcity is a growing concern. The specific objectives of this grant include the preparation of essential environmental and social studies for the proposed desalination project, ensuring that the project is environmentally sound and socially inclusive. Additionally, the grant will support capacity building in the water sector, enhancing the expertise and operational readiness of the workforce involved in water management and desalination projects.

Through this initiative, the grant will facilitate the integration of desalinated water into Egypt's broader water management strategy, which is vital for addressing the country's increasing water demand, especially in arid and semi-arid regions. The grant is a key step in fostering sustainable development practices within the water sector, contributing to the achievement of the country's environmental, social, and economic development goals.

Components of the Project: The project consists of two main components, each aimed at addressing different aspects of the desalination initiative. These components will be implemented in a structured manner to ensure that both environmental and technical challenges are adequately addressed.

Component 1: Preparation of Environmental and Social Studies

This component will play a pivotal role in ensuring that the proposed desalination project is designed and implemented with due consideration to environmental sustainability and social equity required for the Public Private Partnership appraisal. The following activities will be supported under this component:

- Stakeholder Engagement Plans, ensuring that local communities have a voice in the design and implementation of the WaDRE
- Environmental and Social Impact Assessment
- Resettlement Action Plans with their livelihood restoration plans where applicable

Component 2: Capacity Building

This component will focus on strengthening the skills, knowledge, and institutional capacities of the stakeholders related to Public Private Partnerships and of the Implementation Unit involved in implementing the desalination project. Capacity building is a critical component of ensuring that the project is managed effectively and that its benefits are sustainable in the long term. The following activities will be undertaken under this component:

- PPP training
- Financial Audit
- Financial Management System
- Manual of Procedures
- All the activities related to the technical assistance management, monitoring and supervision, reporting and environmental and social safeguards performance.

Project: Scaling-Up Solar Pumping for Irrigation

Geographical Scope	Line Ministries	Development Partner
The geographic scope of the water desalination plants to be implemented has been determined based on Egypt's water needs and in accordance with the **National Strategy for Water Desalinatio**n. The project will establish five desalination plants, located across 4 governorates, including Port Said, Alexandria, Matrouh, and the Red Sea (two plants). • **19 Wells in the Shab Area:** These wells are managed by the General Authority for Groundwater (GAG) in the Kharga and Darb al-Arbaeen areas, which are central to the project's efforts to improve water access in the region. • **11 Wells in the Dakhla and East Owaynat Areas:** Located under the jurisdiction of the General Authority for Groundwater, these wells will be equipped with solar-powered pumps to improve the reliability and sustainability of water extraction for irrigation purposes. • **10 Wells in the Farafra Area:** These wells, also under the management of the General Authority for Groundwater, will be integrated into the project's solar pumping scheme to ensure that farmers in the region have consistent access to groundwater for agricultural activities.	• **Ministry of Water Resources and Irrigation:** Responsible for overseeing water resources management and ensuring the efficient allocation of water for agricultural purposes. • **Ministry of Trade and Industry:** Involved in supporting the industrial and manufacturing aspects of the project, particularly related to the localization of solar pump technology	The Arab Fund for Economic and Social Development

Achievements in the Second Year of Technical Designing Phase

During the second year, the project framework including the activities and components was developed through extensive consultations with national stakeholders, including the Ministry of Water Resources and Irrigation and the Ministry of Industry. These consultations helped refine the project's objectives, ensuring that the solar pumping system would meet the needs of farmers and rural communities while also promoting the efficient use of groundwater resources.

The project's studies aim to scale up the use of solar-powered pumps for groundwater extraction from wells. This is particularly crucial in regions like the New Valley Governorate, where the local population heavily relies on agriculture. By utilizing solar-powered technology, the project seeks to reduce reliance on fossil fuels, decrease operational costs for farmers, and improve the environmental sustainability of irrigation practices. **The key activities outlined in the project are as follows:**

Feasibility Studies and Surveys

Detailed surveys and technical evaluations will be conducted to assess the needs of local farmers and identify potential opportunities for solar pumping systems. These studies will also evaluate the current state of groundwater resources and assess the viability of solar pumping as a sustainable irrigation solution.

Economic and Financial Analysis

The studies preparation will conduct an in-depth analysis of the economic and financial benefits of solar-powered pumps for smallholder farmers and agricultural cooperatives. This analysis will look at the cost savings, the potential for increased crop yields, and the long-term financial sustainability of solar-powered irrigation systems.

Testing Solar Pumps

A series of pilot tests will be conducted to evaluate the performance of solar pumps in real conditions. This will include the design, installation, operation, and monitoring of the pumps. The project will focus on providing on job training to local farmers to ensure that they have the necessary skills to operate and maintain the solar pumps effectively.

Market Research and Support for New Manufacturers

In line with the project's goals to promote local manufacturing, studies will be conducted to identify new manufacturers of solar pumps and components. The project will provide support to these manufacturers, encouraging the development of a local market for producing solar irrigation systems.

Support for Implementation Mechanisms

The project will develop mechanisms to support the effective implementation of solar-powered irrigation systems across different agricultural contexts. This includes establishing financial support programs and incentive schemes for farmers, particularly those in remote rural areas, to encourage the adoption of solar technology.

Expansion Planning for Solar Pumping Systems

Based on international best practices and emerging technologies, the project will develop a comprehensive plan to scale up solar irrigation systems across Egypt. This plan will include strategies for replicating the success of the pilot projects in other regions, leveraging the lessons learned to improve future implementation.

Component of Industry Localization in the Project

The platform, in coordination with relevant partners, is seeking to develop a comprehensive study on the utilization of solar energy in irrigation systems. This study will emphasize the critical roles played by startups, manufacturers, and policymakers in fostering investment in solar-powered irrigation technologies. The primary objective is to explore the available investment opportunities for localizing solar panel production in Egypt and to create effective mechanisms and tools that will incentivize investors and attract private sector involvement. This effort will contribute to bolstering local industries and creating a sustainable green energy ecosystem.

The study will include the following components:

- **Preparation of a comprehensive list of components for solar-powered irrigation systems in Egypt:** This will involve identifying all the necessary components for the construction and operation of solar-powered irrigation systems. The list will cover essential equipment such as solar panels, inverters, pumps, controllers, batteries, and additional components required to ensure the optimal functioning of such systems across various agricultural settings.
- **Identification of local manufacturers of solar-powered irrigation system components in Egypt:** This step will compile a detailed list of local manufacturers involved in producing the various components needed for solar-powered irrigation. This list will be key in supporting local production capacities, enhancing industry competitiveness, and promoting technological innovation within the country's renewable energy and agriculture sectors.
- **Identification of importers of solar-powered irrigation system components in Egypt:** Alongside local manufacturers, the study will also identify and map out the existing importers who supply solar irrigation system components to Egypt. By evaluating both the domestic production and the import landscape, this effort will highlight potential areas for increasing local manufacturing while reducing dependency on foreign imports.
- **Conducting a preliminary feasibility study on the localization of the entire solar-powered irrigation system manufacturing industry in Egypt:** The feasibility study will examine the practicality of establishing local production facilities for all components needed for solar irrigation systems. This analysis will include an assessment of the cost structures, market demand, available technology, and regulatory requirements. Moreover, it will evaluate Egypt's capacity to develop a competitive advantage in this emerging industry, particularly in the context of a growing global demand for sustainable energy solutions.
- **Development of a comprehensive roadmap and policy framework to support the localization of imported components for solar-powered irrigation systems**: The roadmap will serve as a guiding document for policymakers. It will outline the key steps to be taken to incentivize the localization of imported solar irrigation system parts. The roadmap will also propose strategic **partnerships between public institutions, the private sector, and international organizations to support these efforts.**

International Partnerships to Support the Country Platform for the NWFE Program in the Water Sector

Team Europe Initiative to Support the Green Transition in Water and Food Security

- During Cairo Water Week, held under the patronage of His Excellency President Abdel Fattah El-Sisi, President of the Arab Republic of Egypt, with the theme "Water and Climate: Building Resilient Communities," the Ministry of Planning, Economic Development, and International Cooperation, in collaboration with the European Union, launched the **"Team Europe Initiative."** This initiative represents a significant step forward in strengthening Egypt's partnership with the European Union to promote the green transition in key sectors such as water management, agriculture, and rural development. **The Team Europe Initiative** aims to tackle critical challenges in the water and agriculture sectors by addressing the urgent issues of climate change and resource management. The initiative focuses on improving environmental conditions, promoting sustainable agricultural practices, and fostering rural development. It supports Egypt's adaptation strategies in response to climate change and aims to increase the resilience of vulnerable communities, particularly those dependent on agriculture.
- The initiative also seeks to enhance Egypt's efforts to implement the **National Water Resources Plan** until 2037 and contribute to the strategic goals of Egypt's broader green transition. Specifically, the initiative will support the Egyptian government in the sustainable management of water resources, strengthening technical support in the water sector, enhancing food security through more efficient and sustainable agricultural practices, and fostering the development of resilient food systems. Additionally, the initiative will focus on improving rural livelihoods by providing support for small-scale farmers and addressing critical issues like water scarcity and land degradation. In addition, the initiative is a vital step toward enhancing both water and food security, which are essential for achieving inclusive and sustainable economic development in Egypt and aligned seamlessly with the country platform of the "NWFE" program, launched by Egypt during the COP27 climate conference.

International Alliances Supporting the Country Platform for the NWFE Program

Climate Investment Funds (CIF) - Nature, People, and Climate Program

The CIF NPC (Nature, People, and Climate) Program represents a transformative opportunity for Egypt to address its environmental and developmental priorities, building on its commitments outlined during COP 27 and the NWFE (Nexus of Water, Food, and Energy) Program. As a key initiative under the Climate Investment Funds (CIF), the NPC program aims to integrate climate resilience into key sectors, fostering sustainable growth and protecting vulnerable communities and ecosystems.

During COP 27, held in Sharm El-Sheikh, Egypt demonstrated its leadership in advocating for ambitious climate action in developing countries. The NPC program aligns with the outcomes of COP 27, emphasizing a just transition and equitable resource allocation. It builds on the commitments to mobilize finance for climate adaptation and mitigation, particularly in the Global South. The program contributes directly to enhancing resilience against climate change impacts, a cornerstone of the discussions and agreements at COP 27.

The NWFE program, a flagship initiative for sustainable development, provides a strategic framework for addressing the interconnected challenges of water security, food security, and energy transition. The CIF NPC program complements NWFE by focusing on integrated approaches that leverage natural resources sustainably while enhancing community livelihoods. The alignment ensures that both initiatives maximize their impact through synergies, reinforcing Egypt's broader climate and development goals.

The CIF NPC program focuses on four thematic components, each designed to address critical challenges and unlock opportunities for sustainable development:

Climate-Smart Agriculture (CSA)

This component aims to enhance the resilience of agricultural systems, promoting practices that increase productivity while reducing greenhouse gas emissions. It focuses on adaptive measures, such as drought-resistant crops and efficient water management, ensuring food security and rural livelihoods are safeguarded against climate variability.

Agribusiness and Finance

Leveraging private sector engagement, this component seeks to promote sustainable agribusiness models and expand access to finance for smallholder farmers and enterprises. By creating value chains that are both inclusive and climate-resilient, it facilitates economic opportunities in rural areas.

Coastal Ecosystems

Recognizing the vulnerability of coastal zones to climate change, this component prioritizes the restoration and sustainable management of these ecosystems. It includes measures to mitigate the impacts of sea-level rise, protect biodiversity, and enhance the livelihoods of communities dependent on coastal resources.

Private Sector Mobilization

To ensure long-term sustainability, this component focuses on engaging the private sector in climate action. It seeks to attract investments in green technologies, foster public-private partnerships, and scale up innovative solutions that drive economic growth while addressing environmental challenges.

By integrating the CIF NPC program with the vision and commitments of COP 27 and the NWFE program, Egypt is taking significant steps toward a resilient and sustainable future. The program's thematic components not only address immediate climate challenges but also pave the way for transformative economic and social development, ensuring that nature, people, and climate are at the heart of its age.

NWFE+ Program: Sustainable Transport Sector

General Introduction

Egypt's government action plan for the period (2024/2025 – 2026/2027), titled Together, We Build a Sustainable Future, represents a commitment to ongoing development and progress, with the aim of ensuring not only a better present but also a sustainable future for future generations. This plan places significant emphasis on four main pillars: the development of the Egyptian citizen and enhancement of their well-being, the creation of a competitive and attractive economy for investments, sustainable infrastructure development, and the facilitation of green energy solutions. At the core of the government's strategy is the aspiration to increase the contribution of the green economy to Egypt's Gross Domestic Product (GDP), with the goal of increasing public green investments to 55% of total public investments by 2026.

To achieve these ambitious objectives, the government is implementing a national investment plan designed to localize and deepen industrial production. This plan identifies 152 specific national investment opportunities aimed at bolstering the manufacturing sector, and is further supported by the launch of a comprehensive and dynamic investment map. This map presents a detailed overview of all available investment opportunities across various regions of the country, focusing on bankable projects that are expected to attract both domestic and international investment.

Among the many crucial sectors contributing to the achievement of Egypt's development goals, the transport sector has emerged as a central pillar of this strategy. Serving as a key "locomotive of development," the transport sector plays a significant role in shaping the future of the Egyptian economy. This sector has been vital in positioning Egypt as a regional leader in infrastructure development, contributing directly to an improvement in the nation's international rankings for road quality. In fact, Egypt has been recognized with numerous prestigious international awards for achievements in transport. Such recognition highlights the importance of transportation in national development and underscores the close interconnection between effective transport systems and a country's overall development. Modern, well-developed transport networks are integral to economic growth, urban development, and social integration, making them a cornerstone of Egypt's broader development strategy.

Over the past years, Egypt has made remarkable progress in improving its transport infrastructure, despite facing global economic challenges. This has been achieved thanks to the state's ongoing investments in the development and enhancement of logistics infrastructure, particularly in the transport sector, overseen by the Ministry of Transport. These investments have significantly improved Egypt's transport services, making the country an attractive destination for investment in logistics and transportation.

Government Efforts in Transport Sector Development, Considering Environmental Sustainability

The Egyptian Ministry of Transport has embraced a vision that extends beyond just facilitating the movement of passengers and goods. It is deeply committed to integrating sustainable development principles into every aspect of its operations, recognizing the need to strike a balance between social, economic, and environmental priorities. To achieve this vision, the Ministry of Transport has adopted a flexible and progressive approach that aims to expand Egypt's transportation networks, ensuring they connect the country with its regional and international neighbors. This is being done through the development of seaports, as well as land, rail, and river transport connections with neighboring Arab and African countries.

In line with the national commitment to sustainability, the Egyptian government has launched the country's first National Climate Strategy, which serves as a crucial roadmap for realizing several of the Sustainable Development Goals (SDGs) outlined in Egypt Vision 2030. This strategy focuses on improving the quality of life for Egyptian citizens across all aspects, including economic growth, social equity, environmental protection, and sustainability. The strategy is particularly concerned with ensuring that Egypt's development efforts are environmentally sustainable, taking into account issues such as climate change, renewable energy, waste management, agriculture, industry, and transport. Egypt's transport sector, in particular, has made substantial strides in aligning with global environmental objectives by prioritizing sustainable transportation systems.

The Ministry of Transport has taken proactive steps to address the challenges posed by climate change. In response, the Ministry has implemented a combination of mitigation and adaptation strategies aimed at both reducing the negative environmental impacts of transportation and ensuring that the country's infrastructure can adapt to the changing climate. These strategies include transitioning to more environmentally-friendly public transport systems and improving the resilience of existing infrastructure.

On the mitigation side, the Ministry has focused on reducing carbon emissions by promoting the use of electric-powered transportation systems. One of the core aspects of this strategy is expanding the use of electric and environmentally-friendly public transport systems. This includes the development of green mass transit projects that reduce reliance on diesel-powered vehicles and shift towards more energy-efficient and sustainable modes of transport. The introduction of electric buses, electric trains, and environmentally-friendly metro systems are key components of this transition, and they reflect the government's commitment to reducing Egypt's overall carbon footprint.

On the adaptation side, the Ministry of Transport has developed several projects aimed at improving the resilience of transport infrastructure to the impacts of climate change. These projects include the construction of wave barriers at key Egyptian ports to protect infrastructure from sea levels rising and extreme weather events. Such initiatives ensure that Egypt's critical transport infrastructure can continue to function efficiently despite the increasing challenges posed by climate change.

Egyptian citizens have also been instrumental in evaluating the success of the transportation system. Public response to the country's recent transportation improvements has been overwhelmingly positive, with citizens praising the quality, efficiency, and accessibility of services. The development of comprehensive transport networks within cities and between governorates has given Egyptians the freedom to move across the country with greater ease. Notable improvements in major transport hubs, such as Cairo's Ramses Railway Station, have also garnered public acclaim. Originally built in 1854, Ramses Station is the oldest railway station in Africa and the Middle East. Over the years, it has undergone several transformations, culminating in the station's transition to clean, renewable energy in 2023. This shift is part of Egypt's broader goal of enhancing the sustainability of its transport networks.

In the electric traction sector, Egypt has made significant strides in the development of green transport systems. The Ministry of Transport's green transport strategy includes the introduction of electric-powered mass transit systems, such as electric trains and buses, which are being increasingly deployed across the country. These initiatives align with Egypt's commitment to tackling climate change and ensuring that its transport systems are in line with global sustainable goals.

Recent Developments in the Sustainable Transport Sector within the NWFE Platform

The NWFE+ Program, launched in 2022 at COP27, represents a key milestone in Egypt's efforts to achieve its climate and sustainability goals. In coordination with the Ministries of Transport and Environment, the European Investment Bank (EIB), and other stakeholders, the program focuses on building an integrated network of green and sustainable transportation systems. The aim is to create a comprehensive network of eco-friendly transport systems that includes subways, railway lines, electric buses, and multi-purpose stations. These initiatives are part of Egypt's broader climate action efforts and align with the country's vision to support green projects in areas such as food security, agricultural productivity, resilience to climate change, and renewable energy expansion.

As outlined in the first annual report for 2023, key agreements were made between the Ministry of Transport, the European Investment Bank, and the Ministry of International Cooperation (at that time) to initiate preparations for the following projects under the sustainable transport sector:

- The Extension of the Cairo Metro Line - 1 to Shibin Al-Qanater.
- The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro).
- The construction of Al-Rubyki-10th of Ramadan-Belbeis Railway Line.
- Tanta-Al Mansoura-Damietta Railway Line Rehabilitation Project.

In 2024, as a result of the growing demand from the Ministry of Transport and the new government's focus on advancing the development of the country's railway network, additional projects were added to the sustainable transport pillar. Notably, the "Sherbin – Qilin – Damanhur Railway Rehabilitation" was added to the list of planned projects. Furthermore, the "The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro)" project was divided into two phases due to its large scale and the complexity of the initiative. These projects reflect the government's commitment to developing a modern, environmentally-friendly, and efficient transport system that can meet the needs of a growing population and contribute to the country's sustainability goals.

Efforts of the NWFE Program in the Sustainable Transport Sector

In the past, the Ministry of International Cooperation, in collaboration with the Ministry of Environment, launched the Country Platform for the NWFE Program. This initiative was initially focused on energy, water, and food sectors, under the NWFE Program, with the addition of the NWFE+ Program covering the sustainable transport sector. The launch took place in July 2022, with the active participation of various international development partners, including the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the French Development Agency (AFD), and the Asian Infrastructure Investment Bank (AIIB). The DPs, alongside several Egyptian ministries, have contributed to the establishment and development of these programs.

The initiative aimed to align the country's efforts with its broader sustainable development goals, integrating financial and technical support from international partners to promote environmental sustainability and enhance transport infrastructure. The collaborative approach focused not only on securing funding but also on coordinating expertise and resources to ensure the long-term success of these crucial sectors.

As a result of these early coordination efforts, several key milestones were achieved, one of the most significant being the signing of a partnership agreement for the sustainable transport sector under the Country Platform for the NWFE+ Program. This agreement was formalized in November 2022 between the Ministry of International Cooperation, the Ministry of Environment, the Ministry of Transport, and the financial institutions involved, namely the EIB, the EBRD, and the AFD. These partners collectively committed to providing substantial financial backing, amounting to €3.5 billion in concessional loans. The breakdown of these contributions includes €1.5 billion from the European Investment Bank, €1.5 billion from the European Bank for Reconstruction and Development, and €500 million from the AFD.

The EIB has played a central role not only in providing funding but also in coordinating with other international partners to provide technical assistance grants. These grants are intended to fund the necessary studies for the implementation of sustainable transport projects. Additionally, there is potential for further technical and investment grants from the European Union, which could provide further support to the success of these initiatives. Throughout 2023, the EIB and the AIIB coordinated together and agreed to cooperate alongside the European partners to strengthen cooperation and support the sustainable transport sector under the NWFE+ Program.

Executive Status of the Sustainable Transport Sector within the NWFE+ Program in 2024

List of Projects Under the Sustainable Transport Sector for 2024

The projects under the sustainable transport sector for the year 2024 encompass a diverse range of initiatives designed to enhance Egypt's transportation infrastructure and reduce its carbon footprint. The projects are specifically aimed at improving the railway and metro systems, which are key to providing sustainable and efficient public transport options across the country.

PROJECT	STATUS	CATEGORY	BENEFICIARIES
Extension of the 1st Line of the Metro to Shibin Al-Qanater	The agreement for Pre-Feasibility Study is under signature	Mitigation	Ministry of Transport (National Authority for Tunnels)
The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) - Phase II.	Preliminary Study in Progress		
The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) Phase III			
Construction of a Railway Line (Al-Rubiki-10th of Ramadan-Belbeis)	Project Agreements Signed		Ministry of Transport - Egyptian National Railways Authority
Tanta-Al Mansoura-Damietta Railway Line Rehabilitation Project	Project Under limplementation		
Sherbin Qellin Damanhur Railway Line Rehabilitation Project	Initial Study in Progress		

Achievements in 2024

During 2024, significant progress was made in implementing several projects under the NWFE+ Program. One of the notable achievements was the signing of agreements for the "Construction of the Rubiki - 10th of Ramadan - Belbeis railway line." This project, designed to build a 60-kilometer-long railway line connecting the dry port of 10th of Ramadan to Egypt's national railway network, was co-financed by international development partners. The French Development Agency committed €70 million in concessional loans, while the European Bank for Reconstruction and Development contributed €35 million in similar funding.

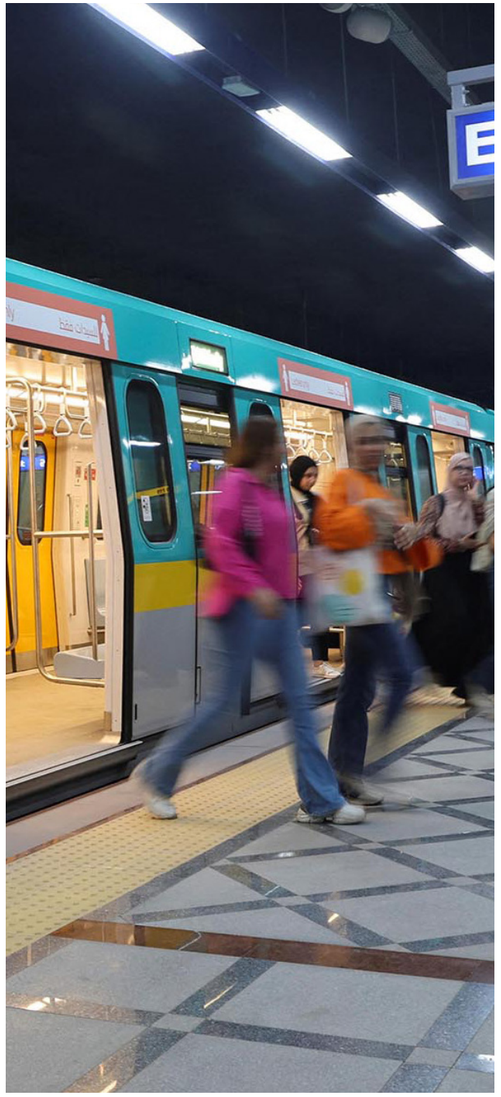
In addition to the funding agreements, a letter was sent to the European Investment Bank to request technical assistance grants for conducting comprehensive feasibility studies for a range of other critical transport projects. **These projects include:**

- **Extension of the Cairo Metro Line to Shibin al-Qanater**
- **The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro)**
- **Sherbin Qellin Damanhur Railway Line Rehabilitation Project**

In response to this request, the European Investment Bank dispatched a technical mission to Cairo from January 22 to 24, 2024. During this visit, a series of meetings were held with the Ministry of Transport, its affiliated authorities, European development partners, and the Asian Infrastructure Investment Bank. These discussions focused on the future of the projects agreed upon under the sustainable transport sector and were aimed at refining the implementation strategy. The outcomes of these meetings led to an agreement to finance these projects through a framework loan, a method that was also used for the financing of the Abu Qir Metro, Raml Tram, and the Cairo Metro Line 2 project back in 2020.

The framework loan is expected to streamline the process of securing approval for these projects, making it more efficient by obtaining simultaneous approval from both Egyptian authorities and the bank's management for all three projects. This structure also allows for the provision of favorable loan terms, potentially lasting up to 30 years with a grace period of 6 to 7 years. This approach will facilitate easier project preparation and implementation. The additional contributions from other development partners will follow the procedures and regulations of each partner, with the Ministry of Transport already expressing provisional approval for the proposed framework.

The next phase involves completing the feasibility studies for these key projects, with funding from the European Investment Bank and other development partners. Once these studies are finalized, they will pave the way for the full-scale implementation of the projects, all aimed at enhancing the sustainability and efficiency of Egypt's transport infrastructure.



Technical Support & Financial Contributions for Sustainable Transport Projects in Egypt

As part of the ongoing collaboration between European development partners, the Ministry of Transport, and the Ministry of International Cooperation (as it was previously named), a series of agreements were made to facilitate the financial and technical support necessary for the implementation of Egypt's sustainable transport initiatives. In particular, a financial contribution of €3 million was secured from the **European Investment Bank (EIB),** aimed at providing essential technical support for the preparation of preliminary studies and feasibility assessments for the three major transportation projects identified under the framework of Egypt's transport sector reform. Additional funding was also secured through coordination with the **European Bank for Reconstruction and Development (EBRD)**, further bolstering Egypt's efforts in preparing these essential studies for approval and implementation.

The aim of these studies is to ensure that the projects meet the necessary technical, economic, and environmental standards before internal approval is granted. Up to the present date, the following financial contributions have been made to advance these crucial studies:

- **€1.438 million grant** from the **Spanish government** was allocated to fund the feasibility study for the extension of **Cairo Metro Line 1 from New Marj to Shebin El-Qanater,** which is being carried out by the Spanish consulting company **Typsa**. This grant will help in completing the essential preliminary work for this major metro extension project. The agreement for executing the project is in its final stages and is expected to be signed soon, marking the beginning of the study's implementation.
- **€1.5 million grant** from the **European Investment Bank (EIB)** was secured to finance the feasibility study for the extension of Cairo Metro Line 1 from **New Marj to Shebin El-Qanater.** This project is set to kick off shortly, with necessary procedural actions, including procurement and administrative preparations, currently being finalized.
- **€70,000 grant** from the **European Bank for Reconstruction and Development (EBRD)** will fund the preliminary study for the extension of the Alexandria **Abu Qir Railway Line**, which will be converted into an **electric metro system (the Alexandria Metro).** This project aims to enhance the city's public transport infrastructure, addressing the need for cleaner and more sustainable transport options. The study will form the foundation for future investment in the metro system.
- **€70,000 grant from the European Investment Bank (EIB)** was allocated to finance the preliminary feasibility study for the development of the **Sharbain-Qellin-Damanhur Railway Line**. This project is critical for enhancing rail connectivity in the northern part of Egypt, promoting greater integration of the transport network, and facilitating economic development in the region.

These financial contributions are part of Egypt's broader efforts to modernize its transport sector and reduce carbon emissions by transitioning to more sustainable means of transport. This is particularly relevant in light of Egypt's ongoing commitment to global sustainability goals and the **2030 Vision.**

Approval and Further Developments

In mid-June 2024, the **Board of Directors** of the European Investment Bank provided preliminary approval to begin evaluating the projects within the **sustainable transport sector,** as part of a broader financing framework. Approximately **€2.6 billion** was allocated to Egypt for this important sector, specifically aimed at financing the three transportation projects, with a focus on ensuring that they align with Egypt's long-term development goals in the transport sector. The funding will allow for comprehensive studies and project preparations that will inform future decision-making.

Additionally, in late June and early July 2024, the **EIB** dispatched its first evaluation and study missions to Egypt. These missions were conducted with the participation of **EIB engineers**, specialized in railway systems and electric traction. These engineers collaborated closely with technical teams from the **Egyptian National Railways and the Egyptian National Authority for Tunnels**, conducting field visits to the three railway lines slated for development. Several high-level meetings were also held between all stakeholders, which included the Ministry of Planning, the Ministry of International Cooperation, and other relevant authorities. These meetings focused on reviewing the project status, discussing technical details, and addressing any concerns raised by the local authorities.

The EIB's missions were also aimed at ensuring that the project scope is aligned with international standards and that Egypt is well-positioned to receive the financing needed to complete the studies and proceed to the next phases of implementation.

Coordination with Other Partners

The European Investment Bank is currently coordinating with other development partners, including the **Italian, Swedish, and Spanish governments**, to fill the financial gap in the projects. These partnerships are expected to play a key role in providing the necessary funding and **technical assistance** grants, which will be essential for the further development of these projects. The support will be critical not only for bridging the funding gaps but also for ensuring that Egypt benefits from international expertise and best practices in the planning and execution of its transport projects.

Despite these significant contributions, there is still a need for approximately **€7 million** in additional funds to complete the ongoing feasibility studies, conduct necessary **environmental and social assessments**, and carry out **resettlement studies** where required. These efforts will continue to evolve, with further funding expected to be secured in subsequent phases. Furthermore, the **UK government** has also expressed its interest in extending its cooperation with Egypt through the **Country Platform for the NWFE Program,** particularly focusing on the sustainable transport sector. This collaboration is expected to include contributions from the **UK Export Finance (UKEF)**, supporting Egypt's ambitions in this critical sector.

Preliminary Financing Contributions for Sustainable Transport Projects

Based on the results of the initial evaluation missions, preliminary financing contributions have been agreed upon with development partners for each of the sustainable transport projects. These amounts are subject to adjustment depending on the results of the ongoing studies and feasibility assessments. **Below is a summary of the agreed-upon financing structure for each project:**

Project	Total Cost	Initial Contributions	Funding Gap
Extension of the Cairo Metro Line to Shibin al-Qanater	€1.5 billion	€750 million (EIB), €200 million (EBRD), €200 million (AFD), €225 million local contribution	€750 million
The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) - Phase 2	€2 billion	€1 billion (EIB), €200 million (EBRD), €200 million (AFD), €200 million (AIIB), €300 million local contribution	€1 billion
The extension of the Abu Qir Railway Line Rehabilitation Project in Alexandria and its transformation into an electric metro (Alexandria Metro) - Phase 3	€1 billion	€500 million (EIB), €100 million (EBRD), €100 million (AFD), €100 million (AIIB), €150 million local contribution	€50 million
Sherbin Qellin Damanhur Railway Line Rehabilitation Project	€500 million	€250 million (EIB), €250 million local contribution	

These funding structures highlight the strong commitment from international development partners to support Egypt in achieving its transport modernization goals. The financing contributions will play a pivotal role in reducing the financial burden on the Egyptian government while simultaneously fostering greater cooperation between Egypt and its international partners.

Future Plan for the Sustainable Transport Sector under the «NWFE+» Program

Looking ahead to **2025**, the Ministry of Transport plans to continue its focus on completing all necessary studies and assessments for future transportation projects within the **sustainable transport sector.** This includes identifying additional funding sources to secure more grants for the preparation of technical, environmental, and social studies, which are necessary for the smooth execution of these projects.

In addition to securing grants for pre-implementation studies, the **Ministry of Transport** will continue its efforts to mobilize investment funds during the implementation period. This will involve creating an enabling environment for **private sector participation,** recognizing the crucial role that private enterprises play in financing and executing large infrastructure projects.

A key priority will also be to further integrate **industrial localization** into the project's design and implementation phases. The **Ministry of Industry and the Ministry of Transport** are working together to explore ways to enhance the local production of materials and components used in the transport sector. This will not only boost Egypt's economy but also support the creation of new jobs and skills in the local workforce.

Furthermore, discussions with international stakeholders will continue in order to create new opportunities for **private-public partnerships (PPP)**, where the private sector will have the chance to invest in and contribute to the success of these projects. As part of this, Egypt will seek to **increase local conten**t in the transportation projects, involving both European and Egyptian factories in the execution process. This will ensure that local industries benefit from the implementation of these ambitious transport modernization projects, and qualified Egyptian companies will have the opportunity to participate in the international bidding processes for large-scale infrastructure projects.

وزارة التخطيط والتنمية الاقتصادية
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