



11 November 2022

Political Statement on Egypt's NWFE Platform and NDC

Declaration from the Governments of the Arab Republic of Egypt, the Federal Republic of Germany, and the United States of America on Accelerating Egypt's Energy Transition

Noting that Egypt has developed its first integrated National Climate Change Strategy (NCCS) which provides the goals, objectives, strategic directions, and priority policies to be implemented until the year 2050;

Noting further that Egypt has developed low emissions development pathways until 2030, which were the basis for developing the updated NDC that Egypt submitted in July 2022 to the UNFCCC secretariat and is intending to revise it again; and that Egypt identified the programs and measures that are required for the implementation of its updated NDC, and a priority list was accordingly developed, with the first batch of such priority programs and projects packaged under the Nexus of Water Food and Energy – NWFE – Country Platform;

Underscoring that NWFE نُؤَفِّي integrates a set of high priority projects for adaptation and mitigation, bundled around the nexus of the three main pillars of Water, Food, and Energy and selected through a prioritization process led by the Government of Egypt with total investment of \$14.7 billion sought to be mobilized as a critical step in implementing Egypt's updated NDC;

Recognizing the need for accelerated action to implement the Paris Agreement, including its goals related to mitigation, adaptation and finance, in order to avoid the worst climate impacts on our countries, our people and the environment;

Noting that, in order to keep the 1.5°C global warming limit within reach and thereby avoid the worst impacts of climate change, the international community needs to halve global net CO₂ emissions by 2030 and collectively reduce net greenhouse gas emissions by 43% below 2019 levels by 2030;

Underlining the consequent urgency of decarbonizing energy systems by increasing energy efficiency and by accelerating the retirement of coal power as part of the phasing down of fossil fuels and enhancing the deployment of renewables, through pathways that take into account the need for a just transition;

Emphasizing the need to tackle all greenhouse gas emissions, including methane emissions;

Reiterating that sustainable and appropriate financing from bilateral development partners, multilateral institutions, and investors is required to enhance support for Egypt's transition and that additional support, including financial support, enables greater climate action and ambition; and

Embracing the opportunities for industrial innovation to create quality green jobs, increase renewable energy generation, and drive sustainable economic growth for a resilient and potentially net zero Egyptian economy.

Egypt, in line with its development needs and targets and national policies and regulations, intends to:

1. Accelerate development and deployment of renewable energy, including a balanced mix of wind and solar, via an electric power contribution target of 42% installed capacity by 2030, as communicated in a revised Nationally Determined Contribution submitted by June 2023;
2. Decrease dependence on natural gas in its electricity sector, including by decommissioning 12 inefficient gas-fired power plants with a total capacity of 5 GW;
3. Announce the revised Energy Strategy to scientifically calculate the new target of Egypt's energy mix, by COP27; and
4. Kick-start the development of Green Hydrogen by opening the space for the significant renewable capacity required for the energy sector, noting that the National Green Hydrogen Strategy, prepared jointly with the European Bank for Reconstruction and Development, has been finalized and will be unveiled during COP 27.

Moreover, and beyond the Energy Pillar in NWFE, Egypt intends to:

6. Enhance cooperation with partners to mobilize resources aiming at significantly reducing methane emissions from the oil and gas sector by strengthening and enforcing policies and regulations to eliminate routine flaring and venting and require routine leak detection and repair, and further consider undertaking methane emissions reductions in the waste sector including through promoting organics diversion and landfill gas capture;
7. Expand the use of zero-emission vehicles, sustainable public transport and other solutions for reducing greenhouse gas emissions from transport; and
8. Develop and adopt an ambitious 2050 long-term strategy with a view to explore a net zero greenhouse gas emissions target.

Recognizing Egypt's efforts in accelerating its green transition through inaugurating Egypt's Country Platform of NWFE Program, Germany and the United States intend to:

1. In line with budgetary procedures and consensus on the use of funds and terms on which finance may be provided, mobilize an initial amount of more than \$250 million to support the Energy Pillar of NWFE through expected support of 85 million Euro equivalent in grants, 100 million Euro in debt swap and 100 million Euro in highly concessional loans; and
2. Leverage Egypt's Country Platform of NWFE Program and assist in mobilizing additional sources of financing, including bilateral development finance institutions, and engage additional international partners, to further support Egypt's climate mitigation and adaptation ambition.

Underlining the need to scale financing towards low carbon development pathway, Germany and the United States intend to:

1. Mobilize additional funding and financing to support methane mitigation across all sectors, expansion of zero emissions vehicles and other solutions in the transport sector, and the aspiration to set a net-zero target, including through in-kind and technical assistance, bilateral investment support, grants and concessional loans, and partnership with multilateral development banks.