

# CLIMATE INVESTMENT FUNDS

## CTF INVESTMENT PLAN

### Egypt

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Egypt's economy has been growing substantially in recent years, with a corresponding rapid increase in energy consumption. As a result, under business-as-usual conditions, Egypt could face a 50 percent increase in greenhouse gas (GHG) emissions from 2007 levels in the electricity sector alone.



Electricity and transport contribute over 70 percent of the country's GHG emissions.

The CTF Investment Plan for Egypt addresses the country's objective of meeting its rapid growth in energy demand with increased application of renewable resources, especially wind and solar, and an advanced urban transport system. The CTF Investment Plan financing, blended with financing from the World Bank Group, the African Development Bank, bilateral development agencies, private sector and other sources, will provide \$300 million for this objective.

Through the Investment Plan, the country, considered a leader in the region on renewable energy, hopes to catalyze a 7200 MW wind power capacity by 2020, which will take the country a long way toward meeting its target of 20 percent of energy from renewable sources by 2020. In addition the Investment Plan seeks to induce a modal shift to lower carbon, less polluting, safer and affordable urban transport systems.

The Investment Plan identifies two priority investment areas:

**Wind Energy.** Egypt has some of the greatest potential for wind power in the world. The government and partners have already financed 400 megawatts with another 600 megawatts of wind-power capacity planned, but lack of infrastructure and financing may delay completion by three to five years.

The government plans to use \$150 million in CTF money to co-finance a high-capacity transmission system from the wind farms in the Gulf of Suez to serve

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CTF financing: **\$300 million**

Co-financing: **\$1.9 billion**

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### Project Approvals

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#### Wind Power Development

CTF Approval Date: May '10

CTF financing: **\$150 million**

Co-financing: **\$400 million**

Partner MDBs: **World Bank**

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heavily populated areas such as Cairo. In addition, CTF funds will support private sector investments in wind power generation.

### Egypt's Energy Sector Strategy

- increased use of efficient fossil-fuel generation technologies
- large scale development of renewable resources with goal of 20% installed generation capacity in renewables by 2020
- stepped-up efforts for more efficient electricity consumption

**Clean Transport.** CTF funds will accelerate Egypt's urban transport plans, including light rail and bus rapid transit development, expected to accommodate 5 million passengers daily in Greater Cairo.

Half of Egypt's vehicles operate in the area and account for 20 million motorized person trips a day and about 13 million tons of CO<sub>2</sub> a year. The economic and environmental costs of the megacity's pollution and traffic congestion have been considerable. To alleviate traffic and reduce CO<sub>2</sub> emissions by about 1.5 million tons a year, the government is planning six new bus rapid transit corridors in Cairo, and light rail transit to connect Cairo with fast-growing suburbs. The plan also calls for replacing 613 old and polluting public minibuses with 1,310 large clean technology buses.

### What is the CTF?

The Clean Technology Fund (CTF) is a multi-donor trust fund created in 2008 as part of the Climate Investment Funds (CIF) to provide scaled-up financing for the demonstration, deployment and transfer of low carbon technologies that have a significant potential for long-term greenhouse gas (GHG) emissions savings. CTF resources amount to approximately \$4.5 billion (based on exchange rates on the initial CIF pledging date of September 25, 2008) pledged by contributors (Australia, France, Germany, Japan, Spain, Sweden, United Kingdom, United States). The CTF supports a selected series of investment plans that meet the criteria of significant GHG emissions savings, demonstration potential at scale, development impact and implementation readiness.

