webinar on the link of
FOSSIL FUEL SUBSIDY REFORM
climate ambition and green recovery
The case of Egypt

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14h – 15:30h CEST

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Energy Targets and related Issues in Egypt

ENERGY STRATEGY (its dynamic: up to 2035, ……, 2040)

- Sustainability of supply (energy strategy)
  - national/regional/International

- Diversity of supply (energy strategy)
  - energy transition: RE and possible green Hydrogen

- Affordability and subsidy issues
  - Social targets and Development targets
  - Financial and economical targets

- Legislative umbrella
  - periodical tariff reform; pricing based on type of use

- Foreseen steps
Energy Targets and related Issues in Egypt

*Fossil Fuel subsidy*

Features of the fossil fuel subsidy reforms that have been undertaken in Egypt:

- Gradual move towards tariffs that reflect cost

- Tariffs that are coupled to:
  - Recovering the cost
  - Social well fare, and state responsibility.
  - Line of activity *(walking on thin ice).*
    - Energy transfer (to RE, etc.)
    - Change of line of activity (less energy intensive activities; lower specific energy consumption processes)
    - Tying tariffs to type of activities (commercial benefits).
Energy Targets and related Issues in Egypt

**Fossil Fuel subsidy**

With regards to the fossil fuel subsidy reforms that have been undertaken in Egypt,

- Practices that might be **replicable**, and/or **not recommended**:
  - **Announced** gradual change of tariffs, within acceptable foreseen time frame
  - **Avoid** tying tariffs to line of commercial activity (not fair)
  - **Hidden subsidy** (direct reductions, cross subsidies, etc.)
Thank you to all

- IISD for the invitation to participate
- For the participants for their interest, involvement and exchange of experience.

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