

webinar on the link of

FOSSIL FUEL SUBSIDY REFORM

climate ambition and green recovery

The case of Egypt

September 15th, 2021
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

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).**

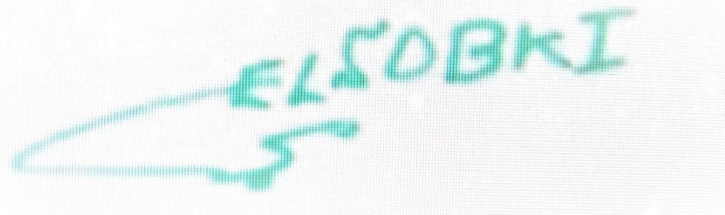
Fossil Fuel subsidy

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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