

MIF Promoting Renewable Energy in the Mediterranean Region: A focus on Egypt and building on MIF experience in Tunisia

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1. Project Background

The Mediterranean Investment Facility (MIF) – EGYSOL



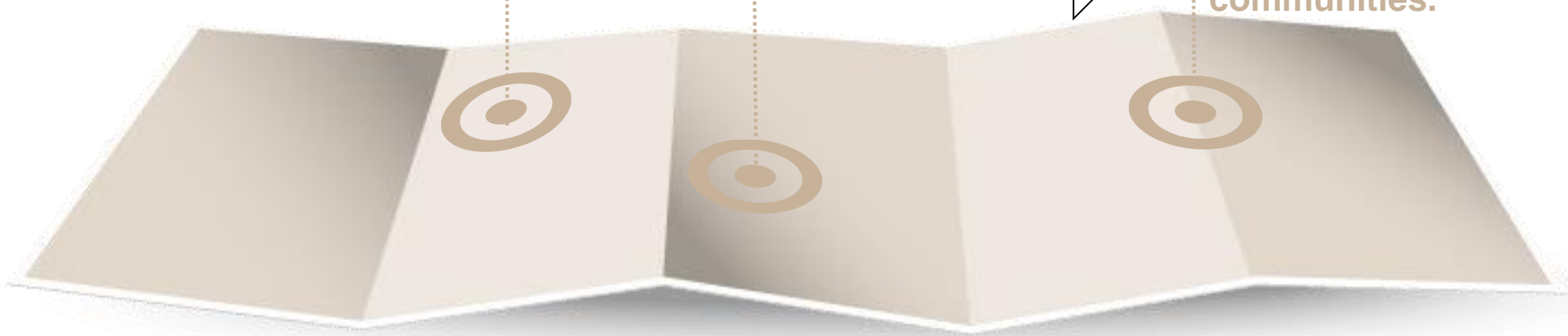
MED DESIRE



Promoting Renewable Energy in Egypt:

Strategies for Renewable Energies in Egypt and supporting mechanisms for households and communities.

Leveraging on partnerships and pool of expertise



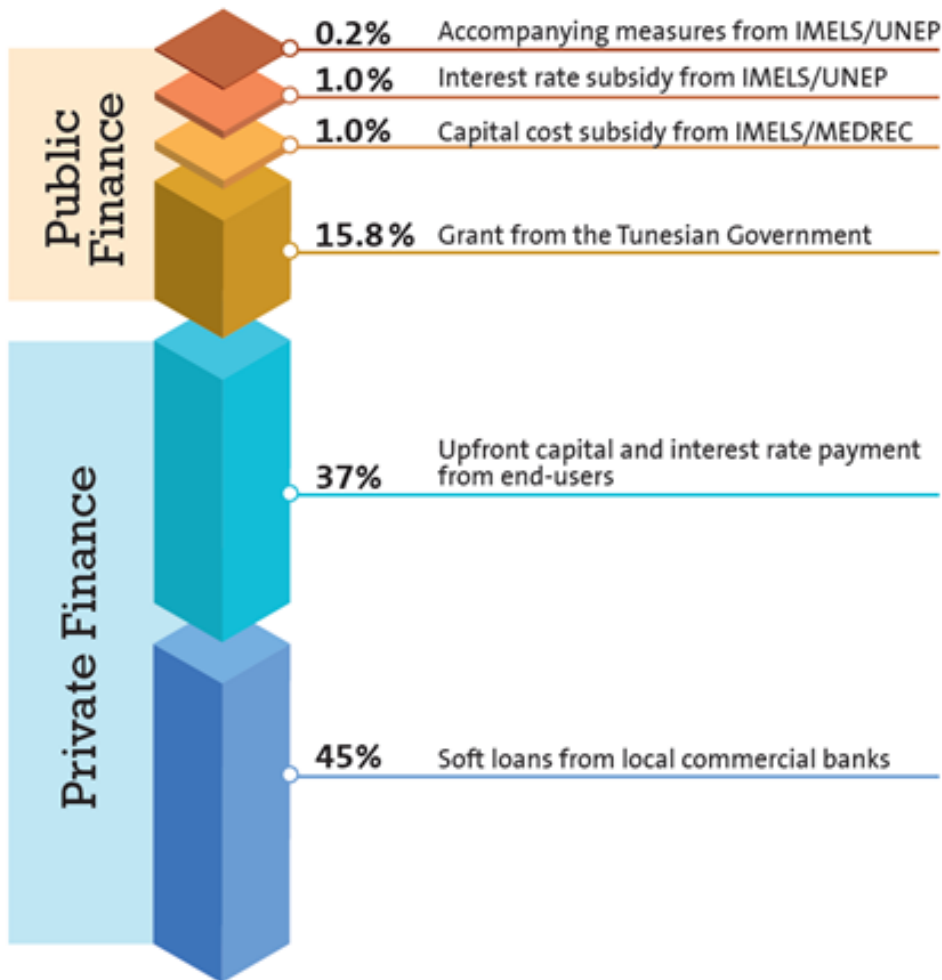
1. Project background: Illustrating MIF strategy



Through the MIF activities in Tunisia- Prosol success story

1. Project background: Illustrating MIF strategy

Sources of financing of SWH systems in Tunisia



- 788,000 m² of solar collectors installed corresponding to about 270,000 systems;
- US\$ 101 million of fossil fuel subsidies are expected to be saved in 20 years (2005–2025),
- US\$605 –1,325 overall reductions in households' energy bills over the expected SWH's life cycle

Through the MIF activities in Tunisia- Prosol success story

MIF Egypt promotes the use of Renewable energy in Egypt:

At the national level:

Support Energy planning by modelling scenarios for future energy mixes with high penetration of renewables.

At community level and in partnership with the New Urban Communities Authority:

Support the design implementation and monitoring of renewable ordinances on solar water heating and reduction of building cooling needs. Renewable ordinances specify the standards and requirements for new buildings.

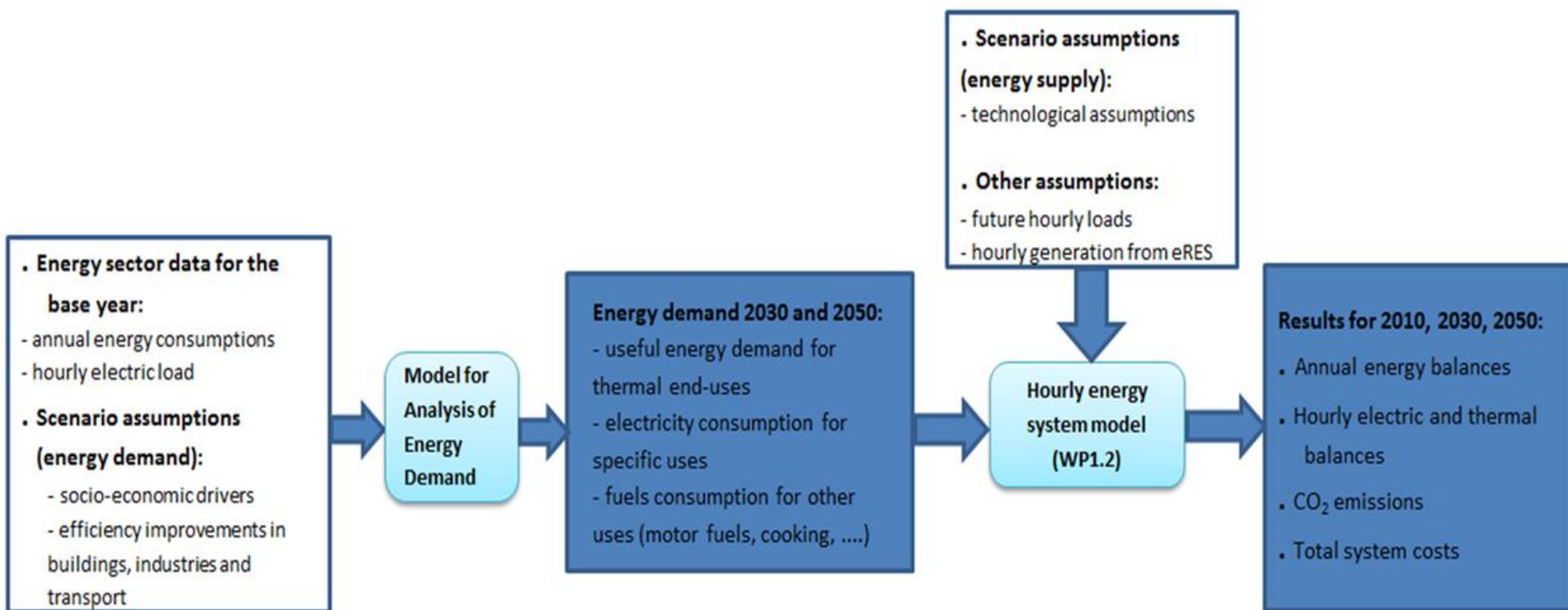
At the household level:

Accelerate the solar water heating market development through capacity building for market players, awareness and financing support options for households through local banks.



Energy planning (component 1)

- MIF-Egypt works to define optimum energy scenarios for Egypt, with a focus on demand reduction, peak capacity shaving and high renewable energy use in the electricity, heating and cooling sectors.
- MIF-Egypt runs simulations on the benefits of such energy mixes in 2030 and 2050, helping policy makers take decisions and define investment roadmaps.



Standards and Solar ordinances (Component 2):

- Renewable ordinances set standards and requirements for new buildings on the use of renewables specifically solar water heating and a reduced need for air conditioned cooling through smarter building design
- Renewable ordinances will operate in new buildings commissioned by the New Urban Communities Authority
- The project will design and implement two demonstration projects to comply with the ordinances
- Help desk: technical and administrative services to the market actors.
- MIF-Egypt's strong partnership with the authority will accelerate market transformation and define best practices for businesses and communities.



Supportive Financing mechanism:

TNA for Egypt within Med-Desire identified **SWH** as **key technology**

Interest of Local banks assessed within Med-Desire . Banks are very interested in providing **loans** at preferential terms when a **national institution** coordinates all the project's partners and insures the follow up of the **Manual of procedures**

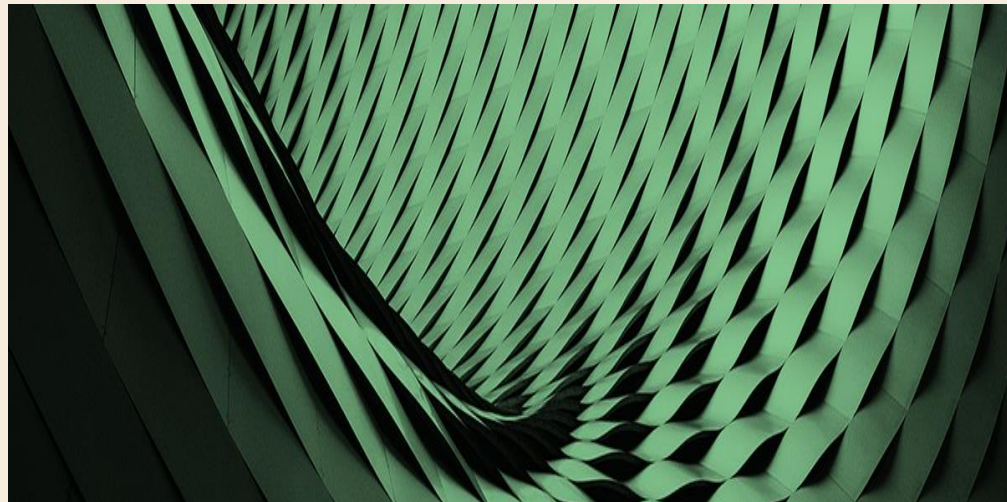
Tailored financing mechanism with **reduced interest rate and longer payment period** to **increase the commercial viability** of the SWH systems for households in Egypt and reduce **the up-front cost** – based on **PROSOL experience (SWH project in Tunisia)**

Increased awareness: SWH systems in residential sector will showcase **Economic benefits**; **risk perceived** by domestic banks is reduced through involvement of Gov entity

improved professional **capacity in domestic banks** in managing a wide **RE loan portfolio** and SWH suppliers on **quality and performance standards**

Supportive Financing mechanism:

- MIF- Egypt makes solar water heating technology more affordable by working with banks to reduce household set-up costs.
- The project raises awareness about the economic benefits and savings for households.
- The initiative also builds the capacity of suppliers and installers to enhance consumer trust in the technology and the sustainability of the market.

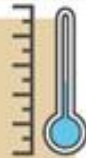


Project Potential benefits for Egypt

Ordinances on reduction of building cooling needs:

8,300 ToE annually saved
and peak shaving of **19 MW**

(assuming all future NUCA buildings follow the Ordinance)



Local and Renewable Sources:

136,000 m²

solar collectors installed (SWH)

23,550 ToE annually saved



GHG Mitigation
Improved Air Quality:

100,000 tons of CO₂

avoided annually



Green Economy:

22.4 million US\$
mobilized from commercial banks

1.9 million US\$
of fossil fuel subsidy annually saved



Meet Tomorrow's Energy Needs

through the design and effective implementation of
Solar Ordinances and Finance Mechanism



completed

operating

in development

