

 Early Warning System

EBRD-21695

Egypt - Nexus Water-Food-Energy (NWFE) - Energy Pillar: Incentive
Payments



Quick Facts

Countries	Egypt
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Egypt
Sectors	Climate and Environment, Energy, Infrastructure
Investment Type(s)	Grant
Investment Amount (USD)	\$ 40.00 million
Grant Amount (USD)	\$ 40.00 million



Project Description

As stated on the project disclosure page, Egypt, with support from the EBRD's High-Impact for Climate Action Fund and other donors, launched the Energy Pillar of the Nexus Water-Food-Energy Programme (NWFE-EP) in 2023. As a cornerstone of this initiative, Egypt aims to decommission 5 GW of outdated and inefficient fossil fuel power plants, thereby freeing up capacity for 10 GW of renewable energy and accompanying grid infrastructure investments. This strategy is designed to bolster energy security by replacing unreliable assets with resilient, high-performance facilities that enhance the stability and reliability of Egypt's power system.

A critical element of this project is a USD 40 million package of grants, structured as Performance Incentive Payments (PIPs). These funds, governed by a legally binding agreement between the Bank, supported by international donors, and the Egyptian Electricity Holding Company (EEHC), are earmarked for meeting decommissioning milestones for retiring the underutilized capacity. The PIPs will be disbursed in tranches linked to specific targets under NWFE, ensuring accountability and progress.

Disbursement of the financial incentive payments will be made against defined milestones, along with defining the appropriate arrangements in place to monitor, verify and report the progress and achievement of the milestones that EEHC is required to meet. This will be primarily done by NWFE's Energy Pillar Technical Support Unit as well as EBRD.



Investment Description

- European Bank for Reconstruction and Development (EBRD)



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Other Related Projects

- EBRD-16947 Egypt: NWFE-Energy Pillar - Decommissioning Master-Plan
- EBRD-54716 NWFE Electricity Grid Reinforcement