Egypt 2024

Environmental Performance Reviews

Green Growth Policy Review of Egypt

Launch event, New Administrative Capital, 2 July 2024

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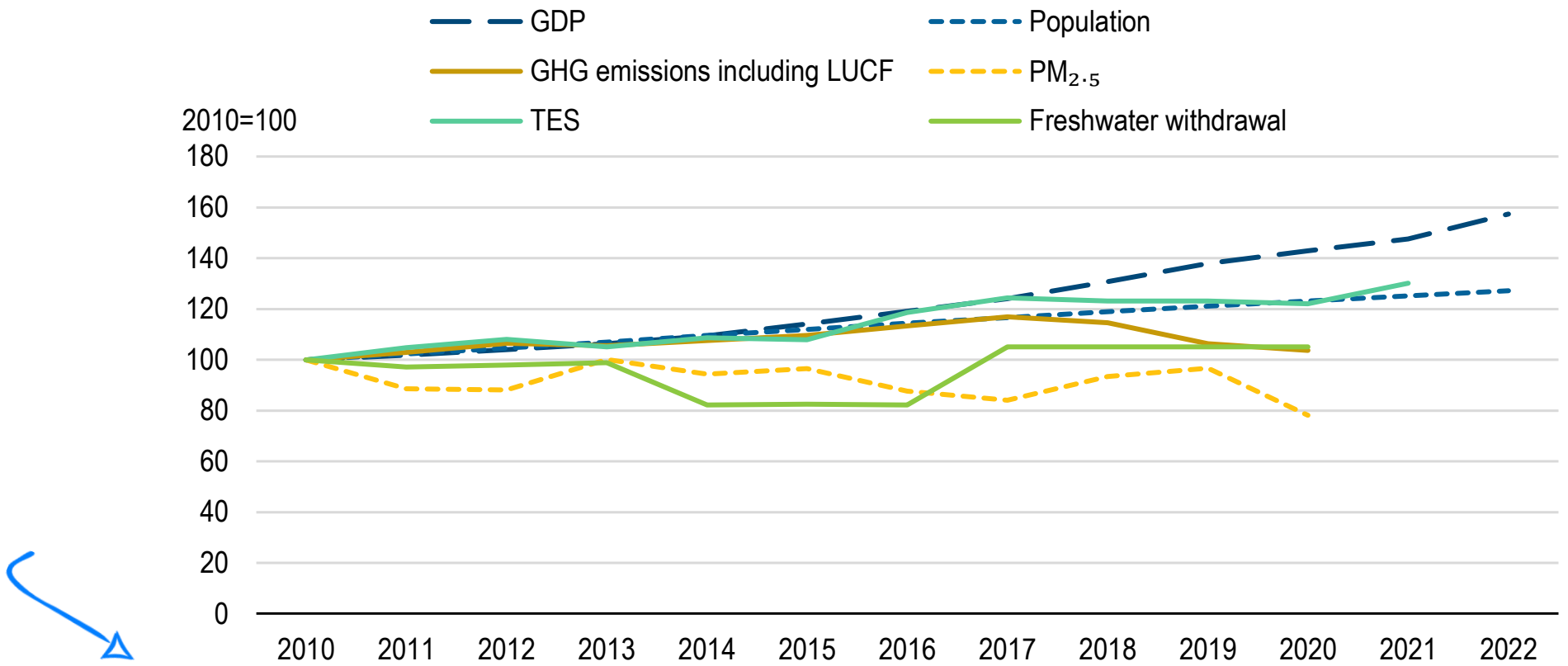
OECD
BETTER POLICIES FOR BETTER LIVES

Key environmental trends

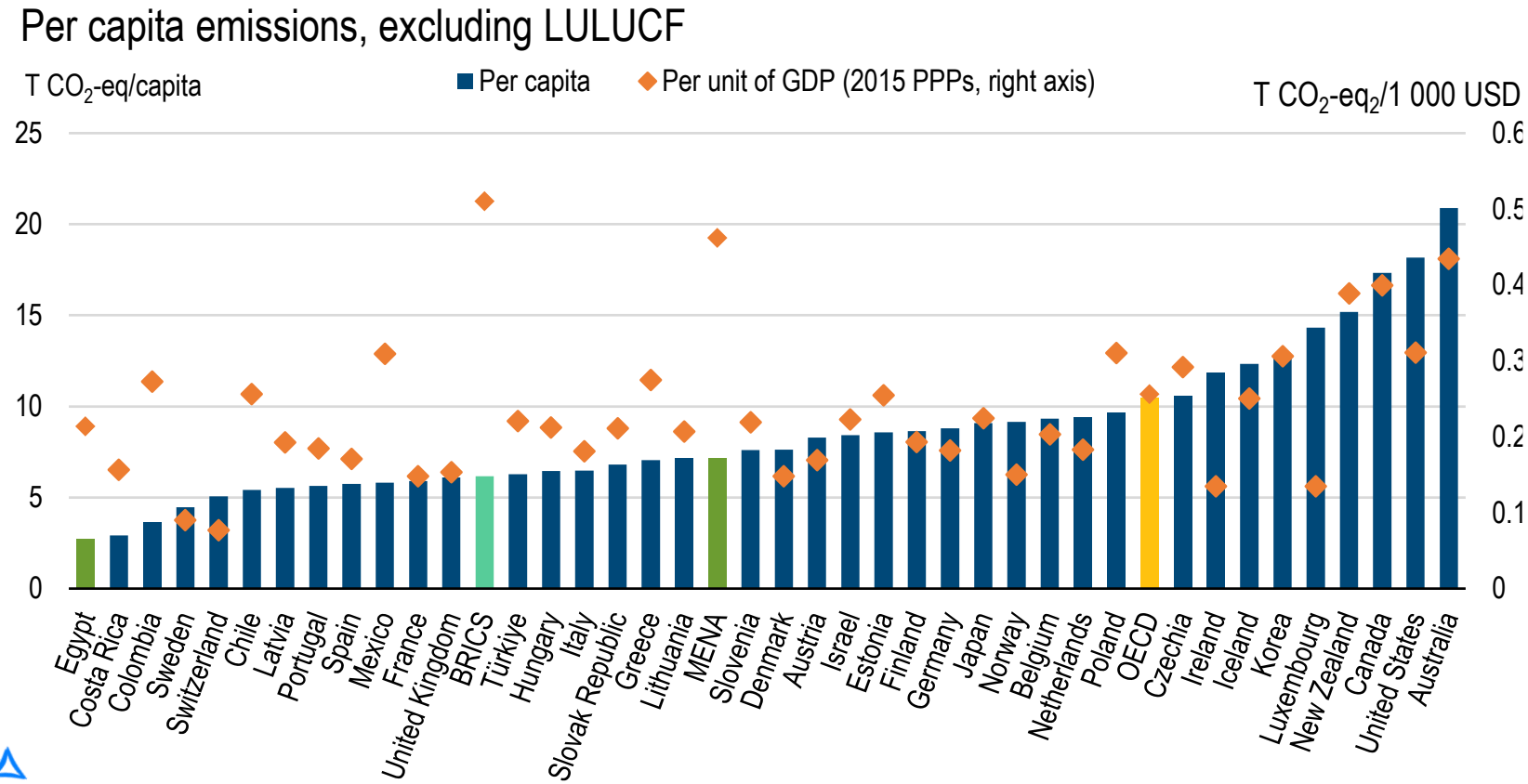
Egypt has made some progress in decoupling environmental pressures from economic growth



Current efforts to scale up the use of renewable energy will help further advance decoupling trends, given the country's large potential.

Note: GDP: gross domestic product (constant prices); GHG: greenhouse gases; LUCF: land-use change and forestry; $PM_{2.5}$: particulate matter of 2.5 µm size; TES: total energy supply.
Source: EC (2022), Emission Database for Global Atmospheric Research (EDGAR) v6.1, https://edgar.jrc.ec.europa.eu/dataset_ap61; FAO (2024), FAOSTAT (database), www.fao.org/faostat/en/#data; AQUASTAT (database); World Bank (2024), World Development Indicators (database), https://databank.worldbank.org/source/world-development-indicators; World Resources Institute (2022), Climate Watch Historical GHG Emissions, www.climatewatchdata.org/ghg-emissions.

Per capita emissions in Egypt are low, but total emissions increased at a much faster rate than the world average

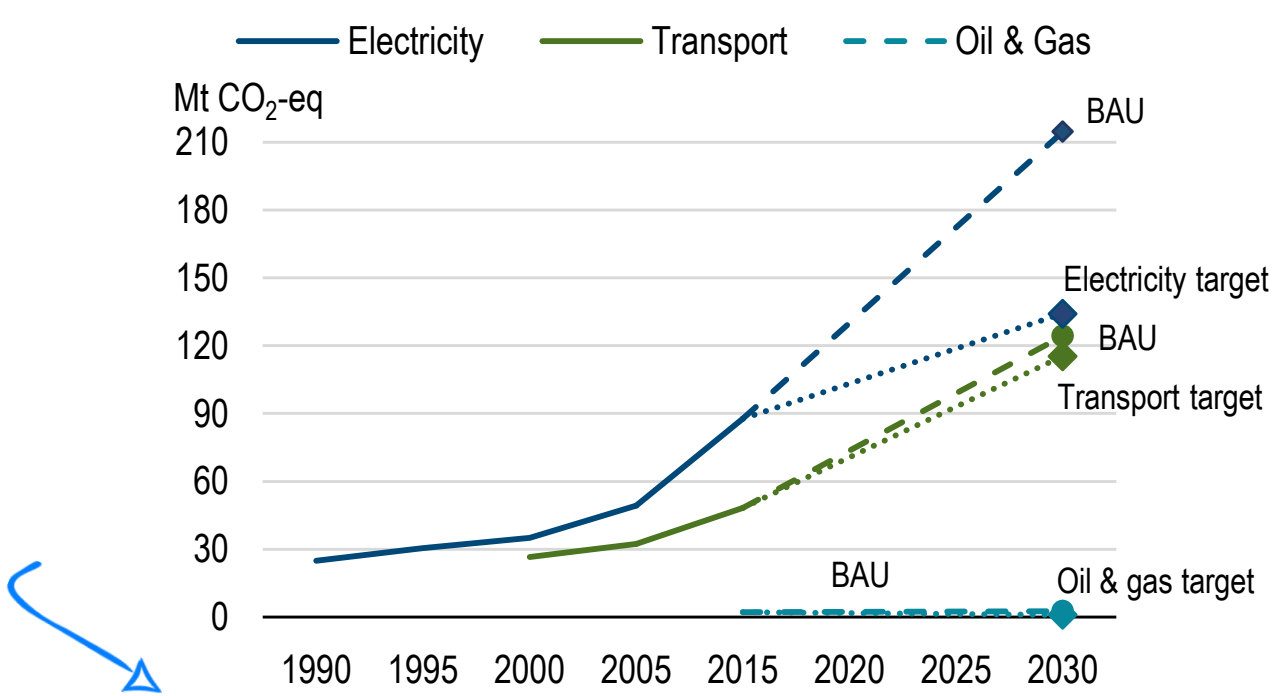


Egypt should work progressively towards setting more ambitious emissions reduction targets across various sectors

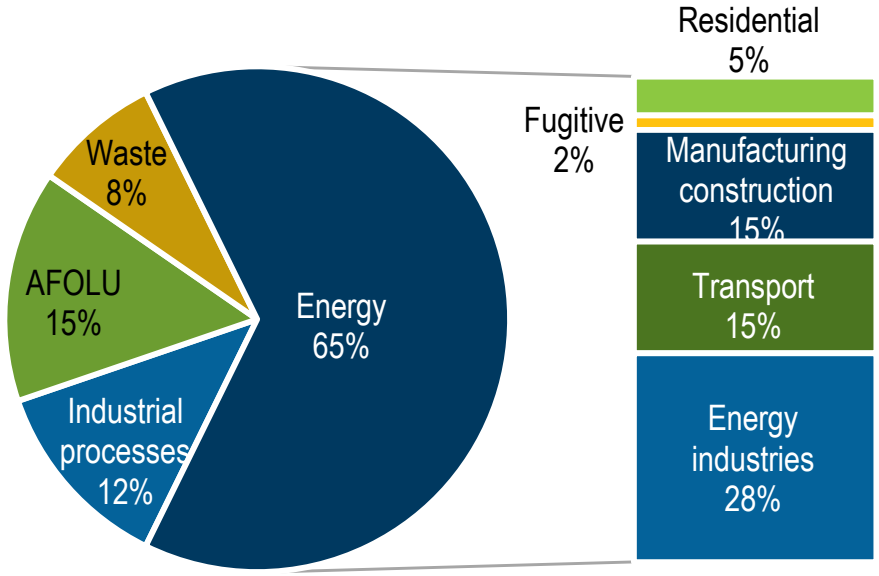
Note: LULUCF: land use, land-use change and forestry; LUCF: land-use change and forestry for Egypt, BRICS and MENA; MENA: Middle East and North Africa; countries include Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen. BRICS includes Brazil, the Russian Federation, India, the People's Republic of China and South Africa. OECD includes the 38 member countries.
Source: OECD (2024), Environment at a Glance; World Resources Institute (2024) Climate Watch Historical GHG Emissions, www.climatewatchdata.org/ghg-emissions.

Egypt has set three sector-specific targets to reduce emissions

GHG emission trends, 1990-2015, and sectoral targets for 2030



GHG emissions by source, 2015

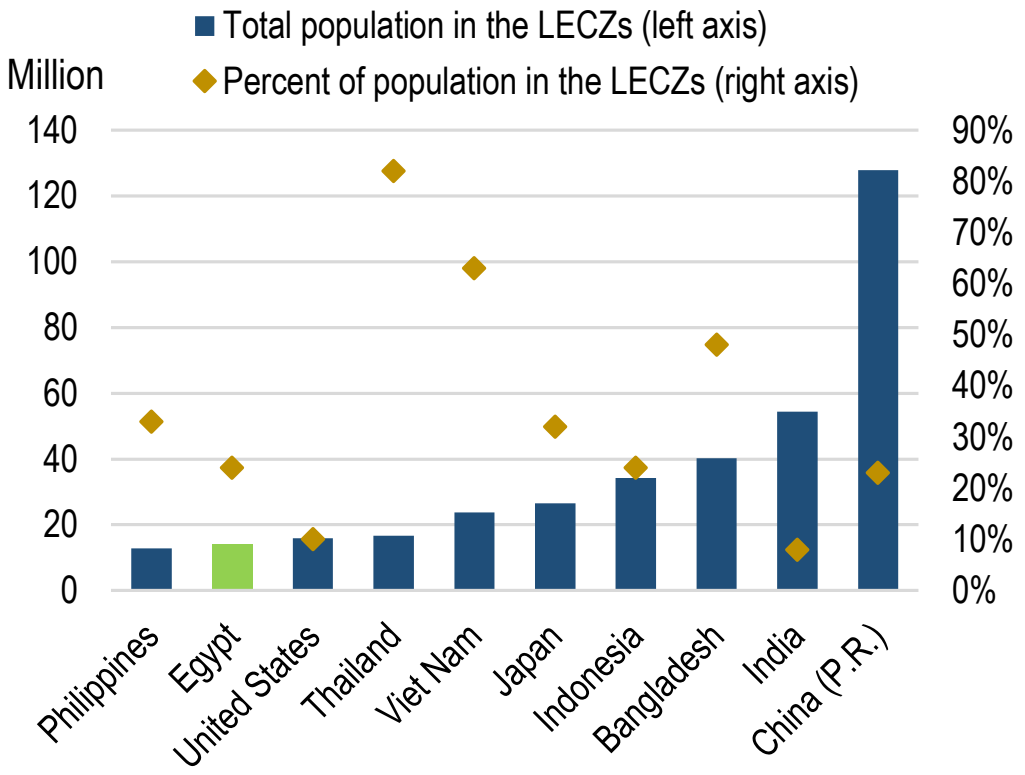


More regular GHG emissions updates are needed to help analyse the impacts of mitigation measures.

Note: AFOLU: agriculture, forestry and other land use; BAU: business-as-usual; GHG emissions and targets for electricity, oil and gas, and transport sectors are provided in Egypt's first and second updated Nationally Determined Contributions (NDC). Official data are available up to 2015 from Egypt's UNFCCC Biennial Update Report. Oil and gas data are available for 2015 only. Data are shown in solid lines, while linear projections are represented by dotted lines.
Sources: Government of Egypt (2023), Egypt's second updated NDC; Government of Egypt (2019), Egypt Biennial Update Report.

Egypt is significantly affected by projected sea level rise

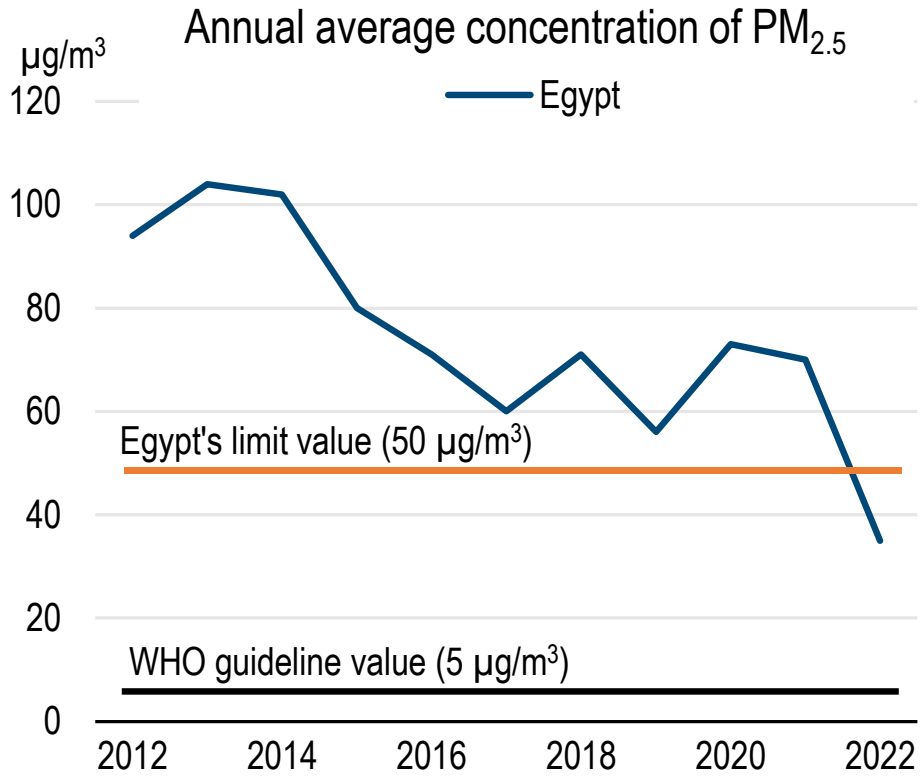
Population in the low-elevation coastal zones (LECZs), 2015

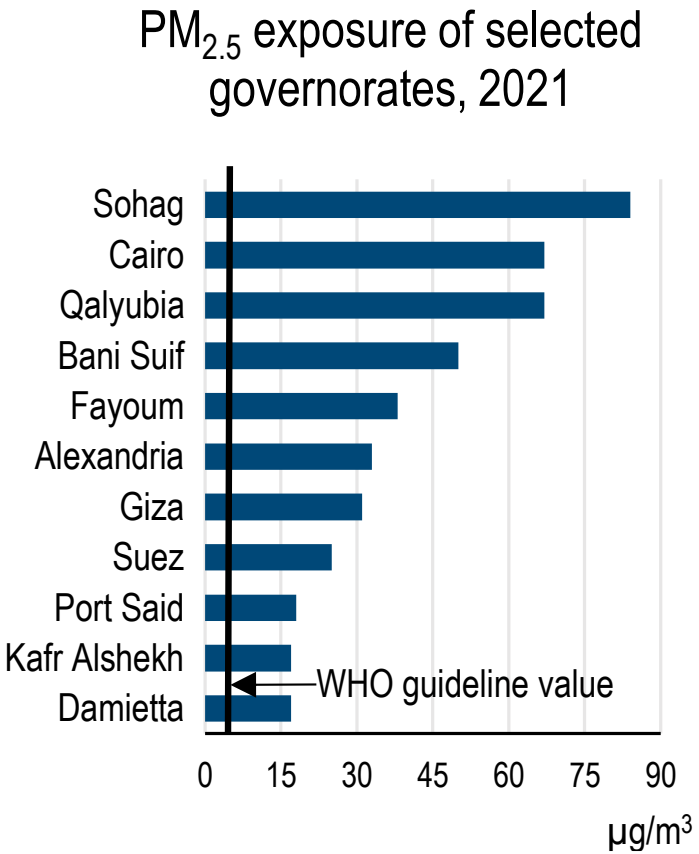


Egypt needs to pursue efforts to mainstream adaptation in sectoral strategies and action plans, including dedicated budgets for adaptation priorities.

Note: Low elevation coastal zones (LECZs) are areas below 10-metres.
Sources: OECD/European Commission (2020), Cities in the World: A New Perspective on Urbanisation, OECD Urban Studies.

Air quality is moderate overall, Egyptians are unevenly exposed to air pollution

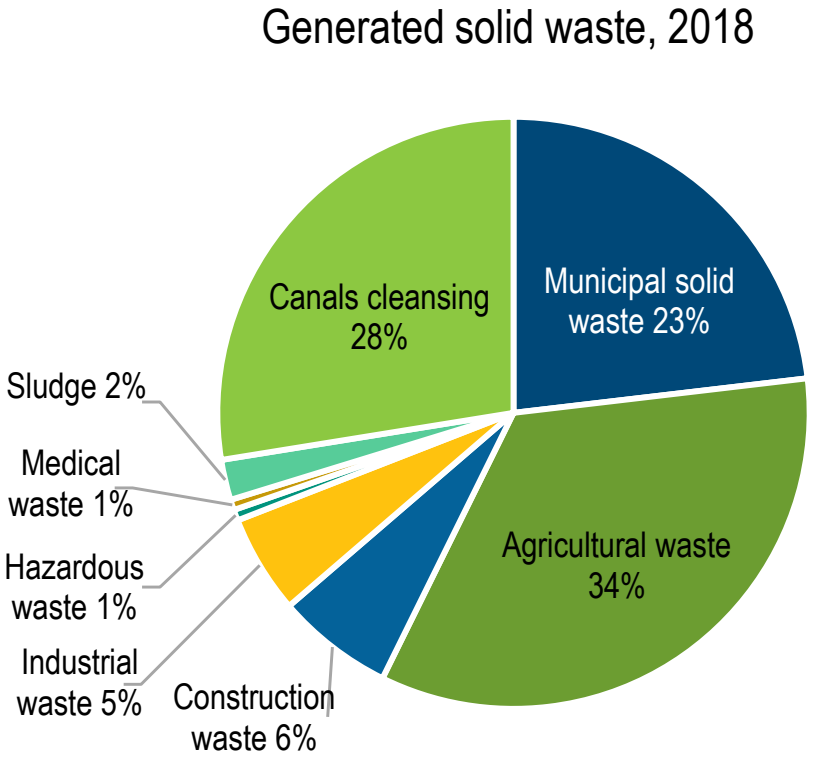


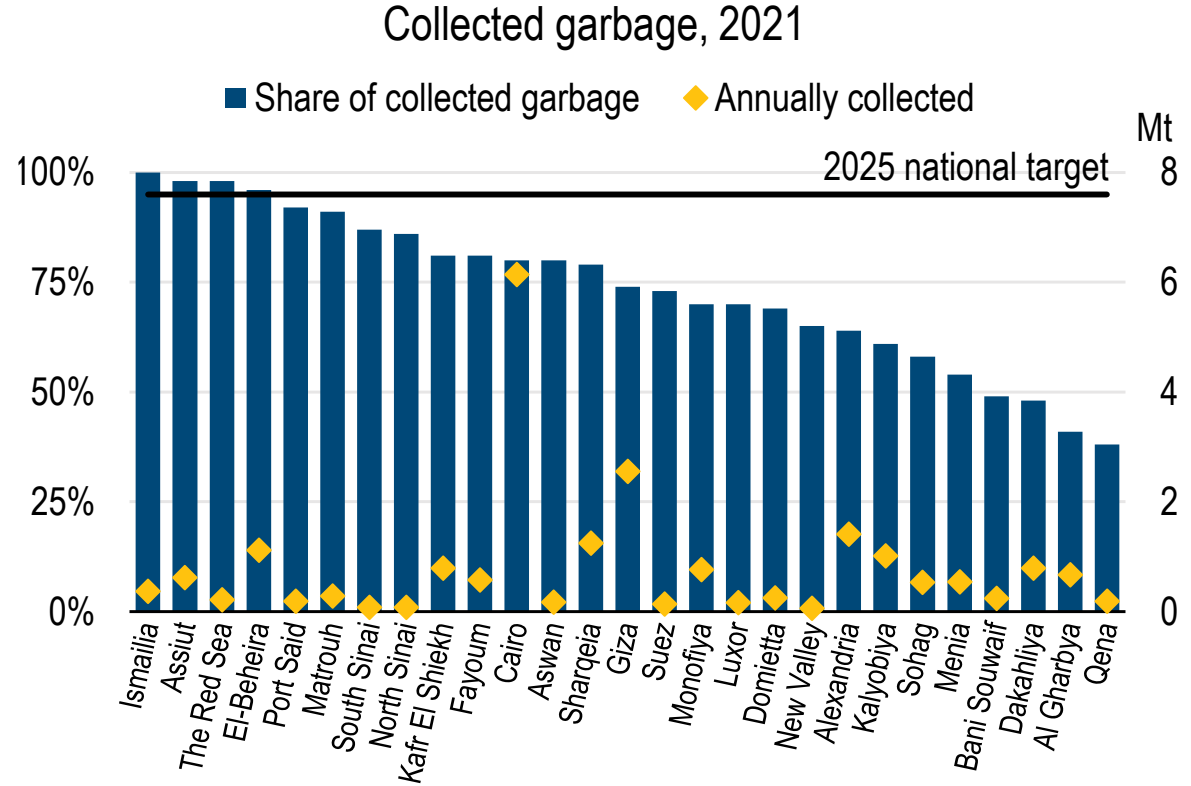


Tighter national air pollution targets are needed. Further increasing coverage and capacity of monitoring stations is key to combat air pollution effectively.

Source: Left panel: data provided by the Government of Egypt (2024); right panel: CAPMAS (2023), Annual Bulletin of Environmental Statistics, Part 2: Environmental Quality & Energy 2021.

Waste infrastructure and services need to be strengthened to address rising waste flows



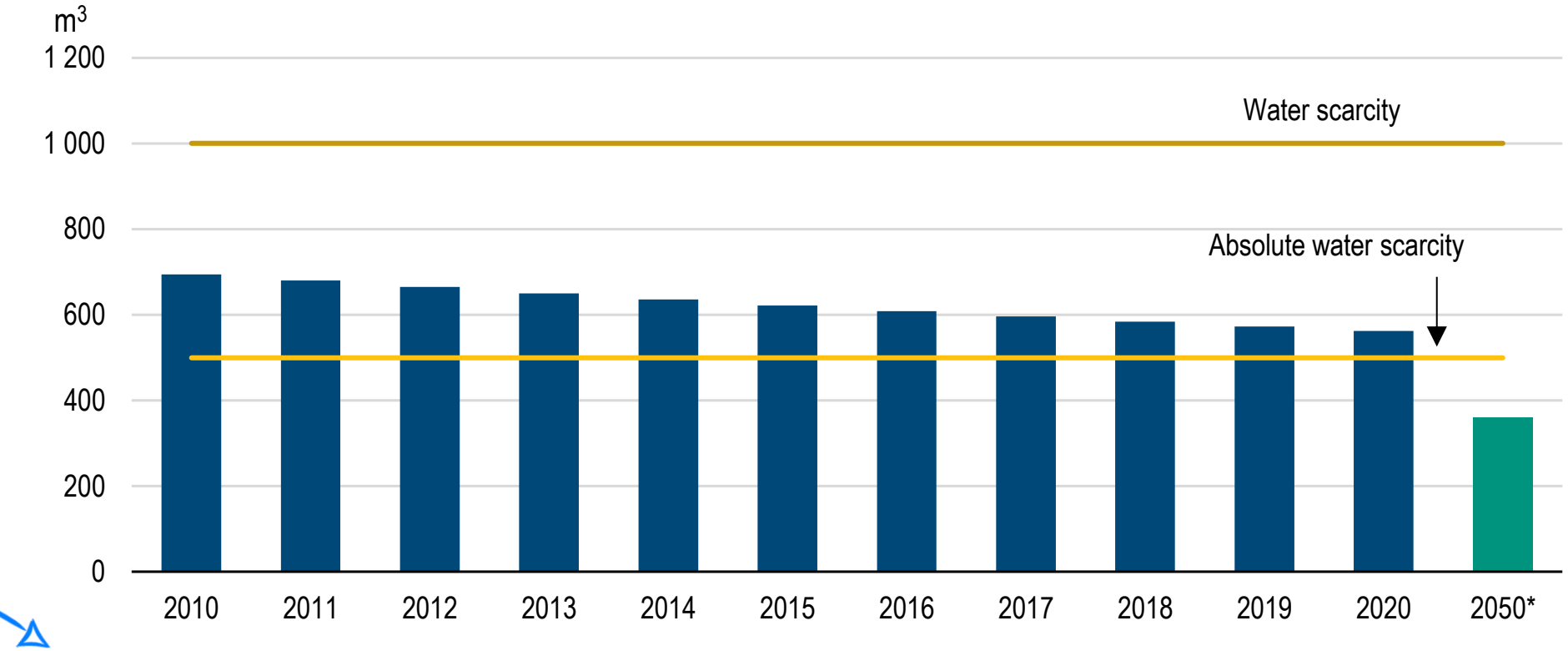


Efforts to upgrade waste management infrastructure go in the right direction and need to be sustained.

Note: Garbage is defined as solid or semi-solid materials left behind from normal daily human activities.
Source: CAPMAS (2021), Annual Bulletin of public utilities services at the level of cities and districts councils; Ministry of Environment (2018), Business opportunities: Economic business models in Egypt's recycling sector for startups and SMEs.

Egypt faces absolute water scarcity by 2050

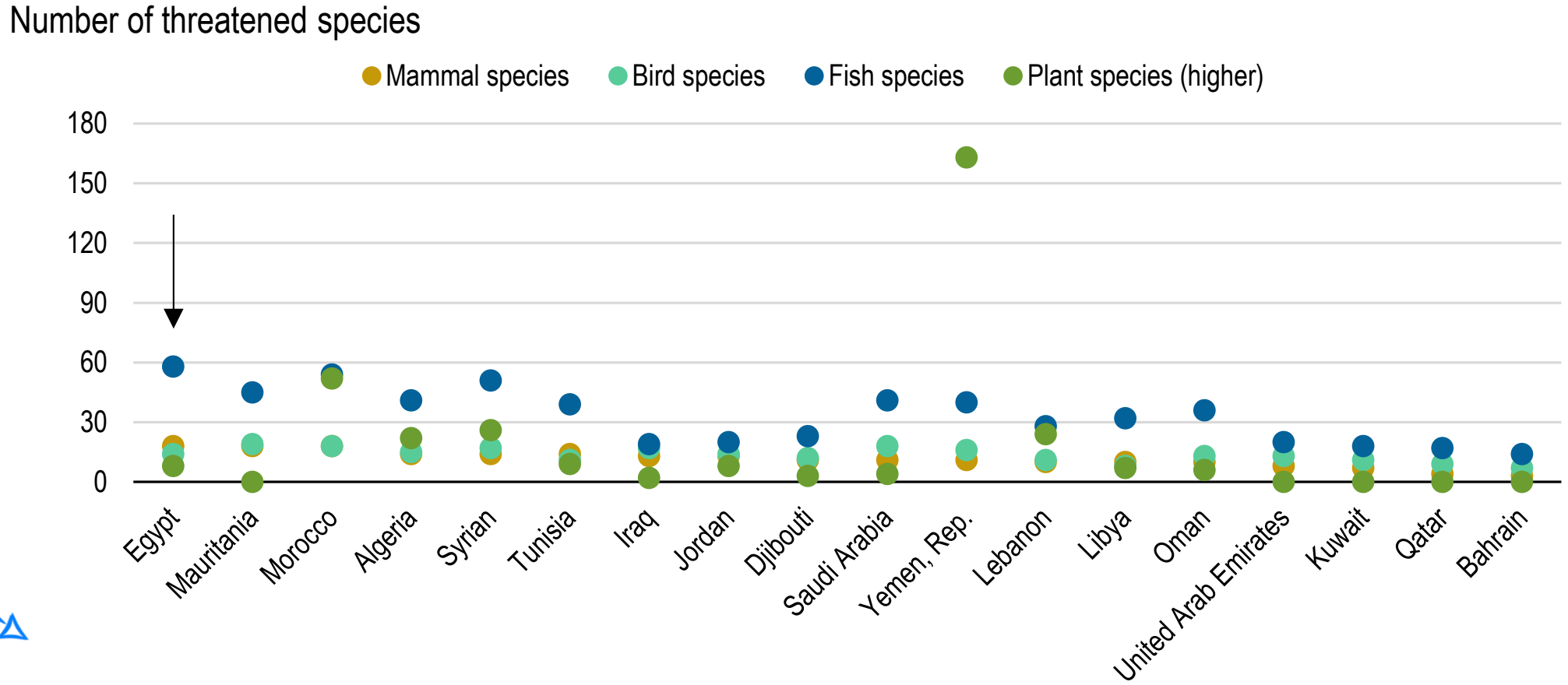
Renewable water resources per capita



The government should set clear principles for water allocation to encourage water to be allocated to higher value uses.

Note: *2050: government estimate.
Source: World Bank (2024), World Development Indicators (database), https://databank.worldbank.org/source/world-development-indicators.

Many Egyptian fish species are threatened



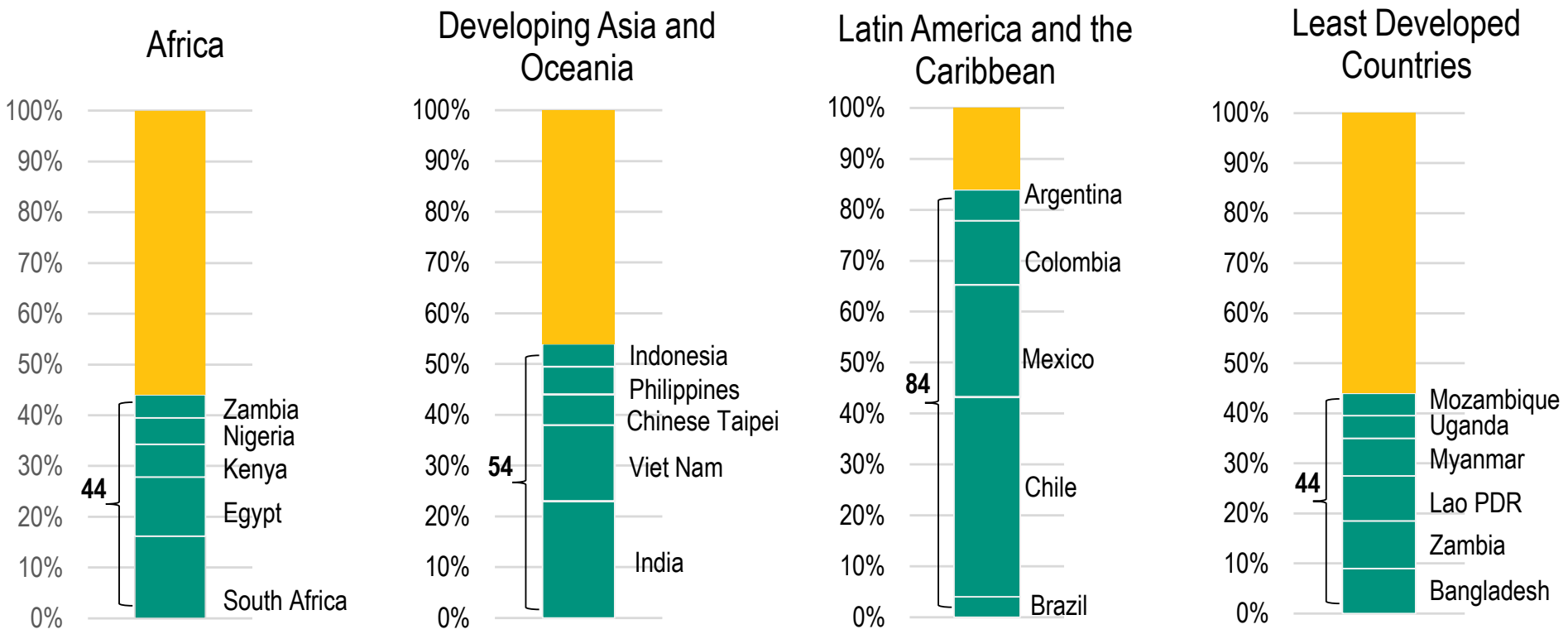
Local expertise needs to be further strengthened to ensure sustainability of actions and better consider local contexts.

Note: Threatened species are the number of species classified by the International Union for Conservation of Nature as endangered, vulnerable, rare, indeterminate, out of danger or insufficiently known.
Source: World Bank (2024), World Development Indicators (database), https://databank.worldbank.org/source/world-development-indicators.


Towards
green growth

Green growth & sustainable development are high on Egypt's political agenda

Egypt is attracting a large share of foreign investment in renewables within Africa



Overcoming barriers to scale up renewable energy investment needs to remain a priority.

Source: UNCTAD (2023). World Investment Report 2023.

Egypt is upgrading its long-standing environmental policy and legal framework

- Enforcement of environmental policy remains challenging
- Environmental impact assessment could be further improved
- Speedier permitting procedures should not undermine the quality of the review process
- Environmental information and data have improved, but major gaps remain
- Public participation in environmental decision making needs to be enhanced

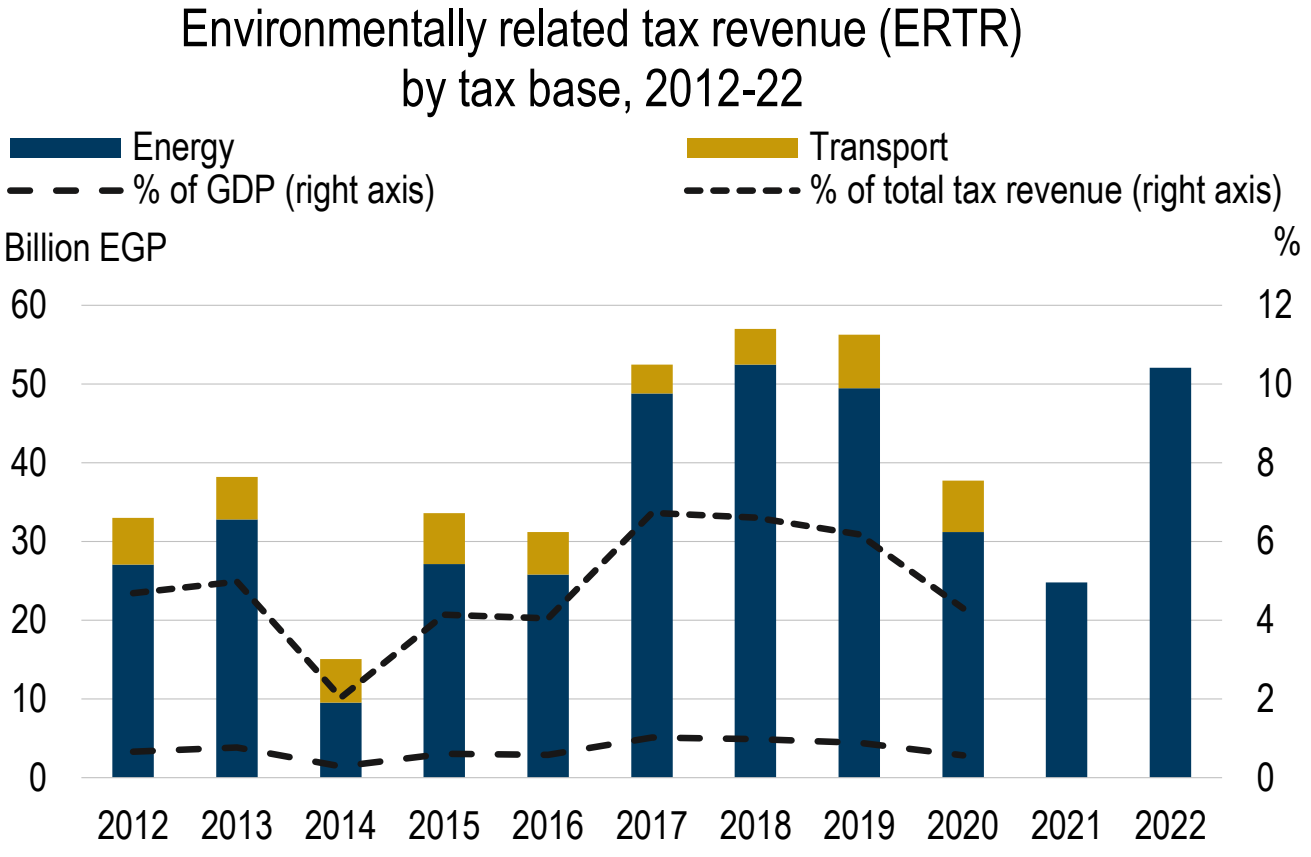
Executive Summary of Environmental Impact Assessment Projects

Executive Summary of Environmental Impact Assessment Projects - Environmental Classification (c)

loading	File name	Attachments
	Executive summary of some of the projects of List C	
	CRT Recycling and Treatment Company / Project to establish an integrated center for the treatment, recycling and safe disposal of waste (invitation - Executive summary of the study)	1
	Star Silver Company for trading and transporting all types of plastic waste / project of establishing and operating (2) incinerators	2

The institutional framework needs to be further strengthened.

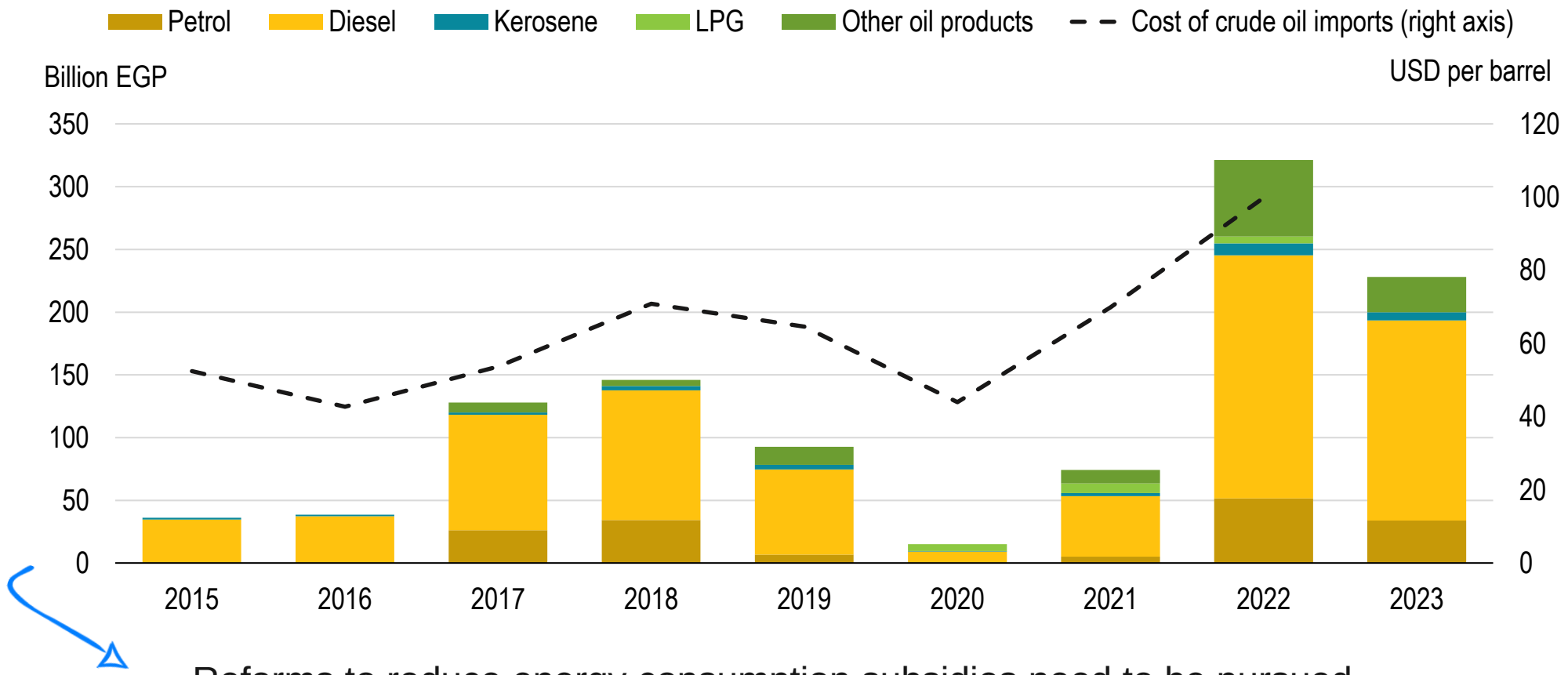
Egypt should prioritise a comprehensive green fiscal reform



Egypt has considerable scope for reforming and expanding environmental taxes.

Note: Billion EGP (2021, real prices). For 2021 and 2022, information on transport-related tax revenue was not yet available as of January 2024; data points for energy-related tax revenue stem from Egypt's Ministry of Finance.
Source: OECD (2022), Environmentally related tax revenue, OECD Environmental Statistics (database), Egyptian Ministry of Finance, https://doi.org/10.1787/df563d69-en.

Egypt's petroleum subsidy expenditure fluctuates with global oil prices



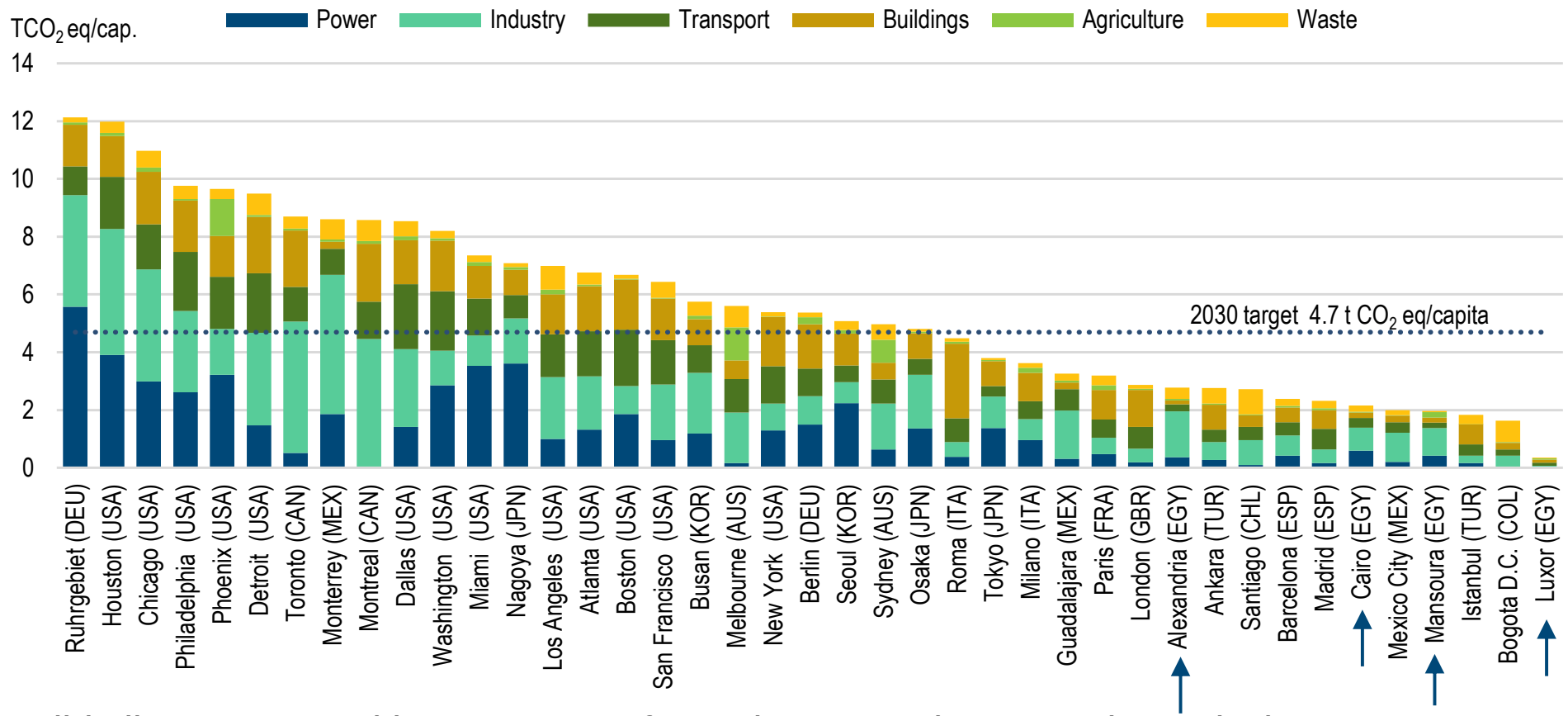
Reforms to reduce energy consumption subsidies need to be pursued.

Note: Billion EGP (2021, constant prices); LPG: liquefied petroleum gas; cost of crude oil imports is calculated as the unweighted average of average annual cost of total crude imports across 26 exporting countries.
Source: IMF (2023), IMF Fossil Fuel Subsidies Data: 2023 Update; IEA (2024), "Crude oil import costs and index", IEA Energy Prices and Taxes Statistics (database), https://doi.org/10.1787/eneprice-data-en.

Building climate-smart, resilient and inclusive cities

Cities play a pivotal role in supporting the green transition but face multiple challenges

GHG emissions per capita by sector in OECD metropolitan areas and four Egyptian cities, 2018

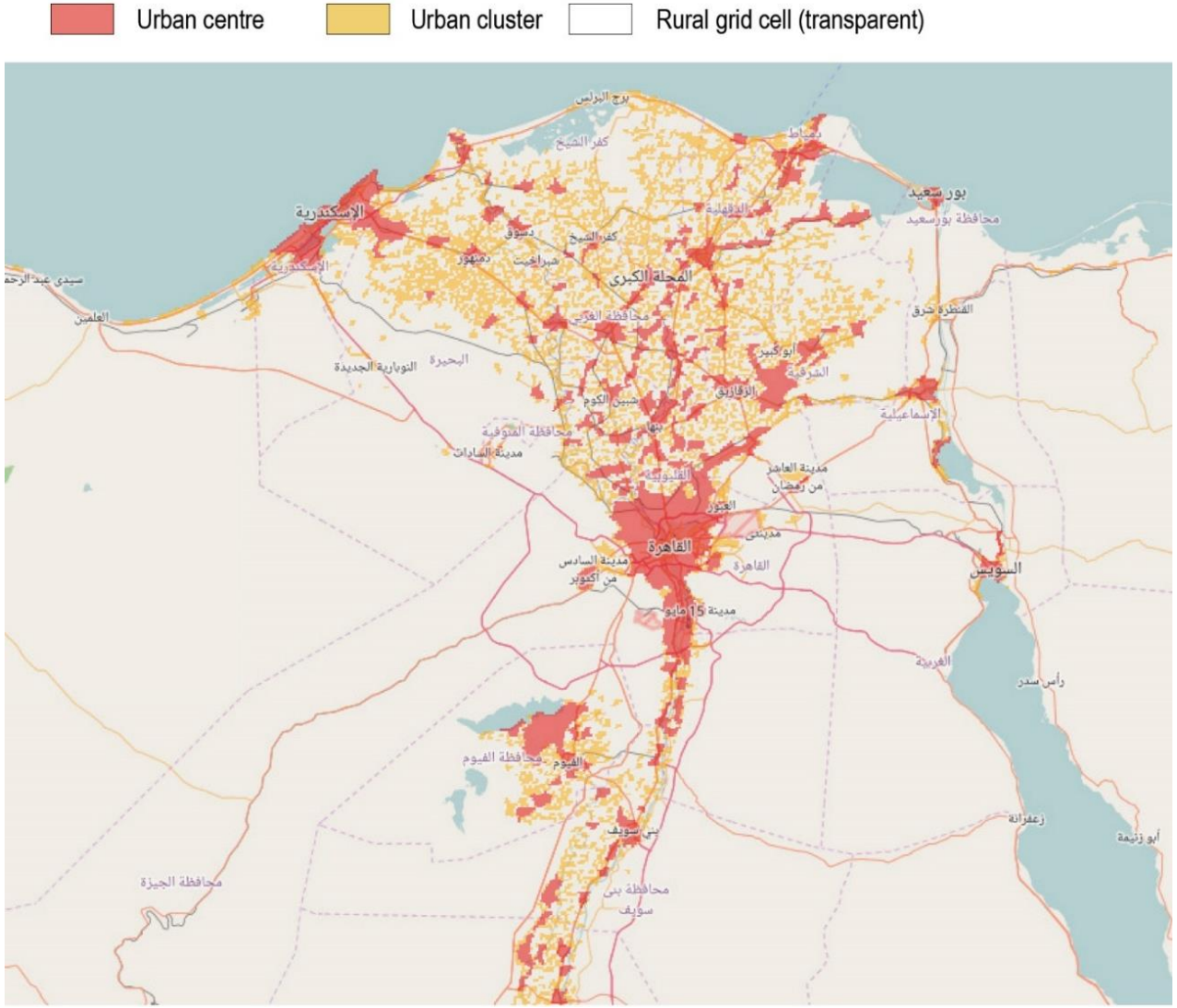


Build climate-smart cities to prevent future increases in per capita emissions.

Note: The 2030 emissions per capita target (4.7 tCO_2-eq.) is defined based on computations derived from the IEA Net Zero Emissions Scenario for advanced economies.
Source: OECD calculations based on the Emissions Database for Global Atmospheric Research (EDGAR) v8.0, https://edgar.jrc.ec.europa.eu/dataset_ghg80.

Administrative reforms are needed to better consider the rural-urban continuum

The binary categories of urban and rural areas no longer reflect Egypt's urban realities with its dense settlement patterns.



Note: This map focuses on densely populated areas and does not reflect Egypt's full territory. The degree of urbanisation classifies municipalities based on their population share in three types of grid cells: "cities" have the majority of their population in an urban centre; "towns and suburbs" have the majority of their population in an urban cluster but are not cities; "rural areas" have the majority of their population in rural grid cells. An urban centre consists of 1 km^2 with a density of at least 1 500 inhabitants per km^2 and a minimum total population of 50 000. An urban cluster consists of 1 km^2 with a density of at least 300 inhabitants per km^2 and a minimum total population of 5 000.
Source: European Commission, Copernicus (2024). Testing the degree of urbanisation at the global level, Egypt Country Summary, https://human-settlement.emergency.copernicus.eu/documents/cfs01/V3/CFS_Egypt.pdf.

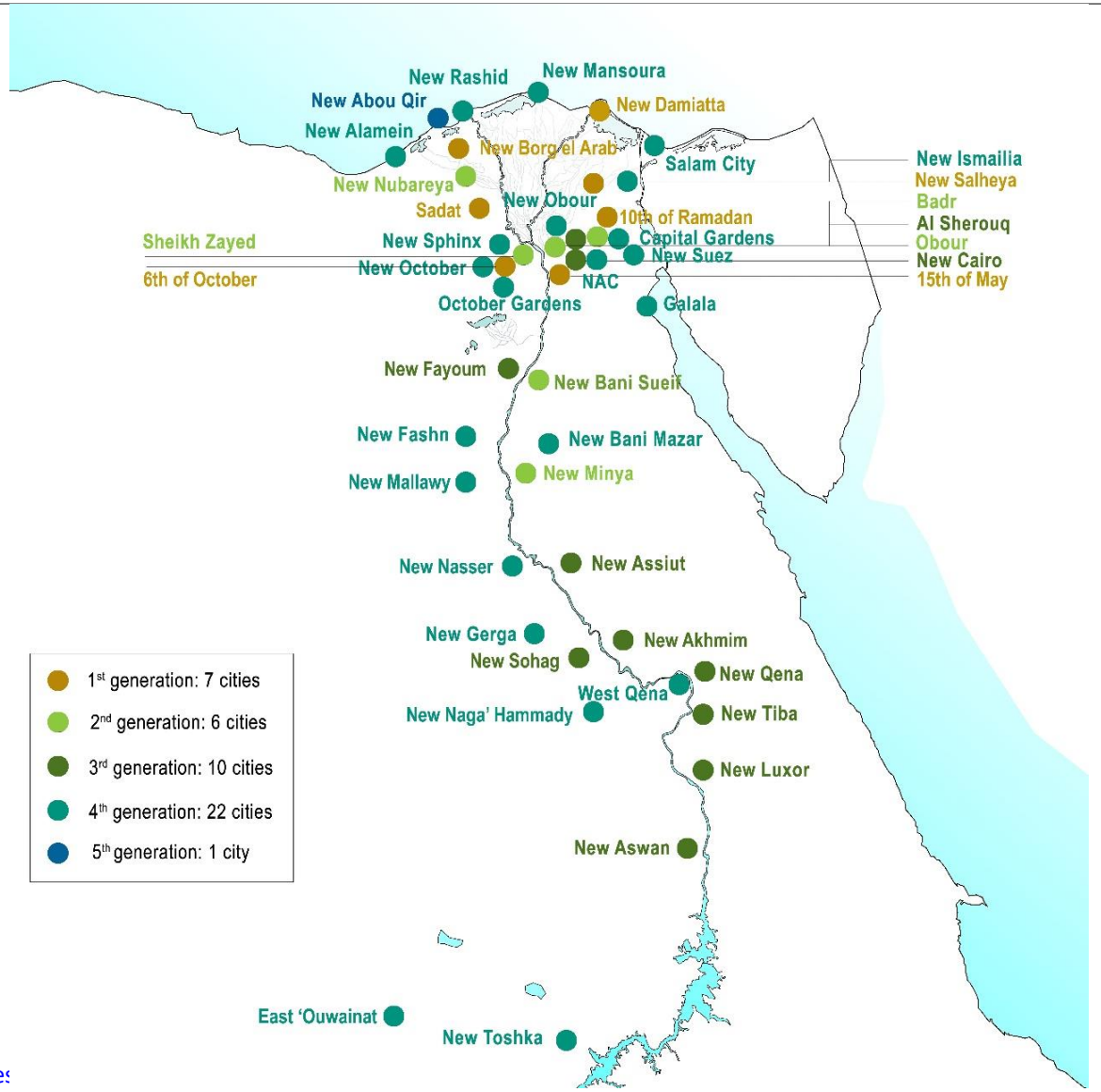
Urban governance need to be further strengthened

- The institutional framework for urban planning remains complex.
- Environmental considerations need to be further mainstreamed.
- Tailored place-based policies would support sustainable urban development.
- Public participation in environmental decision making need to be enhanced.
- Land governance needs to become simpler and more transparent.

Egypt has significant scope to improve governance for sustainable urban development.

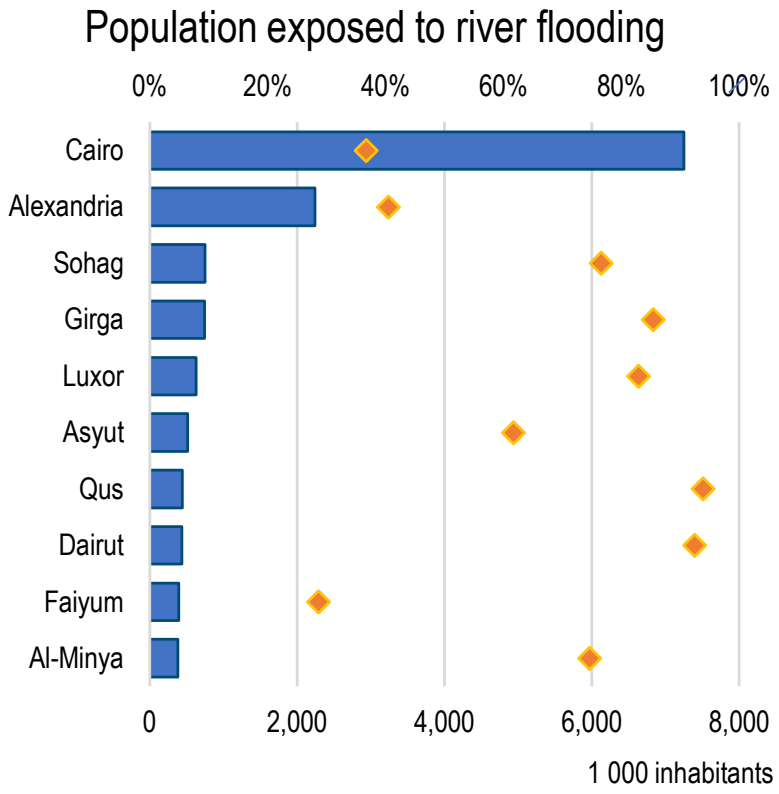
Egypt counts 23 new urban communities and plans to build another 23 by 2030

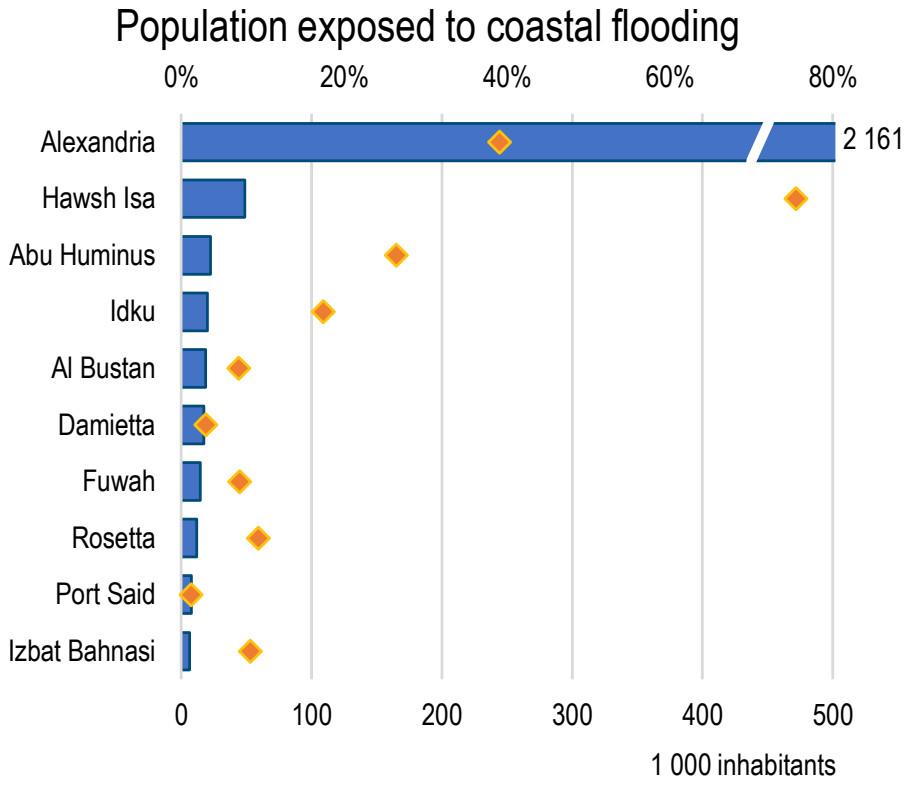
The creation of new cities offers many opportunities to design environmentally sustainable, climate-resilient and inclusive cities.



Note: This map focuses on New Urban Communities and does not reflect Egypt's full territory.
Source: Country submission (2024).

Alexandria's population faces significant coastal and river flooding risks





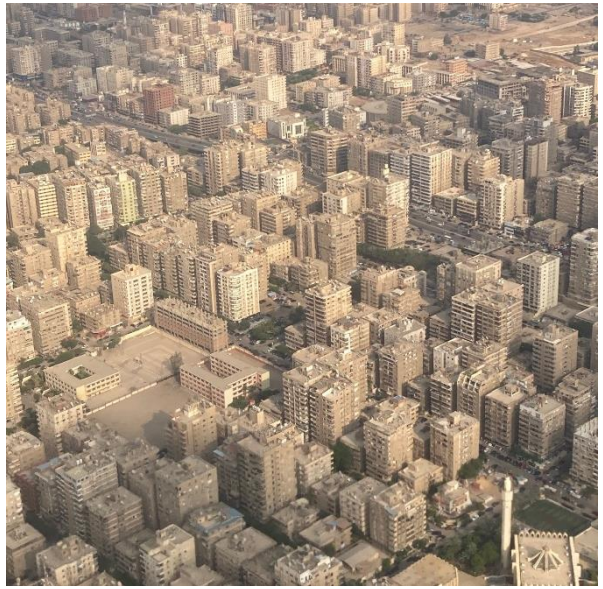
Efforts to develop localised risk assessments and early warning systems need to be pursued.

Note: Data features urban centres, which are defined by specific cut-off values on resident population and built-up surface share in a 1x1 km uniform global grid (European Commission, Copernicus, 2024[86]).
Source: OECD calculations based on Muis et al. (2016), A global reanalysis of storm surge and extreme sea levels (coastal flooding) and Baug. et al. (2024), Global river flood hazard maps (river flooding).

Egyptian cities have much scope to increase their green spaces and provide more equitable access

- Greater Cairo lost 900 000 m^2 of greenery (2017-20)
- < 10% of citizens in Alexandria live within 300m of green space
- Egypt's 2030 Vision sets a target of creating 3 m^2 of greenery per person, compared to 0.74 m^2 per person in Cairo in 2020
- Green space is less available in low-income neighbourhoods

Green cover targets for cities and more equitable access are important to make cities more liveable.



Thank you!