



EU-Egypt Joint Statement on Climate, Energy and Green Transition

Brussels, 15 June 2022

*The President of the Arab Republic of Egypt, Mr Abdel Fattah El Sisi, and the President of the European Commission, Ms Ursula **von der Leyen**, met today in Cairo to review and discuss enhanced cooperation on climate, energy and industrial transformation challenges ahead of COP27 in Egypt later this year.*

Fostering sustainable development, combatting climate change and environmental degradation, ensuring energy security and a balanced and just green transition are shared priorities for Egypt and the EU.

Acknowledging the urgency to take ambitious measures and inspire global action, we reaffirm our joint commitment and determination to accelerate the just energy transition and develop a resource-efficient, socially just and low emissions and climate neutral economy to enhance shared prosperity through resilient and sustainable growth.

Egypt and the EU recognise the full implementation of the 2030 Agenda for Sustainable Development and the Paris Agreement as fundamental pillars to prepare the world for future systemic shocks. Trade, investments and policy reform in support of these agendas and based on their agreed principles are the drivers and preconditions of sustainable recovery and development.

We are committed to meeting the goals of the Paris Agreement and keeping the 1.5 degrees limit on global temperature rise within reach, building on the Katowice COP outcomes, the Glasgow Climate Pact and other relevant COP decisions, and through updated nationally determined contributions, low emission plans, net-zero strategies and policy implementation. In responding to science, we urge all countries to explore ways in which they can pursue the highest possible ambition, and take steps towards accelerating the implementation of the mitigation pledges made, make substantial progress towards an ambitious and transformative adaptation approach and fulfil the climate finance pledges and commitments. The transition to a green and circular economy, in particular ensuring the integrity of all ecosystems and biodiversity protection and the sustainable management of resources at all levels, as appropriate, including water, is a key element to achieving climate-neutral, sustainable growth.

Egypt and the EU will join efforts to maintain political momentum on the successful implementation of the Paris Agreement and ensure ambitious outcomes at COP27. Acknowledging the considerable progress made by both sides, we reiterate the importance of:

- all Parties revisiting and strengthening the 2030 targets in their nationally determined contributions as necessary to align with the Paris Agreement, taking into account different national circumstances in time for COP27,
- fostering a rapid global just energy transition setting us on a pathway to global net zero emissions by mid- century,
- increasing adaptation capacity, enhancing implementation of adaptation and resilience actions on the ground as well as continue to cooperate towards averting, minimising and addressing loss and damage due to climate change impacts,
- accelerating the alignment of financial flows with the Paris Agreement goals and the delivery of the USD 100 billion goal as soon as possible, and at least double the collective provision of climate finance for adaptation in developing countries from 2019 levels by 2025, and further enhance the mobilization of climate finance to respond to the needs of developing countries.

In the context of our efforts, we will ensure an active engagement and meaningful dialogue from all relevant stakeholders, especially civil society organizations, private sector, women groups and the youth.

The EU will do its utmost to support the work of the Egyptian COP27 Presidency to forge a path towards a greater global ambition, making substantial and equitable progress across all issues, especially on mitigation, adaptation and finance, and ensure a successful COP27, with a focus on

implementation and delivery on Glasgow and other commitments.

Egypt and the EU highlighted the importance and urgency of adaptation action and its impact on livelihoods and development, and in this regard agreed to further collaborate on an ambitious and transformative adaptation approach that supports national action, cooperation and coordination at all levels, acknowledging the cross-cutting nature of the adverse climate induced impacts including on development, livelihoods, displacement and peace.

The EU and Egypt acknowledge that the new geopolitical and energy market reality requires an acceleration and an intensification of this partnership. By acting together as reliable partners, Egypt and the EU will address the common challenges of security of energy supply, diversification of energy sources and transition towards a resource-efficient, socially just, resilient and, as appropriate, climate neutral economy, founded on the absence of distortions to renewable energy and clean fuel and energy trade and investment in related value chains. For this purpose, the EU and Egypt will step up the cooperation with a particular focus on renewable energy sources, hydrogen, and energy efficiency actions, building on Egypt's significant potential for the cost-effective expansion of renewable power generation, clean fuel production in particular hydrogen and the EU's extensive support to these sectors throughout the years. We will join efforts to improve the policy, regulatory, financial, technical and environmental conditions and instruments needed to enhance the conducive business environment and achieve substantial flows of investments at scale so as to meet the country's sustainable development requirements, reduce greenhouse gas emissions and support the expansion in production capacities of renewable energy and hydrogen, while committing to identify and implement appropriate means to ensure that bilateral trade and investment is not distorted, in particular through export restrictions such as producer cartels, export licensing, export monopolies or dual pricing regimes, distorting incentives or subsidies.

The very favourable endowment with renewable energy sources offers Egypt the opportunity to become a regional hub for the production and export of renewable and low carbon energy. Egypt and the EU will work jointly, through a Mediterranean Hydrogen Partnership, to promote investments in the accelerated growth of renewable electricity generation; the strengthening and extension of electricity grids, including trans-Mediterranean interconnectors; the production of renewable and low carbon hydrogen; the production of hydrogen-based products and the construction of infrastructure for the storage, transport, distribution and export towards the EU of hydrogen and hydrogen derivatives compatible with EU regulations and definitions. Hydrogen cooperation between Egypt and the EU should be complemented by close regional cooperation with other countries in the Mediterranean region, with a view to building up clean hydrogen production capacities in the immediate geographical neighborhood of Europe. For this purpose, facilitating access to finance for hydrogen projects that, in the initial phase of development of the industry, may require public support through incentives, concessional finance, access to hydrogen markets and de-risking mechanisms will be crucial.

The EU will accelerate the process of its transition towards a zero carbon power system, in which renewable electricity and hydrogen will play a key role. This will include provision of support and investments in technologies that competitively use these sources of renewable, low carbon power, which in turn will require a stable, competitive and reliable supply and demand.

Security of gas supply is a common major concern. Egypt and the EU will work together on the stable delivery of gas to the EU and on the sustainable exploitation of natural gas resources in the framework of robust long-term decarbonisation objectives and measures to manage and reduce fugitive methane emissions. In that context, Egypt and the EU welcome the signature of the Memorandum of Understanding between Egypt, Israel and the European Union represented by the European Commission, signed on June 15, 2022.

Egypt and the EU will reinforce their bilateral cooperation on green transition based on a spirit of shared ambition, principles and partnership to allow both sides to reap all the benefits from investing into a low emissions, climate-neutral and climate-resilient future in line with the EU-Egypt Partnership Priorities. The EU has provided extensive support to Egypt on mitigation and adaptation related issues including water resource management, development of sustainable agriculture, expanding public transport networks, the roll out of renewable energy, promotion of energy efficiency and pollution abatement. Support to these sectors will continue and further enhanced as appropriate in the future. We will deepen our dialogue and technical exchanges in areas of mutual interest on energy and climate on bilateral and regional dimensions and we will work to further promote sustainable investments and private sector's engagement in green transition. We will also scale up our cooperation at all levels in areas such as early warning mechanisms, climate risk management and satellite monitoring to improve the knowledge base around adaptation and further improve the preparedness of our economies to respond to adverse impacts of climate change, including slow onset events. The Association Agreement, the EU Global Gateway, the EU Agenda for the

Mediterranean and its Economic and Investment Plan, and the EU-Egypt Partnership Priorities that the Association Council will formally endorse on 19 June will play an important role to leapfrog the opportunities of a green transition, including through flagship investments in renewable energy and sustainable resource management, building on the implementation of ambitious climate policies and targets in Egypt.

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