

Egypt – Giza North Power Project

June 8, 2010

U.S. Position

The Giza North Power Project in Egypt will contribute to improved security and efficiency of the electricity supply by increasing power generation based on efficient thermal power generation technology. The project is well aligned with the Bank's CAS Progress Report for Egypt, which includes the goal for the energy sector of enhancing the provision of public goods through modernized infrastructure services to achieve higher growth. The United States supports this project and the Egyptian government's efforts to secure stable and efficient electricity sources for its citizens.

While the Egyptian authorities have made considerable strides in energy sector reforms, the United States is concerned that some of the government's key reforms have slipped, particularly rationalizing electricity tariffs and submitting the new draft electricity law to Parliament during the current Parliamentary session. The United States encourages the authorities to proceed expeditiously in obtaining Parliamentary approval of the electricity law, and encourages Bank Staff to continue to engage the Egyptian government in strengthening electricity tariff and subsidy policies.

The private sector can play a significant role in bringing resources to bear in support of the government's energy objectives. To that end, the United States encourages the Egyptian authorities to seek private sector investment in future power generation projects, and supports the technical assistance portion of this project which will not only help Egypt promote private sector investment in electricity generation, but will also help Egypt develop a power sector strategy and promote energy efficiency.