

ATTACHMENT 1

A. Background

Scaling up renewable energy is critical to achieve the long-term development objectives of the Government of Egypt. As outlined in Egypt's Vision 2030 report, the energy sector is ranked as one of the most critical sectors to sustainably develop and achieve the nation's long-term growth plan.¹ Significant strides have been made including efforts to liberalize the power sector from a historically state-owned and operated system to one more conducive to private sector participation. However, despite the country's vast renewable potential and decarbonization opportunities, integrating large-scale renewable energy requires heavy investment in grid modernization and expansion, paired with greater system flexibility to manage higher penetrations of variable solar and wind resources. Additionally, as the sector liberalizes, enabling reforms must be strengthened, offering the private sector ample bankable opportunities to participate as both suppliers and buyers in a wholesale electricity market.

In April 2023, USAID/Egypt conducted an [Egypt Energy Assessment](#) to review the dynamics and current conditions of the energy sector in Egypt. The assessment identifies areas where a potential USAID/Egypt energy activity can support the Government of Egypt (GOE) goals and broader public and private energy sector development objectives. Following the Energy Assessment, USAID/Egypt in collaboration with Egypt's Ministry of International Cooperation held a workshop to discuss international cooperation in the energy sector in April 2024, identifying and prioritizing support activities. USAID/Egypt developed a [Workshop Report](#) summarizing the sessions and opportunities to align development assistance.

Currently, USAID/Egypt is evaluating the possibility of designing an energy sector reform activity aligned with GOE's Energy Strategy target to produce 42 percent of electricity by renewables by 2035 as is outlined in the Nexus of Water, Food and Energy (NWFE) program and the related Energy Wealth Initiative. Specifically, this program will seek to further reform the power sector to adopt more competitive market practices, create favorable conditions for private investment, decarbonize the power sector, build resilience in Egypt's energy supply, and power equitable, inclusive, and sustainable economic growth.

B. Link to USAID/Egypt Country Development Cooperation Strategy and Agency Goals

USAID/Egypt's Goal for its 2020-2025 Country Development Cooperation Strategy (CDCS) is "A More Inclusive and Globally Competitive Economy for the Benefit of all Egyptians." USAID/Egypt's CDCS intends to achieve this goal through three mutually reinforcing development objectives (DOs):

¹ Energy is the second pillar in [Egypt's 2030 Strategy](#). .

- DO1: Effectiveness of Reforms of Key GOE Entities Strengthened
- DO2: Enabling Conditions Promoting Social Equity Improved
- DO3: Inclusive Economic Development Accelerated

A new bilateral energy activity in Egypt seeks to support this goal by providing targeted technical assistance to strengthen the public sector's governance of the energy sector (contributing to DO1), increase opportunities for institutions and the private sector to participate in a more liberalized power sector (DO 3), and promote social equity by improving quality of and access to affordable energy services that enable greater economic opportunity (DO 2). Concurrent to these efforts will be targeted technical assistance that improves the performance of the power sector through grid modernization and systems flexibility, strengthened cost recovery, ensuring the energy sector can power economic growth and improve financial viability, necessary to achieve USAID and GOE's broader development objectives.

USAID is initiating support related to these objectives in the near term through the Scaling-Up Renewable Energy Program. Anticipated areas of collaboration are as follows:

- RE Integration and Storage
- Planning distribution control centers
- Private sector power trading frameworks
- Risk mitigation mechanisms for foreign exchange and tariff price risks
- Revolving fund for RE resource assessments
- Demand-side management for distribution utilities

C. Response Submission Instructions

Responses (comments, suggestions, and enhancements) to this RFI are due on October 30, 2024 at 15:00 Cairo Local Time. Responses must be limited to not more than 6 pages (single spaced, Calibri 12 pt, inclusive of annexes and cover page) in MS Word or ODT format only (no PDFs). Send responses to this RFI via email to sboulis@usaid.gov and nelkhatib@usaid.gov with the subject title "**Response to USAID/Egypt Request for Information No. 72026325RFI00003**", no later than the date/time stated above. You will only receive an electronic confirmation acknowledging receipt of your response, but will not receive individualized feedback on any suggestions. The responses you provide will only be used for informational purposes and are NOT intended to be used for selection or evaluation of any organization.

USAID requests responses to the following questions:

- 1. What organization is responding to this RFI and what is its relationship to the energy sector in Egypt and/or a potential USAID/Egypt energy program? Please include:**
 - a. Organization name and address;
 - b. Organization point of contact, title/position, mobile and landline numbers, email address and website (if applicable);
 - c. Size and type of organization, including U.S. small businesses or other status if applicable (optional, when applicable);
 - d. Legal registration status in Egypt (optional, when applicable); and
 - e. A brief statement that indicates the organization's involvement in the energy sector in Egypt and interest in a future USAID funding opportunity.
- 2. What are the biggest opportunities for USAID to support the scale-up of renewable energy in Egypt and the Energy Pillar of the NWFE program?**
- 3. What key challenges do you perceive that could hinder USAID support for large-scale renewables integration in Egypt and the Energy Pillar of the NWFE program?**
- 4. What are the biggest opportunities for USAID to support the overall competitiveness, efficiency and operational effectiveness of the energy sector in Egypt?**
- 5. Are there any key areas in the power sector that USAID should refrain from engaging in and why (e.g. due to political sensitivity, intractability, coverage of other donors, etc.)**
- 6. What are the biggest opportunities for USAID to support a just energy transition in Egypt that supports diversity, women's empowerment and social inclusion in the energy sector?**
- 7. In addition to GOE energy stakeholders, are there key local entities that USAID should consider supporting or partnering with?**
- 8. Is there anything else you would like to share or you feel USAID/Egypt should consider when developing a design for Egypt's Energy Activity?**

Note: Respondents providing answers to the questions do not necessarily need to address each question.