

# Paving the Way to Establish a Competitive Electricity Market in Egypt

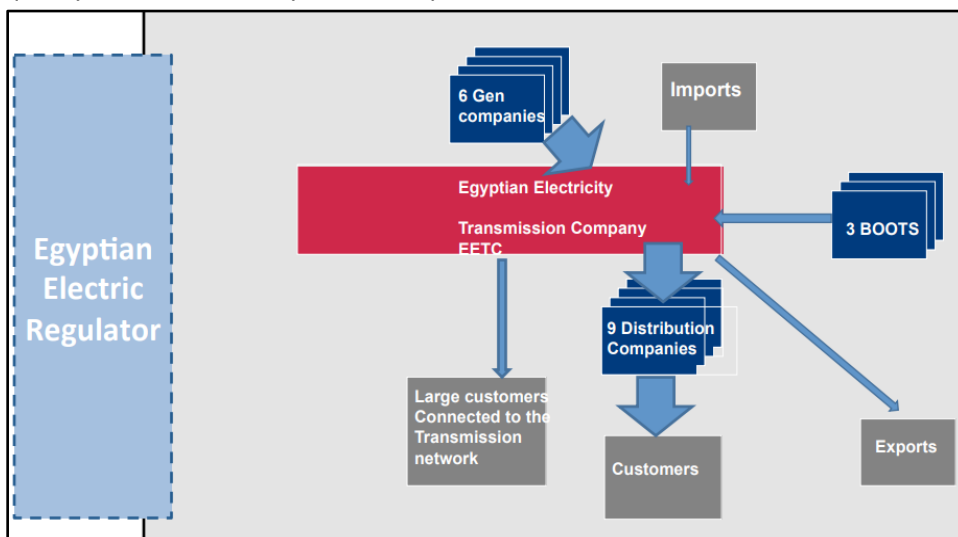
Written by: Mai M. ElAshmawy; April 2018

## Introduction

In July 2015, the issuing of Egyptian Electricity Law no. 87 mandated public actors in the country's electricity sector to work towards full electricity market reform. The Law mandated the sector to start moving from a monopolistic market to a competitive electricity market following international experiences and global trends. The Law assigned the Egyptian Electric Utility and Consumer Protection Regulatory Agency ([EgyptERA](#)) to lead this transformative process.



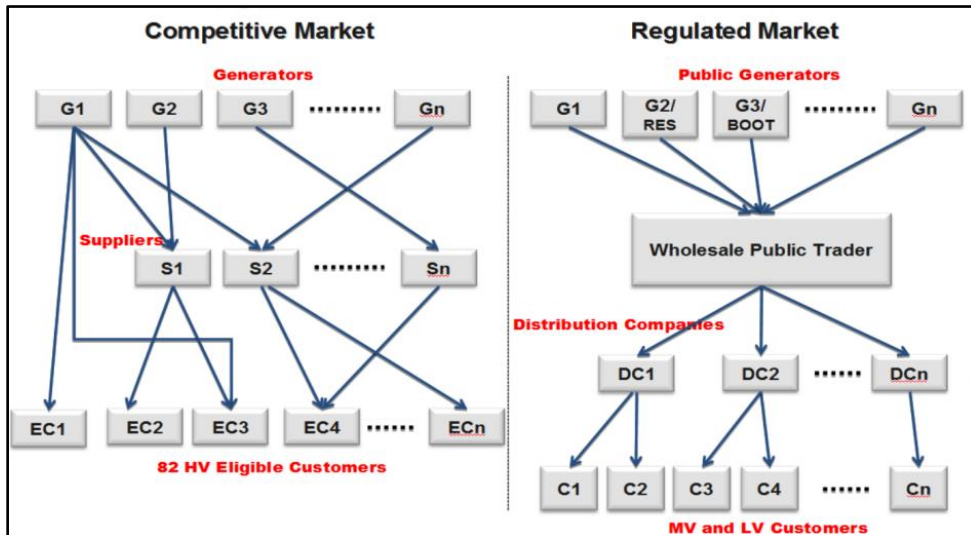
The current scheme is basically a vertically integrated system, which includes governmental generation companies, a single transmission company, and governmental distribution companies across the country (see diagram). The Law calls for a move towards a private-sector-driven market which is hoped to have a positive effect on the quality and sustainability of service provided.



Based on different countries' experiences in this field, the whole process can take a couple of decades to be fully completed. It has been proven that an inclusive and participatory planning effort among all relevant stakeholders is a key factor for successful transformation. EgyptERA realizes that strong efforts should be made in ensuring a common understanding, vision, and strategy among all different players for the purpose of fulfilling the mandates of the new Electricity Law.

## Objective

As a staff member at EgyptERA, I was part of a team that had the objective to co-create and agree on an Action Plan with all relevant stakeholders that clearly illustrated timelines and steps to be taken to ensure the successful transformation towards a competitive electricity market in Egypt (see diagram).



## Capacity Building from the Collective Leadership Institute

Fortunately, my EgyptERA colleague Ms. May Abou El Ella and I had had the opportunity to participate in CLI's Art of Stakeholder Collaboration I and II [open courses](#) in mid-2015, kindly funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Though we were focused on a different project at that time, we discovered that the approaches and methodologies we learnt are applicable to other projects, especially when cooperation and coordination with multi-level stakeholders are necessary to reach shared objectives.

Accordingly, we decided to adopt a dialogic and collective leadership approach in this project as it helped us in developing and implementing our stakeholder engagement, dialogue, and collaboration process. We started by explaining the methodologies to our supervisors and colleagues at EgyptERA, and tried to guide them to adopt the collective leadership approach in order to reach our objectives. What follows is an analysis of our initiative through the lenses of CLI's Collective Leadership Compass and Dialogic Change Model.

## Strengths According to the Collective Leadership Compass

Using the [Collective Leadership Compass](#), we realized that we should leverage the following opportunities and strengths. We recognized these as entry points into our work:

- **Future Possibilities:** The Law provides us with an inspiring vision and a specific objective to be achieved. We recognized that we needed to engage stakeholders in such a way that they could take ownership of the vision and contribute to its realization.
- **Wholeness:** All stakeholders share the responsibility of the performance of the sector and the quality of service provided. Even before the issuance of the Law, some stakeholders realized the need for communication and coordination between different actors to ensure the sustainability of their work. We set out to build on this desire for communication by



“getting the system into a conversation with itself” and helping all stakeholders recognize that they were an important part of a greater whole.

- **Collective Intelligence:** Diversity is present due to the different working nature of each stakeholder (i.e: Ministry of Electricity and Renewable Energy; EgyptERA, generation companies, the transmission company, distribution companies, and private sector companies). We needed to ensure the integration of the knowledge and experiences of these actors into our work in meaningful ways.

### Approach According to the Dialogic Change Model

#### Phase I: Exploring and Engaging

To initiate the process, an internal preparatory meeting was conducted with the EgyptERA team and the Executive Chairman to draft key process steps and to agree on the level of engagement for this project.

By conducting a stakeholder interest/influence analysis, EgyptERA determined that the core container for this process should include individuals from the following parties:

- Egyptian Electric Utility and Consumer Protection Regulatory Agency (EgyptERA)
- Egyptian Electric Holding Company (EEHC)
- Ministry of Electricity and Renewable Energy (MOERE)
- Egyptian Transmission Holding Company (EETC)
- Selected Electricity Distribution Companies
- Selected Electricity Generation Companies
- Selected Private Sector/ Large Consumers

A series of bilateral meetings was organized to create resonance, understand the context, and build our core container.



[Dialogic Change Model](#)



There were several engagement barriers that were discovered during these meetings including not understanding clearly the mandates of different actors under the new Law; an absence of the necessary knowledge of what should be done; a resistance to change among some actors; and a lack of fully imagining the bigger picture of a competitive electricity market.

After almost four months of engaging, the core container had fully understood and aligned around the change initiative and were ready to cooperate with one another. At this point, EgyptERA received an EU Twinning Funding Project meant to support the electricity sector transformation process.

### Phase II: Building and Formalizing

A large workshop was organized with the participation of the EgyptERA team, our core container members, and the consultants from the EU Twinning Project. This workshop's ultimate objective was to visualize our goals clearly and set a clear plan with different roles and responsibilities. Participants were informed that the results of this workshop would pass directly to the Minister of Electricity and Renewable Energy for approval and a high level mandate.



From September 2015 to August 2017, a hard-working atmosphere was created among all stakeholders. EgyptERA did its best to ensure transparency, effective communication, and follow-up. It was also very helpful that the Minister himself was following up on progress, as such big changes would need to be approved afterwards by the Prime Minister.

By the end of August 2017, our efforts had succeeded in developing a full Action Plan that had been drafted and approved by all parties. The Action Plan includes the following:

- Long and short terms objectives
- Roles and responsibilities of each stakeholder
- Timeline for implementation



## Reflections and Way Forward

Looking back at our efforts to date, I believe what was really helpful in the work was the core container focusing on process quality. This took the form, for example, of regularly reviewing and updating our check sheets and lists for our actions and outcomes. We would meet every two weeks to monitor our progress and adapt next steps. Our supervisors appreciated this kind of attention to quality, were flexible enough to change, and were supportive in each step along our path.

For the coming Phase III: Implementing and Evaluating, we are confident that the Action Plan will come into play with all the relevant stakeholders. The way in which we engaged them throughout has increased ownership of the Action Plan, as well as commitment to its implementation. Here, however, I would stop and say “This is another coming story.”

## Personal Path: Collaboration Academy Cairo

After having completed the above work, I decided to take a sabbatical from EgyptERA. I am in the process of establishing “Collaboration Academy Cairo,” which would mean that I can offer CLI open and onsite courses here in Egypt for individuals and teams.

Having completed the Art of Stakeholder Collaboration in 2015 and the Art of Leading Collectively and the Art of Dialogue in 2017, I am now a certified “[Collective Leadership Specialist](#).” This is the first of three steps in establishing a Collaboration Academy. With the publication of this EgyptERA case study, I have completed the second step. Finally, I am taking the last step, co-facilitation of CLI’s foundation courses with a CLI faculty member. I have already co-facilitated the Art of Stakeholder Collaboration and am planning to co-facilitate an Art of Leading Collectively course soon!

In the coming months, I hope to welcome you in a workshop at Collaboration Academy Cairo!

*Author of this article:*

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Ms. Mai ElAshmawy is passionate about contributing positively to change processes on personal, national, and regional levels. She believes that human interactions are the key to building inclusive, sustainable, and prosperous nations worldwide. Based in Cairo, Ms. ElAshmawy works as a freelance development and communications expert across the Mediterranean Region. She is accredited by the Collective Leadership Institute as a Collective Leadership Specialist and draws heavily on her strong conceptual and practical knowledge of stakeholder engagement in all her work.

Ms. ElAshmawy is talented in analyzing the policies, structures, and needs of diverse stakeholder systems. In such contexts, she is experienced in collaborating closely with key actors in co-developing communication strategies and work methodologies that lead from the inception of ideas to their implementation. Ms. ElAshmawy is fluent in Arabic and English and holds an MA in Business Administration and a BA in Mass Communications.



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