

## Vehicle Scrapping and Recycling Program

Egypt

June 2014

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### Background Information

The Egypt Vehicle Scrapping and Recycling Program establishes a mechanism through which owners of taxis, minibuses, trailer trucks and buses may voluntarily surrender their vehicles for managed scrapping and recycling, in exchange for financial incentives that may be used towards the purchase of new vehicles from participating vehicle dealers. The first stage, launched in 2009 for taxis only, aims to reduce greenhouse gas emissions (GHG) and air pollution associated with aging taxi vehicles in Greater Cairo. Taxi vehicles operational for more than 20 years qualify under the program for voluntarily replacements with newer models that meet Egyptian environment Law specifications (more energy efficient, less polluting, and safer). Currently the program's implementation focus is in greater Cairo including Cairo, Giza, Qalyoubeya, Helwan and 6th of October areas

Replacements take place in exchange for financial incentives that are used for the purchase of newer taxi models. Interested taxi drivers head to a "Scrapping and Intermediate storage Site"

#### Quick facts

Zone	National Territory
Programme started	2009
Topic	Energy Efficiency
Implementing Agency	National Government

Case Study



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for vehicle eligibility inspection and temporary on site storage, where each vehicle battery is drained. Drivers are then given their entitled subsidies and granted tax and customs waivers. They are also presented the option to purchase a new car from car dealer representatives available on site. Storage for newly acquired cars is also available on site, while drivers are granted appropriate legal licensing in a short time period.

### Development

In May 2011, it was the first global project in the transport sector to be registered in the UNFCCC as a "Clean Development Mechanism project". As of 2012, more than 41000 vehicles were replaced through the project.

### Program Impacts

- Reduction of CO<sub>2</sub> emissions. It is estimated that 2,636,713 tons CO<sub>2</sub> equivalent over the period 2009-2018 will be reduced. CH<sub>4</sub> and N<sub>2</sub>O emissions reductions are also expected.
- Average fuel efficiency achieved for through the program is 9.39 liters/100 km for fueled cars and 8.34 m<sup>3</sup>/100 km for cars that use compressed natural gas (CNG).
- Support for local vehicle and automotive compo-

nent assembly; introduction of technology transfer and best practices for vehicle recycling.

- The increase of business and profits for involved dealers and commercial banks.
- Increasing the income of participating taxi drivers though increased taxi fares and improving their livelihoods.

### Faced Challenges

- Coordination between stakeholders.
- Diligent and continuous program management.
- Budgetary constraints.

### References

The following documents informed the development of this paper:

[http://cdm.unfccc.int/ProgrammeOfActivities/poa\\_db/JMC6IEOPXNUSTA2Q78DFZ4GW9LHKV1/view](http://cdm.unfccc.int/ProgrammeOfActivities/poa_db/JMC6IEOPXNUSTA2Q78DFZ4GW9LHKV1/view)

<http://www.eoi.es/blogs/tatianacasque-ro/2012/02/21/climate-change-the-egypt-vehicle-scraping-and-recycling-poa/>