European Investment Bank

CM Complaints Mechanism

Complaints Mechanism - Complaints Mechanism - Complaints Mechanism - Complaints Mechanism

Cairo Metro Line Phase 3
Egypt

Complaint SG/E/2012/12

INITIAL ASSESSMENT REPORT

12 September 2013

FINAL

Prepared by

Complaints Mechanism

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External Distribution
Complainants: Residents of Zamalek Island (the Complainants)
Promoter: The National Authority of Tunnels, NAT (the Promoter)
Borrower: the Arab Republic of Egypt, (the Borrower)
Financiers: EU, AFD

Internal Distribution
EIB services concerned

The Initial Assessment

The EIB-CM work regarding an admissible complaint will start with an Initial Assessment. The objectives of such Initial Assessment are fact finding oriented:

- to clarify the concerns raised by the complainant(s), to better understand the complainants' allegations as well as the view of other project stakeholders (project promoter, national authorities, ...), and to have an understanding of the situation on the ground;
- for those projects that raise substantial concerns regarding social or environmental outcomes and or seriously question governance of objects or vehicles of EIB financing, to understand the validity of the concerns raised;
- to assess whether and how the project stakeholders (e.g. Complainants, the Bank's operational services and the project Promoter) could seek resolution of the issues under complaint;
- to determine if further work is necessary and/or possible from the EIB-CM (investigation, compliance review or mediation between the parties) to resolve the issues raised by the complainant(s).

The opportunities for collaborative problem solving should be assessed:

- Identify the relevant stakeholders who are to be involved in the possible dispute resolution;
- Understand their views and willingness to resolve the issues;
- Identify optimal processes (existing and new), if any, to articulate the issues under complaint and how the CM can help and assist the relevant project stakeholders in providing a forum for discussion and facilitating a possible resolution;
- Assess the possibility of formal agreement on a process for trying to solve the concerns raised by the complainant and any other issues identified thereof.

For those projects that raise substantial concerns regarding social or environmental outcomes and or seriously question governance of objects or vehicles of EIB financing:

- Understand how EIB operational services have ensured (i) compliance with applicable frameworks (Laws, rules and regulation, EIB policies and standards) and (ii) appropriate project performance;
- Assess potential indications that EIB policies, standards and guidelines could have failed to provide an adequate level of protection and safeguard;
- Identify, if any, reasonable indications of non-compliance with applicable frameworks (Laws, rules and regulation, EIB policies and standards);

The assessment phase will be concluded with an Initial Assessment Report and with a decision whether or not to proceed and a clear outline of the course of action proposed.

The EIB Complaints Mechanism

The EIB Complaints Mechanism intends to provide the public with a tool enabling alternative and pre-emptive resolution of disputes in cases whereby the public feels that the EIB Group did something wrong, i.e. if they consider that the EIB committed an act of maladministration. When exercising the right to lodge a complaint against the EIB, any member of the public has access to a two-tier procedure, one internal – the Complaints Mechanism Division (EIB-CM) - and one external – the European Ombudsman (EO).

Complainants that are not satisfied with the EIB-CM's reply have the opportunity to submit a confirmatory complaint within 15 days of the receipt of that reply. In addition, complainants who are not satisfied with the outcome of the procedure before the EIB-CM and who do not wish to make a confirmatory complaint have the right to lodge a complaint of maladministration against the EIB with the European Ombudsman.

The EO was "created" by the Maastricht Treaty of 1992 as an EU institution to which any EU citizen or entity may appeal to investigate any EU institution or body on the grounds of maladministration. Maladministration means poor or failed administration. This occurs when the EIB Group fails to act in accordance with the applicable legislation and/or established policies, standards and procedures, fails to respect the principles of good administration or violates human rights. Some examples, as set by the European Ombudsman, are: administrative irregularities, unfairness, discrimination, abuse of power, failure to reply, refusal to provide information, unnecessary delay. Maladministration may also relate to the environmental or social impacts of the EIB Group activities and to project cycle related policies and other applicable policies of the EIB.

The EIB Complaints Mechanism intends to not only address non-compliance by the EIB to its policies and procedures but to endeavour to solve the problem(s) raised by Complainants such as those regarding the implementation of projects.

For further and more detailed information regarding the EIB Complaints Mechanism please visit our website: http://www.eib.org/about/accountability/complaints/index.htm

Acknowledgements

The EIB-CM would like to thank all people and organisations with whom they have interacted during the investigation of this complaint, and expresses its appreciation to the EIB staff that have provided the required information.

Without the support and valuable contributions of everybody concerned, the preparation of this report would not have been possible.

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INITIAL ASSESSMENT REPORT

EXECUTIVE SUMMARY

In November 2012, the EIB-CM inbox received several individual emails expressing objections to the construction works related to the expansion of the Cairo Metro Line in the Zamalek Island, Cairo, Egypt. Initially, the EIB-CM had received 33 complaints (The Complainants). Subsequently, the EIB-CM received additional emails from residents of Zamalek in support of the original complaint and with similar petitions than the original Complainants (The Petitioners).

The project consists of the expansion of the existing metro line of Cairo. Phase 3 of this expansion involves the construction of 17.4 km of railways, and 15 stations. The design of the metro line includes a station in the Ismail Mohamed Street, in the Northern part of the Zamalek Island. The promoter of the project is the National Authority of Tunnels (NAT), a public sector company under the responsibility of the Ministry of Transport. The construction works of Phase 3 of Line 3 of the Cairo Metro is financed by the Bank (up to EUR 600 million) together with the French Development Agency (AfD) (up to EUR 300 million). Both financial institutions also mobilised grants (EUR 40 million) from the Neighbourhood Investment Facility (NIF). The Finance Contracts were signed in October 2012. No funds have yet been disbursed.

All Complainants are residents of Zamalek, an island located in the Nile River Basin that administratively falls under the responsibility of the Cairo Governorate. The Complainants have presented several allegations. First, they contest the effectiveness of the public consultation held by the promoter; secondly, they express their disagreement with the route of the metro line and the location - in the Ismail Mohamed Street - chosen for the station; regarding the design of the metro line and the location of the station, the Complainants have presented several alternatives to the route proposed by NAT; in addition, the Complainants allege that the Bank has failed to adequately assess the disturbances resulting from the construction works and the associated mitigation measures; similarly, they allege that the Bank has failed to assess and provide adequate mitigation measures for risks associated with the construction works such as vibrations and the risk of the collapse of buildings. The Complainants have also expressed their concerns on several other issues related to the future operation of the metro, such as social intrusion in the island, harassment of female users of the metro, loss of business and management of the flow of pedestrians associated to the metro station. Some of the concerns expressed by the Complainants have been echoed by the Egyptian media.

The EIB-CM has performed an Initial Assessment based on a desk review of the available information and meetings with the concerned services. In addition, the EIB-CM carried out a Fact Finding mission to meet with the complainants and with the promoter in April 2013. During this mission, the EIB-CM also met with the Head of the EU delegation in Cairo, AfD and other stakeholders. During the mission, the EIB-CM listened to the parties involved about their concerns and points of view related to the allegations under consideration. The EIB-CM also clarified the scope of its work, which mainly focuses on the EIB's process and procedures on the issues presented by the Complainants.

Based on the information gathered during this Initial Assessment Phase, the EIB-CM has drafted the present report and proposes a way forward. From the EIB-CM point of view, NAT has carried out, to a certain extent, an effective public consultation process with the residents of Zamalek. However, there are areas that require additional consultation and it will be important that a permanent form of engagement is formalised between NAT and the affected parties (and project stakeholders in general) in order to address the concerns of the Zamalek residents. This should be part of the Stakeholder Engagement Plan which the EIB has requested NAT to develop and implement throughout the project cycle. This engagement should start by providing all the relevant information to the Complainants of the process followed to select the design of the metro line as well as the location of the station in Ismail Mohamed Street. The Complainants could also present and discuss with NAT their alternatives both for the route of the metro and the location of the station. It is also advisable that the residents of Zamalek (and other neighbourhoods affected by the works) be informed - through an interactive

process - by the promoter and the Contractors of the mitigation measures with regards to the risks and disturbances resulting from the construction works. The EIB-CM was informed that the tender for the selection of the Contractor might be launched shortly. The Contractor will play an important role in confirming the main risks and proposing and implementing the appropriate mitigation measures which should be part of their Detailed Technical Studies (DTS) and the construction ESMP. The Contractor will be supervised by an internationally procured engineering firm, which will assist the Project Implementation Unit located in NAT with its duties, such as ensuring that the works are done in accordance to the design, the ESMP, the conditions set out in the authorisations and permits and international practice. Furthermore, the Project Implementation Unit located in NAT will also procure external project management services to ensure proper and timely implementation of the project.

As a way forward, the EIB-CM proposes to facilitate the establishment of an on-going engagement between the Complainants and the promoter in order to improve the communication between the parties involved with the objective of clarifying all aspects related to the design of the metro line (the routing, the location of the stations, the Resettlement Action Plan, the functioning and structure of the grievance mechanism, mitigations measures, etc). It is also fundamental that the promoter puts in place an effective and equitable grievance mechanism that will enable NAT to assess and manage potential complaints and concerns that might arise in future. Should NAT continue implementing the existing plans, and in order to avoid major misunderstandings between the promoter and the residents of Zamalek, the EIB-CM recommends that, in line with international best practices, NAT ensures that a full ex ante building survey is carried out and a register of buildings along the metro line is established, as is mentioned in the ESIA.

INITIAL ASSESSMENT REPORT

Cairo Metro Line Phase 3
Complainants: Several individuals (The Complainants)
Date received: **November 2012**

Project Status: Signed and no disbursed
Board Report: 18 September 2012
Contract amount: up to 600 Million EUR, in three different Finance Contracts

1. SUMMARY OF ALLEGATIONS (The Complaints)

Failure to follow an effective Public Consultation in the design of the Metro Line when crossing Zamalek Island:
The Complainants allege that the promoter has not taken into consideration their opinion when designing the Metro Line in crossing the island of Zamalek. The Complainants question the transparency of the public consultation process carried out by the promoter.

Failure to carry out an adequate process to design the Metro Line and the selection of the Zamalek station:
The Complainants object the routing of the metro line – that crosses the Zamalek Island – made by the Promoter; they also reject building the underground station in the proposed location of Ismail Mohammed Street.

Failure to provide adequate mitigation measures to reduce the impact to residents of Zamalek during construction:
The Complainants allege that the construction works will bring substantial disturbances to the area proposed for the location of the station in Zamalek. They oppose the works because Zamalek is mainly a residential (no business) area and residents will feel intensely the noise, pollution, social intrusion and traffic disturbances associated to the works and the operation of the metro. Some of the Complainants owns businesses (hotel, offices) in the whereabouts of the proposed Zamalek station and allege that the works will negatively affect her business.

Failure to provide adequate mitigation measures to reduce risks during the construction of the tunnel underneath Zamalek Island:
The Complainants allege that the promoter has not duly assessed the risks of building the underground deep tunnel and the station in Ismail Mohammed Street during the construction and operational phases. The construction will impact the foundations of the existing buildings, increasing the risk of buildings to collapse. The Complainants also allege that this risk has not been properly addressed in the Environmental and Social Impact Assessment (ESIA)

2. CLAIM

The Complainants request:

- To relocate the construction of the station in the Ismail Mohamed street and consider 4 other alternative routes; (i) Alwaraq Island (outside Zamalek island); (ii) Furthest Southern edge of Zamalek; (iii) underneath Gezira club horse track; (iv) furthest northern edge.

3. THE PROJECT: CAIRO METRO LINE (PHASE 3)

3.1 The project consists of the design, construction and commissioning of Phase 3 of Line 3 of Cairo metro, including infrastructure investments, civil works, rolling stock and a new stabling area for vehicles recovery. The project plans to address the shortcomings of Cairo's overburdened traffic system. The main objectives of the project are to contribute to economic growth, improve livelihoods of Cairo's socially disadvantaged population and contribute to mitigate climate change and pollution.

3.2 The borrower of this operation is The Arab Republic of Egypt (the Borrower) and the promoter and implementing agency is the National Authority for Tunnels (NAT) (the Promoter). NAT has been established by the Government to carry out tunnel and metro projects throughout Egypt. The Final Beneficiary of the project is the Egyptian Company for Metro (ECM), which will operate the project once construction managed by NAT is completed. ECM is a public body under the auspices of the Ministry of Transport, operating and maintaining Cairo metro.

3.3 The Greater Cairo metro Line 3 Phase 3 consists of 17.7 km of railways and 15 stations, and is divided in three sub-phases. The main characteristics of the alignment in its 3 phases are:

1. Sub-phase 3A; from Attaba to KitKat Square: 4 km long and comprises 4 underground stations. At the East end of the line is Nasser station, near the Cairo High Court and existing Line 1 station. Line 3 will pass under Line 1.
2. Sub-phase 3B; from Kit-Kat Square to Rod El Farrag: north-western branch of Phase 3, to the west of the diversion structure and Kit-Kat Square. It comprises 6 stations over 7.2 km.
3. Sub-phase 3C; from Kit-Kat Square to Cairo University: it branches out to the South-West from Kit-Kat Square, at the Western end of Phase 3A. It includes 5 stations over 6.5 km. Line 3 phase 3C will pass over the existing Line 2 in the area of the Cairo University station. The Line 3 Cairo University Station will be located to the South of the Line 2 station. A connection between the two lines will be established.

3.4 The final design is currently underway and some parts are still under revision and might be subject to change, e.g. in the vertical alignment, passing from underground to elevated or at level, or vice versa, as a result of cost considerations and ESIA related mitigation measures.

3.5 The project also includes the acquisition of 32 new metro 8-car trains (capacity 1 550 passengers/train at 6 pass/m2), and the construction of a new stabling area for vehicle recovery, located at the end of phase 3B, in the area of Rod El Farag. The total Metro Line 3 project includes four phases, of which phases 1 and 2 are already under construction. The depot and workshop for the line will be constructed in phase 4, which is expected to be completed less than 1 year after phase 3.

3.6 The project is expected to reverse the current negative trend of public transport modal share. Demand for the Metro Line 3 Phase 3 is expected to reach some 1.0 m passengers per day, equivalent to 310.7 m passengers per year in 2022, which would confirm this section as the busiest of the whole line.

3.7 At the time of appraisal, the total project costs was estimated at EUR 2.4 bn, and EIB's Board approved a loan of EUR 600 m to be signed in three different Finance Contracts. The proposed EIB loan of EUR 600m would cover 25% of total project cost. Other co-financiers include the French Development Agency (AfD) with a loan of EUR 300m, and an export credit agency - yet to be determined – which is expected to finance the rolling stock at EUR 435m. The EU Neighbourhood Investment Facility provides a grant of EUR 40m, while the balances of EUR 1,043bn will be covered by the Borrower/Promoter. The European Commission provided its favourable opinion on 12 January 2012 and the EIB's Board of Directors approved the project on 18 September 2012. The EIB signed the first Finance Contract on October 2012. Funds have not yet been disbursed.

4. BACKGROUND OF THE COMPLAINT AND METHODOLOGICAL ASSESSMENT

4.1 Background

4.1.1 On 1 November 2012, the EIB Complaints Mechanism (EIB-CM) started to receive several emails requesting the Bank to stop the plans of the Egyptian authorities to build the 3rd line of Cairo metro through Zamalek Island. While some of the Complainants expressed their total disagreement to build a new metro station in Zamalek, other Complainants expressed their specific disagreement to the building of the metro station in the Ismail Mohamed Street. The complaints were received in the form of emails addressed to the EIB-CM Complaints Inbox. On 13 November 2012 the EIB-CM indicated to the first group of Complainants that their complaint was registered. The EIB-CM also indicated that more information was needed in order to assess the complaint according to the admissibility criteria of the Complaints Mechanism. On 14 November 2012 the EIB-CM received a new communication (The Complaint) sent by a group of Complainants providing details of their concerns. On 9 of January, the EIB-CM received a complaint from the , located in Zamalek who complaint about the potential disturbances and loss of business due to the works of the underground. The complaint received from the is treated together with the other complaints because it raises similar issues. After the fact finding mission of April 2013, the EIB-CM has received similar petitions from other residents of Zamalek. As these requests subscribe the same issues as the original batch of Complainants, they are treated as Petitioners. The EIB-CM also notices that the local association so-called "Save Zamalek" is echoing the same concerns as the Complainants. The concerns of the Complainants have also been reflected in the local media in the form of articles published by newspapers or reports and interviews on TV chains. The Complainants are also using the social network (Facebook) and internet (Youtube website) to publicise their concerns.

4.2 Methodological Assessment

4.2.1 On 26 November 2012, the EIB-CM sent a new acknowledgement of receipt of the Complainants' letters, and informed the Complainants that the EIB-CM was carrying out a review of the Complaint, indicating the date by which the Complainant may expect an official reply from the EIB. Due to the complexity of the inquiry and in line with article 11.10.02 of the EIB Complaints Mechanism Policy the EIB-CM extended the deadline to reply until 16 June 2013.

4.2.2 On 23 January 2013, the EIB-CM requested to the services additional documents aiming at understanding the original design of the Metro line. Following a mission of the Bank's services to Cairo in February 2013, the EIB-CM was informed that the Greater Cairo Public Transport Study was performed in 1999. An evaluation of three alternative Public Transport Scenarios was performed in February 2001 and had been concluded with the selection of one preferred scenario for the Integrated Public transport Network for the year 2022. A Feasibility Study of Greater Cairo Metro Line 3 was performed in March 2001. A Transportation Master Plan and Feasibility Study of Urban Transport Projects financed by JICA dated November 2002 confirmed the necessity to implement the Line 3 on the same route as defined in the 1999-2001 studies. Finally, an update of the Line 3 Feasibility Study was performed in December 2009.

4.2.3 The EIB-CM received copies of the "Transportation Master Plan and Feasibility Study of Urban Transport Projects in Greater Cairo Region in the Arab Republic of Egypt" (The Transportation Master Plan), prepared by Pacific Consultants International (PCI); and the "Greater Cairo Public Transport Study – Report 3: Evaluation of the Third Metro Line Alignment Options, and Report 4: Executive Summary" prepared by Systra and ACE for the Ministry of Transport/NAT.

4.2.4 The Transportation Master Plan was commissioned by the Higher Committee for Greater Cairo Transport planning and Japan International Cooperation Agency (JICA) and formulates a master plan for the urban transport needs for the Cairo Regional Area until 2022. "The Study includes a full set of transport and traffic surveys with eleven kinds including a person trip-based home interview survey for about 57,000 sample households for identification of present conditions as well as building a reliable transport models"

4.2.5 The EIB-CM then reviewed the relevant documents of the project, including the Bank's Board Report, the Finance Contract, the Environmental and Social Impact Assessment of the project, the 2001 Transport Master Plan, and other key project documents. Meetings took place with the services responsible for the project appraisal to understand the background of the project, the status of the implementation and to exchange views on the issues raised by the Complaint.

4.2.6 The EIB-CM also informed the EU delegation in Egypt and the AfD's Chief Compliance Officer of the complaints received on 27 March 2013.

4.2.7 The EIB-CM undertook a fact finding mission to Egypt from 19 to 23 April 2013 to visit the site and to meet with the Complainants and the promoter of the project (NAT). The EIB-CM also met with other parties involved, like the EU Delegation and AfD, and other relevant stakeholders. In order to preserve the autonomy and confidentiality of the discussions, the EIB-CM met separately with the Complainants. The other meetings were organised with the support of the EIB Regional office in Cairo.

4.2.8 During the fact finding mission, and in a follow-up letter sent to the Complainants on 10 May 2013, the EIB-CM explained to the parties involved that the scope of work of the EIB-CM is limited to review the actions carried out by the EIB in relation to the appraisal of the project and the monitoring of its implementation. In this context and from an EIB perspective, any decision concerning the selection of alternatives is the sole responsibility of NAT, who should ensure: (i) the effectiveness of the public consultation process; (ii) the appropriateness of the information being provided to the public on the alternatives for both the design of the metro line and the selection of the metro station in Zamalek; and (iii) the appropriateness of the proposed measures to mitigate the risks associated to the operation of the metro line and with the works during its construction, including the vibrations resulting from these works.

4.2.9 During the mission to Egypt, NAT provided copies with excerpts of the videos recorded during the 5 public consultations held concerning the expansion of the metro works. These videos have been reviewed by the EIB-CM.

4.2.10 The information collected was considered sufficient to form an initial opinion on the key allegations presented by the Complainant and propose a way forward to the parties.

5. INITIAL ASSESSMENT

5.1 In this section, each of the allegations of the Complainants will be analysed in detail separately. For each of them, the report will present the Initial Findings and Conclusions based on the outcome of the discussions held with the parties and the documents reviewed.

5.2 *Allegation concerning the failure to follow an effective Public Consultation*

Details of the allegation

5.2.1 The Complainants pointed out to the EIB-CM there were flaws in the process of Public Consultation. According to them, "This was one way dialog", and the Public Consultation was organised only to "inform the public", not to "listen to the public". The Complainants allege that the authorities are designing the line without taking into consideration the views and objections of the residents of Zamalek.

5.2.2 During the meeting held with the Complainants on 20 April 2013, they also indicated that they were not aware that a survey had been carried out as part of the first process of the public consultation as indicated in the EQI report. They complained that the public consultation of August 2012 was done during the Ramadan – and summer vacation - period, which reduced the attendance to the meetings. The Complainants also criticised the effectiveness of the publicity given to the event because pamphlets were put on the trees and walls of buildings. They also wondered why residents of Zamalek were not

aware of the public consultations, but there were workers not residing in the island that attended at the meetings.

Initial Findings

5.2.3 The EIB-CM started to carry out its initial assessment analysing the available information of the Environmental and Social Impact Assessment (ESIA). The first Environmental Study prepared by EQI refers that a questionnaire was sent to a sample of the population of the different neighbourhoods, including Zamalek, of the metro line. Sixty-five families of Zamalek were contacted and asked questions about the views of the metro, the impact in their lives and potential impacts in their residences. In addition, the Public Consultation Report (August 2012) indicates that the Promoter organised 3 scoping meetings (one of them in Zamalek in October 2011) and a Public Disclosure meeting (only in Zamalek in December 2011). Two additional consultations were organised, one of them in Zamalek in August 2012. An additional information session was organised by NAT in Zamalek - targeting solely Zamalek residents - in October 2012.

5.2.4 The questions and main issues discussed during the Public Consultation have been minuted. The minutes of the public consultation also provide details of the number of participants, broken down by different categories (gender, social class, residents or not...). The number of participants varies from 41 to 65 participants. This number is in line with participants in similar type of events. Some of the participants are members of the Zamalek Residents Association. The EIB-CM was informed that this association has around 300 members. According to the ESIAs report, the public consultations were advertised in Arabic in local newspapers and in the neighbourhood.

5.2.5 The main issues discussed are also reflected in the environmental and social reports. The EIB-CM notices that Zamalek is identified as a one of the two "hot spots" since the very first public consultation. The main concerns registered from Zamalek residents are: (i) negative social impact (including negative perception of the metro as a mean of transport and social intrusion by non-residents, which might lead to an increase in crime and idle people in the surrounding areas); (ii) disturbances during the construction period (traffic, noise, pollution...); (iii) concerns about the vibrations, foundations / soil subsidence, and (iv) the impact on buildings categorised as cultural heritage.

5.2.6 NAT provided video excerpts of the public consultations to the EIB-CM. However, the EIB-CM considers that these videos provide enough information on the way that the public consultation was conducted as well as on the main issues of discussion. Through the viewing of the videos the EIB-CM could confirm that participants were given the opportunity to express their views and put forward their questions in an orderly manner to the representatives of NAT. Active participation of women in asking questions was high. The videos also show, the intense debate between the representatives of NAT and the residents of some of the issues referred to in 5.2.5.

5.2.7 The EIB-CM has also analysed the Bank's guidelines for Public Consultation[1]. Consultation is defined as *a tool for managing culturally appropriate two-way communications between project sponsors and the public. Its goal is to improve decision-making and build understanding, by actively involving individuals, groups, and organizations with a stake in the project. This involvement increases a project's long-term viability and enhances its benefits to locally affected people and other stakeholders.* A better and well informed public consultation is essential to increase and improve the transparency and accountability of public sector institutions like the Bank.

5.2.8 According to the guidelines, *Consultation processes can identify different perceptions of risk, explore possible alternatives, and provide information on appropriate mitigation and compensation measures.* In addition, *Consultation is also a means to an end, not an end in itself, and should be treated to build longer-term relations* [between the promoter and the society]. There is a variety of ways in which

[1] https://ged.beilux.eib.org/ged/ged.dll/ESO_-_Social_Guidance_Note_5-Public_Consultation_and_Participation_in_Project_Preparation_-_Feb_2010.pdf?func=doc.Fetch&nodeid=39024887&docTitle=ESO%20%2D%20Social%20Guidance%20Note%205%2D%20Public%20Consultation%20and%20Participation%20in%20Project%20Preparation%20%2D%20Feb%202010

consultation can take place as well as different levels of intensity that might be pursued. The Bank's guidelines identify 3 levels: (i) ***Information feedback,*** *defined as the provision of information with a request for feedback to supplement knowledge and gain a better understanding of issues (e.g. surveys, staffed exhibits and displays, staffed telephone lines, public information centres); (ii)* ***Involvement and consultation,*** *defined as formal or informal dialogue to identify issues of concern (e.g. workshops, focus groups, participatory assessments); (ii)* ***Extended involvement,*** *defined as participants are able to contribute to the formation of a plan or proposal and to influence a decision through group discussions or activities (e.g. stakeholder groups, fora, user groups and associations).*

5.2.9 From the information that was collected as well as from the information stated in the advertisements of the public consultations, it appears that the purpose of the public consultations at that stage was to present the project's plan (Phase 3) as well as to hear and inquire into residents' concerns. In this context, it is important to highlight that the subjects discussed and listed in the public consultation's agenda of 9 August 2012 inter alia elaborated on the following matters:

- the path of the metro line;
- the location of the station;
- the time frame for the construction of the metro line and stations;
- the design and specifications of the station;
- the traffic plans and responsibilities during the construction period;
- social and environmental impacts;
- the planned mitigation measures;
- the communication with public and the Project grievances mechanism.

5.2.10 In the case under consideration, the activities of public consultation carried out by NAT could be framed in the first levels (i and ii) indicated in paragraph 5.2.8. It is somehow important to clarify ex-ante to the targeted population the expected level of involvement from the public. Some of the complainants met during the Fact Finding mission considered that their input should be taken into consideration as part of decision making process. The impression of the EIB-CM of the meeting with NAT management is that the public meetings were arranged mainly for information purposes. It is also noted that, in line with the Stakeholder Engagement Plan, NAT organised an additional meeting with Zamalek residents in October 2012.

Conclusions

5.2.11 The EIB-CM notices that during the public consultation process, NAT has organised several presentations and meetings in Zamalek. This neighbourhood has benefitted from most of the direct presentations and public consultations carried out by the promoter. Some of them, like the one of October 2012, targeted specifically the residents of Zamalek. Through the analysis of documents and the visualisation of the public consultation's videos, the EIB-CM notices that residents of Zamalek have been expressing their objections to the proposed location of the Metro Line in their neighbourhood during the process of public consultation.

5.2.12 In terms of the effectiveness of the communication, the process has followed up, in general terms, the EIB guidelines in terms of publicity of the events (using local language in the local media), engaging the residents at the stakeholder meeting, and allowing vulnerable groups (women in particular) to express their views on the project

5.2.13 However, some specific aspects leave still room for improvement: in the videos visualised, NAT did not clearly explain the purposes of the consultation at the beginning of each session; key aspects of the project, such as the selection of the route and alternatives for the stations (see 5.3) were mainly addressed by NAT in response to the questions of participants in the public consultation, without entering into any details of the process followed during the elaboration of the Feasibility Studies and the Master Plan.

5.2.14 In light of the considerations above, the EIB-CM considers that it is important to keep the dialogue amongst the two parties on-going and clarify the gaps identified during the public consultation process. This will be in line with the Bank's guidelines of public consultation, which is defined as a means to an end, which, in this case is to build a long term and transparent relationship between the two parties. It should also be pointed out that any future engagement needs to be put in perspective of NAT commitment to ensure an effective pubic consultation to all residents along the entire metro line. A Stakeholder Engagement Plan has been developed. Engagement with affected stakeholders should be continued within the framework of the plan.

5.3 *Allegation concerning the failure to follow an adequate selection of the metro line route and the selection of the location of the metro station in Ismail Mohammed.*

Details of the Allegation

5.3.1 The complainants objected the construction of any type of Metro line passing through the Zamalek Island. In the document submitted with details of the Complaint, the Complainants say that they do, however, not object to the underground project but they suggest that NAT considers 4 alternative routes. These routes are: (i) Alwaraq Island (outside Zamalek Island); (ii) furthest Southern edge of Zamalek; (iii) underneath Gezira club horse track; (iv) furthest Northern edge of the Island.

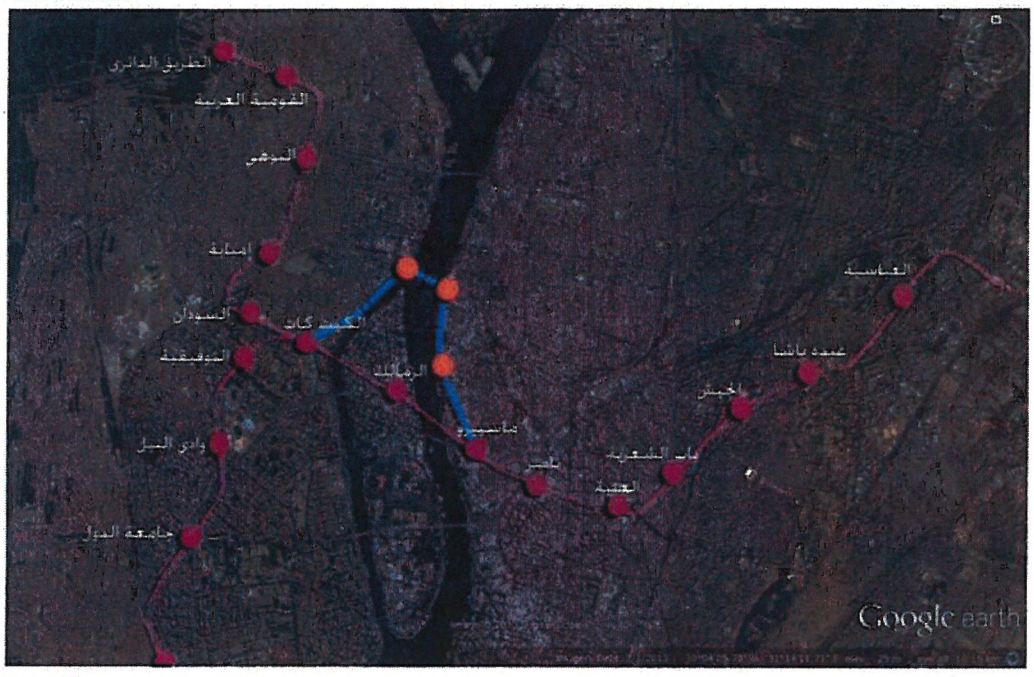
5.3.2 The EIB-CM requested the Complainants to clarify their position during the meeting of April 2013 in Cairo. The Complainants were invited to make a presentation of their alternatives to the existing route. As indicated in the pictures below, 3 of the proposed alternatives (1, 2 and 4) take the station outside the Island and the fourth one (number 3) suggests using the existing station in the Southern part of the Island (Opera)

Alternative 1

Alternative Metro Stations

Alternative Metro Line

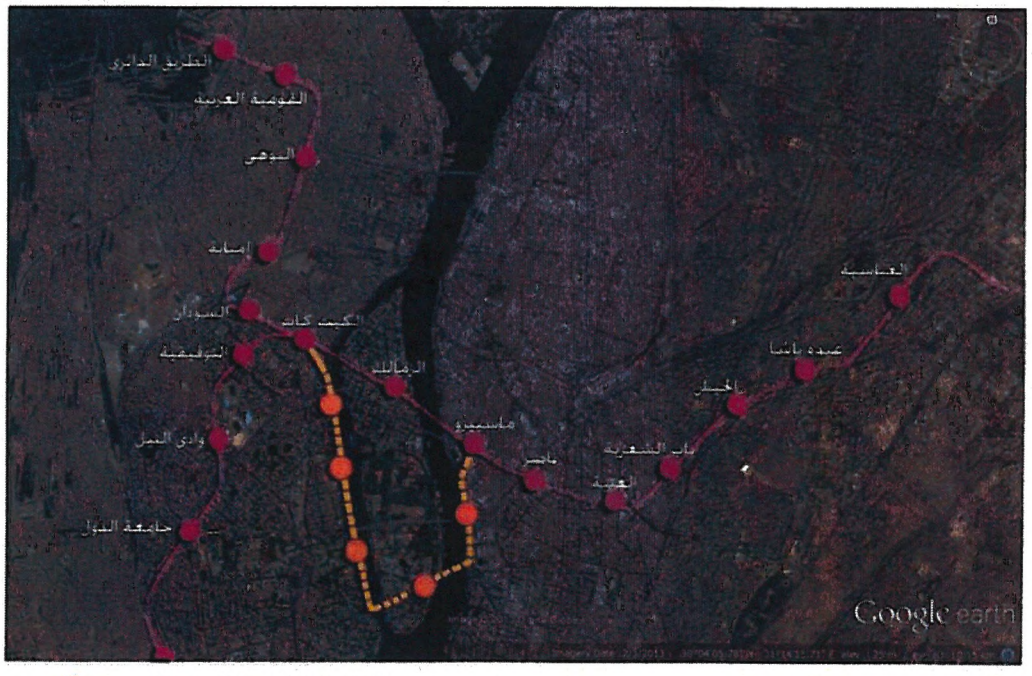
Alternative 2



Alternative Metro Stations

Alternative Metro Line

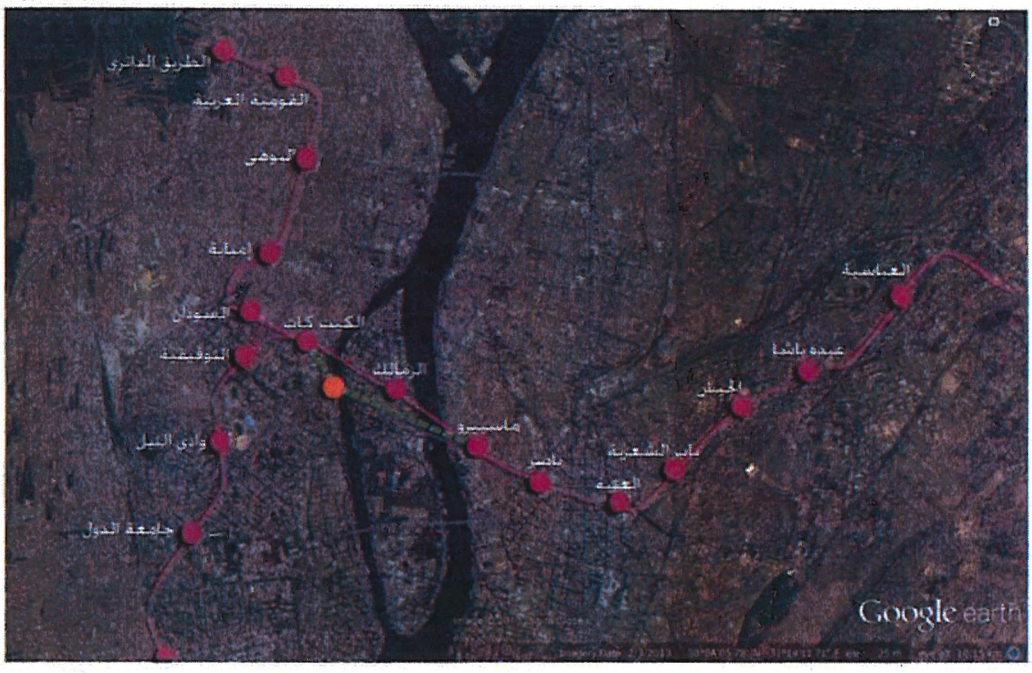
Alternative 3



Alternative Metro Stations

Alternative Metro Line

Alternative 4



Findings

5.3.3 The EIB-CM has analysed the process followed by the Promoter to set the final design of the Metro line and the selection of the Ismail Mohamed as the location of the station in Zamalek.

5.3.4 The EIB-CM reviewed the relevant parts of the ESIAs prepared by the two team of consultants, EQI in 2009 and Grontmij in 2012. It must be clarified that the study of alternatives under the ESIA is generally limited to the analysis of the environmental and social impacts of the route that has been previously selected, in this case in the Feasibility Studies of 1999-2001. The EIB-CM observes that the ESIAs documents make a short reference to the process followed in the past, including the feasibility studies and the Master Plan, to design the route of the Metro Line. The reports also provide limited information about the options of the station in Zamalek. The study of the alternatives is limited to (i) not to have a station in Zamalek or (ii) to have the station in Zamalek.

5.3.5 The EQI ESIA concludes that a station in Zamalek Island is needed because of security considerations. Norms for Passenger Safety and Emergency Evacuation require a station every Kilometre of the line.

5.3.6 Concerning the selection of the station in the Ismail Mohammed Street, the EQI ESIA also explains that the original location in the Ismail Mohamed Str. has already been changed within the same street in order to protect some centenary trees. The report also discusses the concerns expressed by the residents of Zamalek Island and EQI proposes then to locate the station on the eastern half of 26th of July St (entry of Zamalek Island)[2]. Alternatively, the EQI consultant is to build the station as planned for security reasons but closed to passengers to avoid possible negative social impacts.

[2] The 26th July Street crosses Zamalek Island from East to West and links the Island with the two shores of the Nile River through bridges.

5.3.7 From the available information it appears that there was no further debate of the environmental and social impacts of these alternatives in the report, nor in the subsequent Grontmij report of 2012. However, the EIB services pointed out to the EIB-CM that "during our first mission to Cairo in May 2011, it was explained to us [the EIB team] by the consultant doing the Feasibility Study (Systra) that the proposed metro alignment in Zamalek was the only feasible route due to technical constraints imposed by the Maspero tunnel and the pillars of the existing bridges".

5.3.8 As a result of the findings above, the EIB requested NAT to provide additional information on this matter. Consequently, NAT provided the EIB with copies of the Feasibility Study (prepared from 1999 to 2001) as well as the Transport Master Plan (2002). These documents contain information regarding the analysis carried out by the Egyptian authorities regarding the routing of the metro line and the selection of the metro station in the Ismail Mohamed Street.

5.3.9 The Transportation Master Plan starts listing the Goal and Visions of the Plan, as well as the Missions of Transport and the Key Strategies. These are summarised in the table below:

Goal and Visions	Missions of Transport	Key Strategies
		1. Improvement of People's Mobility
Achieve Sustainable Social and Economic Growth	Economically Effective Urban Transport Systems	2. Optimal Infrastructure Development and Management
Assure Social Equality	Equitable People's Mobility	3. Accessible Transport for All
Improve Urban Environment	Safe & Environment-friendly Transport System	4. Safe and Environmental friendly Transport System
		5. Sustainable Institutional and Financial Mechanism

5.3.10 The Transportation Master Plan presents an integrated approach to transport development in Cairo – including all forms of transport - in order "*to create an efficient and effective sector*". In this context, the primary elements of the Master Plan concerning the Metro Lines are "*in addition to construction of the committed Line 2 Moneeb extension and Line 3, further extensions of Metro Lines 2 and 3, and the realization of Metro Line 4*"[3].

5.3.11 One of the main targets of the Master Plan is "*to provide any public transport service for all, so that everyone can make easy access to places for employment, education and medical cares and social services. A numerical target is to maximise the number of people, jobs, students and low-income households that can be served within a distance of 800 meters from/to major public transport modes, such as Metro, Suburban Rail and Supertram. The distance of 800 meters is defined as pedestrian accessible limit (or a 10 minutes walking distance). By this definition, the master Plan can cover about 7.84 million people ..., 4.1 million employments ..., and 2.6 million students ... with the major public transport modes*"[4].

[3] Transportation Master Plan and Feasibility Study of Urban Transport Projects in Greater Cairo Region in the Arab Republic of Egypt, Phase I Final Report, Volume I: 2-1 Strategic Plan, page 9

[4] Transportation Master Plan and Feasibility Study of Urban Transport Projects in Greater Cairo Region in the Arab Republic of Egypt, Phase I Final Report, Volume I: 4 Strategic Plan, page 19

5.3.12 Prior to the elaboration of the Master Plan, the Ministry of Transport and NAT had commissioned an "Evaluation of the Third Metro Line Alignment options". The objectives of this report is (i) to define the route options of the 3rd Metro Line within the Corridor previously designed by the promoters of the study and (ii) evaluate and compare different options in order to select the best route"[5]

5.3.13 For the studies, the Corridor of the 3rd Metro Line was split into three sections:

a) **Central Section**: between Zamalek and Cairo Fair passing through Zamalek, CBD and Abbasia;
b) **Western Section**: between Zamalek and the Imbaba with possible branching towards Mohandeseen;
c) **Eastern Section**: between Cairo Fair and Heliopolis-Ain Shams with possible extension to Cairo International Airport.

5.3.14 Zamalek Island was then considered as part of the Corridor for the Central and Western Sections. For each section, several alignment options were considered. A multi-criteria analysis technique was implemented for the evaluation of the different options based on different criterion: socio-economic components, implementation requirements, physical constraints, potential economic impact, and urban environmental impact. The Socio-economic components included an analysis of the potential users of the underground by 3 categories: Population; Employees and Students.

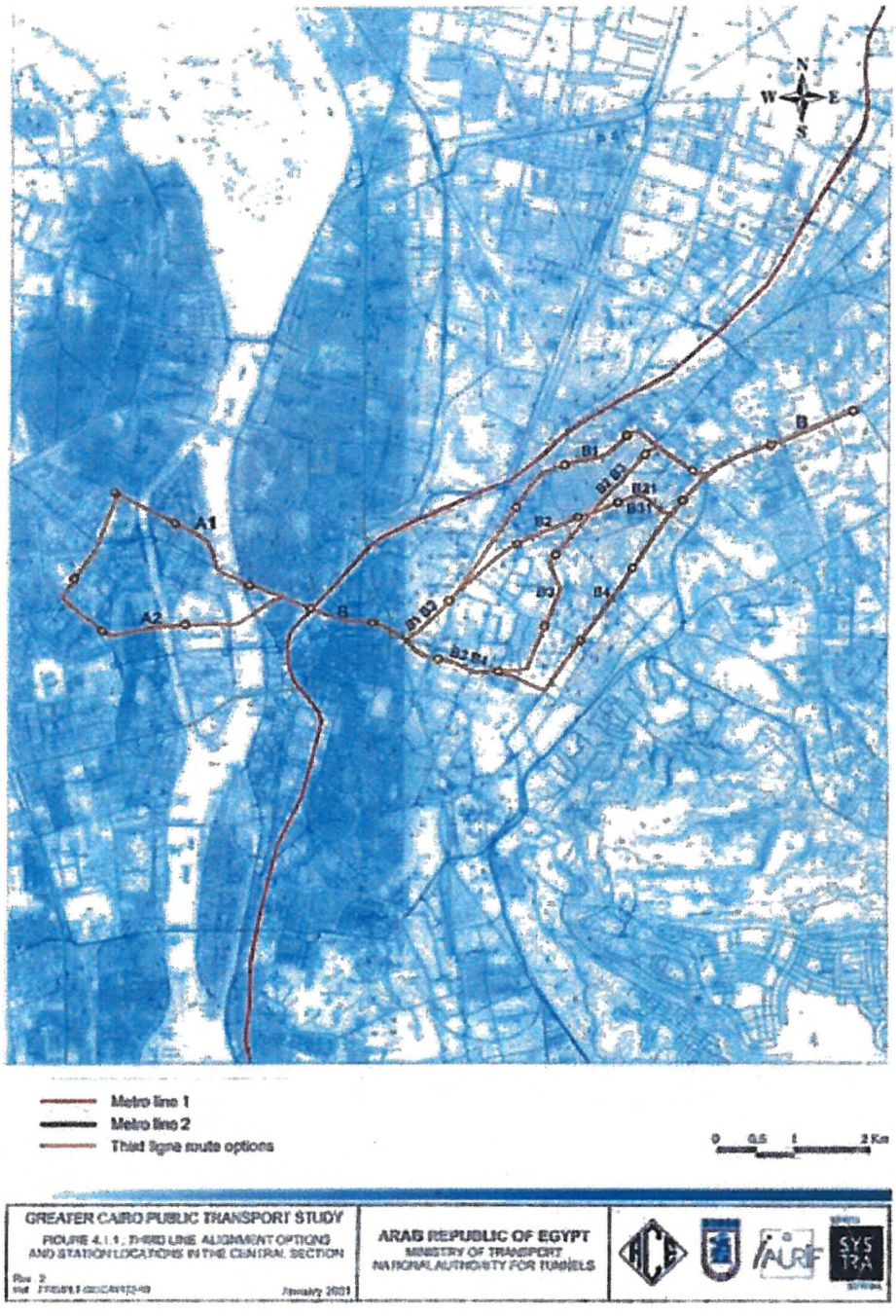
The Central Section

5.3.15 The following table and map summarise the options involving Zamalek Island for the Central Corridor:

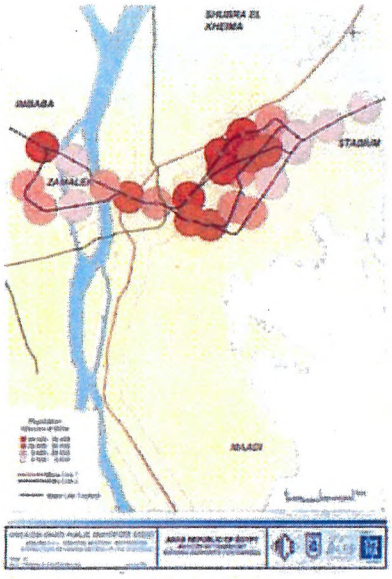
Central Section			
Alignment Option	**Length (m)**	**Option Description**	**Number of Stations**
A1	2,750	Al Sudan Street – Nile Crossing – [redacted] – Nile Crossing – 26 July street till Al-Sutan Abou El Ela street crossing	3
A2	4,730	Al Sudan Square – S[phinx square – Gamia Al Dowal Al Arabia stret – Al Batal Ahmad Abdel Aziz street – Eisa Hamdi street – Nile crossing – [redacted] – Nile crossing – 26 July street till crossing with Al Sutan About El Ela street	4

[redacted]

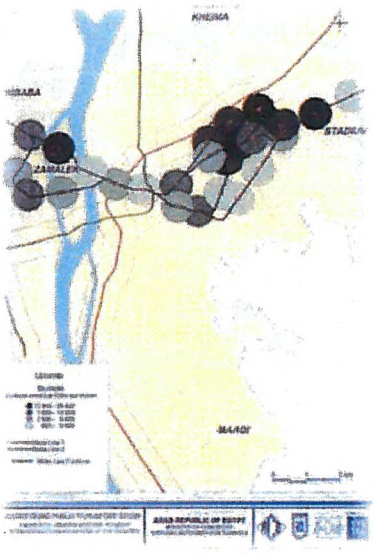
[5] Evaluation of the Third Metro Line Alignment options, point 1.1 of the Introduction



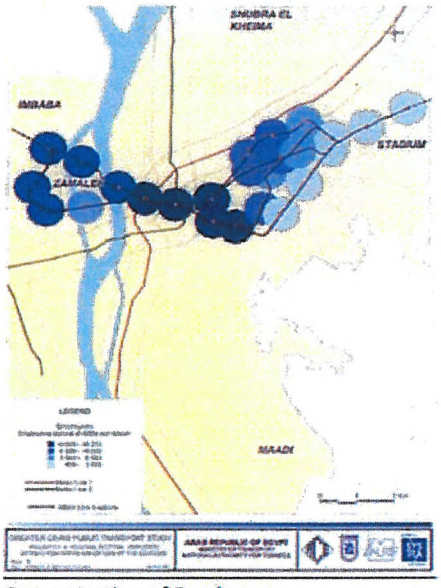
5.3.16 Concerning the results of the multi-criteria analysis of the Central Section proposed for Zamalek, it was considered that Option A1 served Zamalek better than Option A2 because of the following reasons: (i) Ismail Mohamed area has a higher concentration of Students and Employees. (ii) Option A1 was also considered to have better operational characteristics than A2 as it is a shorter line. Therefore, the lower the journey time is, the higher is the attraction rate of the metro line. (iii) A1 is less expensive than A2. (iv) The study also considered that Option A1 had less physical constraints than Option A2 because the construction of the Gezira station will require land expropriation in Gezira Club and there is a very dense building area between Abdel Aziz Street and Eisa Hamdy Street. The physical constraints of Option A1 are that line passes under private properties in Zamalek and it also passes between the pillars of 15 May bridge ramp on the eastern bank of the Nile.



Concentration of population



Concentration of students



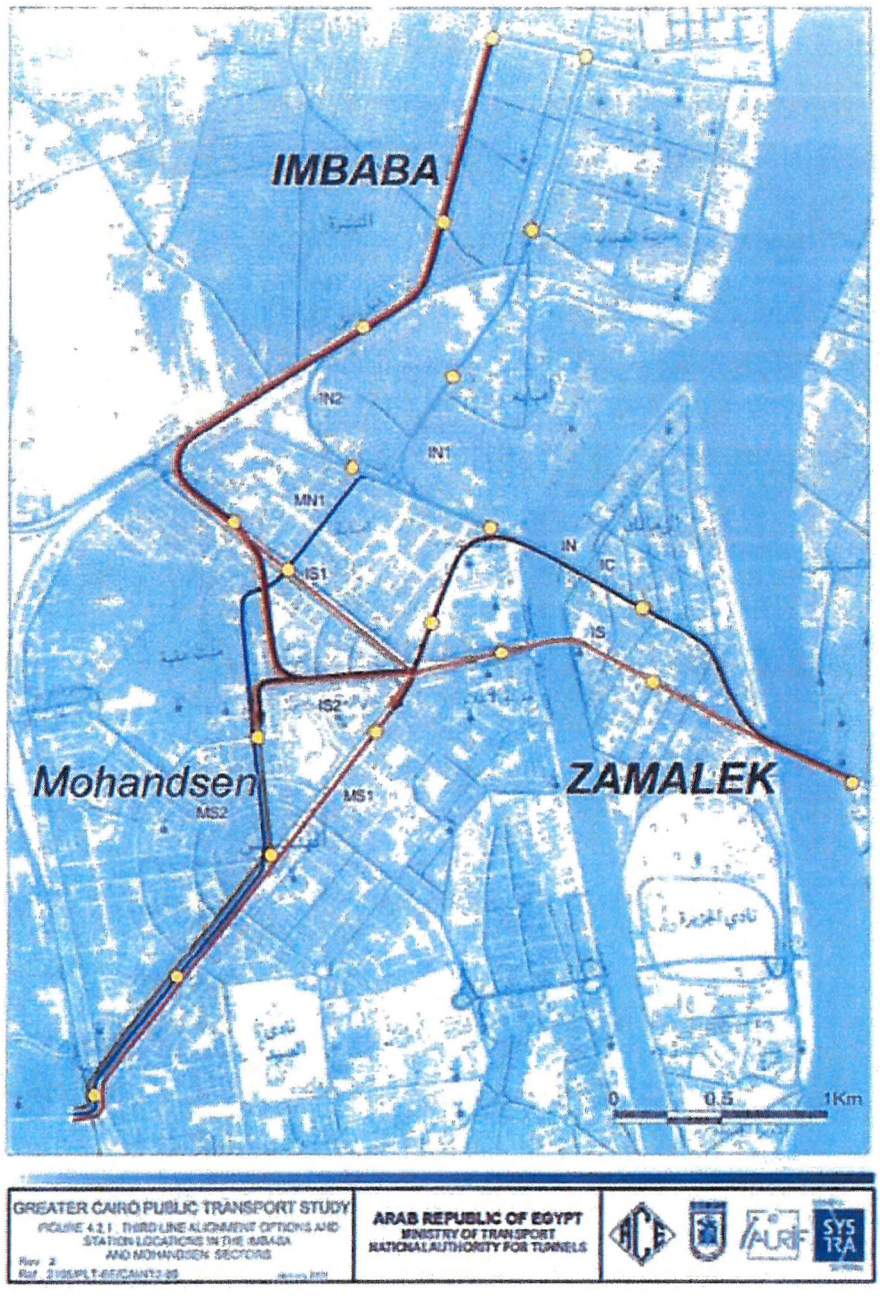
Concentration of Employees

The Western Section

5.3.17 The following table and map summarise the options involving Zamalek Island for the Central Corridor:

Western Alignment Option	Section Length (m)	Branch Zamalek - Imbaba Option Description	Number of Stations
IN1 (West-North)	4,695	[redacted] – Kit-Kat square – Sudan street – Tirit Al Sawahil street – Abd Al Minimi Ismail street (Imbaba)	6
IN2 (West-North)	5,160	[redacted] – Kit-Kat square – Sudan street – Al Buhy street (Imbaba)	7
IC (West-Central)	7,251	[redacted] – Kit-Kat square – Under Talaat Harb club and – Bank Al Ahly club – Sphinx square – 26 of July street – M. Badr El Din street – Ahmed Orabi street – Sudan street – Al Buhy street (Imbaba)	8
IS1 (West-South)	6,292	[redacted] – Sphinx square – Ahmed Orabi street – Sudan street – Al Buhy street (Imbaba)	8
IS2 (West-South)	6,584	[redacted] – Sphinx square – 26 of July street – M. Badr Al Din street – Ahmed Orabi street – Sudan Street – Al Buhy street (Imbaba)	7

[redacted]



5.3.18 Concerning the results of the multi-criteria analysis of the Western Section proposed for Zamalek, the option IN2 – passing through Ismail Mohamed Str. - was considered to be the most advantageous due to its better integration with the Egyptian National Railways (ENR) line and wider servicing of the population in a radio of 500 meters. Concerning the physical constraints, and although implementation is rated as "difficult", option IN2 was also the better ranked of all options considered. Option IN2 was better than IN1 and IC because it has fewer constraints to connect to a workshop where the fleet will be parked. Option IN1 – also passing through Ismail Mohamed Str. - was the second best ranked; it had advantages in terms of servicing the targeted population in a radio of 1000 meters, and, because of its shorter length, it ranks first in terms of travel time, capital costs investments and operational costs (a smaller fleet is necessary). It is noted that Options IN1, IN2 and IC, the study says that implementation of Zamalek station is "difficult". For Options IS1 and IS2, it says that implementation is "extremely

difficult" because the line interferes with the pillars of 15 May bridge along its route from Bulak Abou El Ela until Sphinx square (~2000m).

5.3.19 The study concluded retaining options A1 and IN2 for the metro line. The Environmental and Social studies prepared by EQI in 2009 and Grontmij in 2012 have based their studies on the metro line already designed in 2002.

5.3.20 Concerning the selection of Ismail Mohamed Str. as the location for the metro station, the analysis above show that this street was preselected in several of the alternatives studied in the feasibility study. The reasons behind this pre-selection are not explained in any of the documents analysed. However, during the discussions with the Bank's team, the EIB-CM received two main reasons: (i) the straightness of the current structural ground of the available traffic car path in Ismail Mohamed Street will facilitate the tunnelling works underneath the street because it will reduce the possible impact of the works on the urban infrastructure (water pipes, cables and others); (ii) this would also improve the speed of the future trains as it facilitates a straight connections with the first station on the other side of the shore (Kit Kat station).

EIB-CM's Conclusions

5.3.21 Concerning the analysis of the different options of the Metro Line 3, it is documented that the Egyptian authorities have carried out several studies since late 90s. These documents support the Bank's decision to support financially the project.

5.3.22 All of the studied alternatives pass through Zamalek Island. In the final design of the line, a station in Zamalek is justified, according to the promoter, mainly for security and Passenger safety issues (Including evacuation) and for servicing the student and working population that travel to the island. Under the options considered, the construction of the station in Ismail Mohamed was the most favourable option taking into consideration socio-economic factors, physical constraints and costs.

5.3.23 Therefore, it appears that this multi-criteria analysis for the selection of the final option is well founded from the socio-economic factors and physical constraints. This opinion should be qualified taking into account issues related to the other 2 allegations explained below.

5.3.24 However, the EIB-CM also concludes that the studies carried out as well as the final selection of both the metro line and the location of the station have not been properly explained to the affected population, the residents of Zamalek. From the discussions held with the Complainants, the EIB-CM understands that the residents are not aware of the studies carried out in the late 90s and early 2000 and the subsequent ESIAs provide limited information on the subject. The discussion of alternatives, as presented in the EQI study was not studied further by the Grontmij consultant team.

5.3.25 Overall, the EIB-CM considers that the design of the metro line and the reasons behind the selection of the metro station in Ismail Mohamed Street are based on studies that investigated different alternatives but these need to be better explained to the residents of Zamalek.

5.4 *Allegation concerning the failure to provide adequate mitigation measures to reduce the impact to residents of Zamalek during construction:*

Details of the allegation

5.4.1 The Complainants raised their concerns regarding possible disturbances related to the construction of the underground metro station at the entry of Ismail Mohamed Street. And in particular:

i. Traffic Blockage.
ii. Noises.
iii. Air pollution and contamination.

iv. Decline of Security and Safety levels related to an increase of social intrusion from non-residents of Zamalek.
v. Concerns on the efficiency of the local contractors and their uncontrollable sub-contractors (Art 3.12.2 ESIA).

5.4.2 The Complainants emphasise that the above disturbances will be felt intensely by the residents of Zamalek because Ismail Mohamed Str. is a very busy and relatively narrow street and Zamalek is a quiet and residential area.

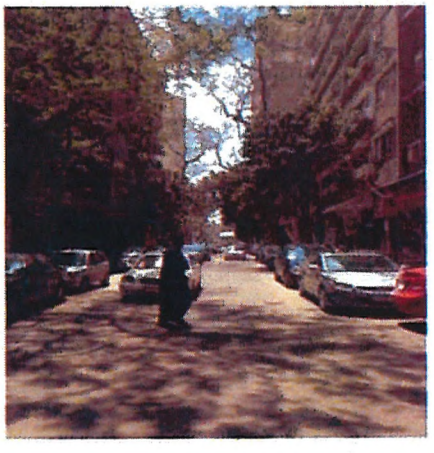
5.4.3 In addition, the Complainants allege the ineffectiveness of the Mitigation Plan proposed by NAT.

5.4.4 During the Fact-Finding mission of April 2013, the Complainants also indicated their worries about the construction of an electromechanical plant at Sedky Square. The Complainants have indicated that information of these works was communicated to them by NAT during the public consultation of October 2012.

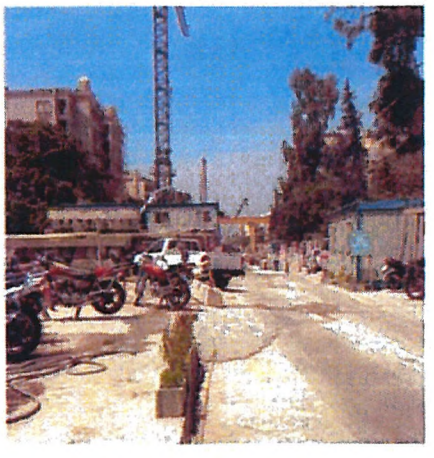
Initial Findings

5.4.5 The issues referred to by the Complainants have been identified and reflected in different parts of the ESIA. However, most of the measures proposed are of generic character. The ESIA makes a specific reference to traffic blockage during construction as Ismail Mohamed Str. is a single line street. References to the Social intrusion are reflected in several parts of the ESIA, and particularly in the Public Consultation held in Zamalek.

5.4.6 During the Public Consultation process and the review of the videos, it is on record how NAT intends to address issues concerning disturbances for residents. In addition, residents expressed their extreme concern regarding the potential disturbances of the works and the impact on their quality of life. Debates on this matter during the public consultations were particularly animated. During the Fact Finding mission of April, the EIB-CM could also confirm the particularities of the Zamalek area. The Northern part of the Island (where it is proposed to build the new metro station) is densely populated with narrow streets with a concentrated built-up area. The Ismail Mohammed Street is 18 meters wide, much narrower that other areas visited by the EIB-CM team (Kit Kat Square, Masperu and Bullack), which have ample spaces to put in place mitigating measures for works during construction.



Ismail Mohammed street a narrow street

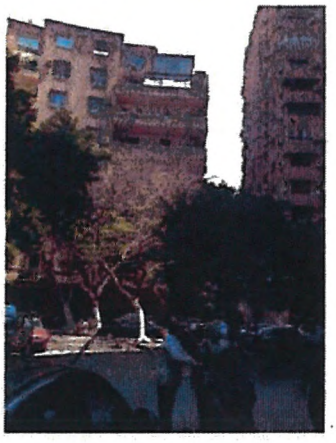


Station under construction in Bullack, Heliopolis, an area with wider streets

5.4.7 At the time of writing this report, the promoter is preparing the Terms of Reference for the International Tender to select the construction companies (the Contractors) that will build the metro line and the stations. The future Contractors will be responsible for designing the Detail Technical Studies (DTS) and implementing the plans mentioned in the ESIA, which includes: Environmental

Management Plan, Dust Management Plan, Traffic Management Plan, Emergency Response Plans, and Management Plan for the surface facility sites of the stations, Preventive actions on Cultural Heritage, Community Health and Safety Plan (CH&S). The later plan (CH&S) will include measures on how the Constructor will carry out noise, air quality and dust monitoring and will carry out timely and appropriate community liaison. At the time of writing this report, it is difficult to establish a timeframe to put these management plans and the DTS in place as it will depend on the timing required for the selection of the Contractor.

5.4.8 The EIB-CM also noticed that the ESIAs lack information on the analysis of impacts of the electromechanical plant to be built on the Sedky Square. This should be corrected in the DTS, and all potential impacts be explained to the Complainants.


EIB-CM's Conclusions

5.4.9 Disturbances during construction are unavoidable in this type of large infrastructure works. It is however very important to ensure that the DTS of the Contractors include all type of measures to mitigate disturbances. In line with the stakeholder engagement plan it is equally important to put in place a communication strategy to explain to the affected population.

5.5 *Allegation concerning the failure to provide adequate mitigation measures to reduce risks during the construction of the tunnel underneath Zamalek*:

Details of the allegation

5.5.1 The Complainants point out to the EIB-CM several issues related to the underground deep tunnel route that will cross Zamalek Island. In particular, the complainants indicate that several structures along this street are of different levels of deterioration. Therefore, they believe that there is a serious risk of buildings collapsing during construction and operating phases.

5.5.2 The Complainants have sent pictures of several sinkholes in the streets of Zamalek in support of their views of the weak construction base of the island. The Complainants also provided a video concerning the collapse in the past of a street in Bab El Shareya, one of the under works of the Cairo metro line, and expressed their fears that this would happen in Zamalek[6].

5.5.3 The EIB-CM was also provided with 3 reports related to the issues under consideration. The "Summary of Study [of the Cairo Metro Line]" prepared by Prof. Dr. Adel Yasseen Muharam[7], where he

[6] http://www.youtube.com/watch?v=lKKX_sAEZsU&list=PL59A3F2AD5166319A

[7] Professor of Architecture Ain Shams university Cairo; Member of the Specialized Councils – Egyptian Presidency ; Member of the Egyptian Scientific Forum

recommends changing the proposed route to another safer route outside the Island. In this regard, Prof. Yasseen mentions there has been a precedent in Cairo history ("The Cairo Circular Ring Road") where authorities changed the original design of the project following the advice of experts because the route was planned over an archaeological site. The Board of the Zamalek Association also forwarded to the EIB-CM copies of two other reports: (i) an *"Environmental Assessment Report For the Proposed Garage Project In Zamalek"* – prepared by Prof. Dr. Adel Yasseen Muharam – for a project that aimed to construct a garage in Zamalek that eventually did not take place due to environmental considerations; (ii) and the undated document *"Detailed Study Guidelines For Ways to Tighten Controls On Urban Development in Residential Areas For Zamalek"* with the reference to the Ministry of Construction Planning. According to the Complainants, this document establishes the guidelines to make Zamalek a residential area and the existing plans to build the metro will contravene the content of these guidelines.

5.5.4 The Complainants request a "detailed Vibration resistance test" to each single structure along the vicinity of Ismail Mohamed Street.

5.5.5 The Complainants also indicate that the ESIA shows *"very little concern on this serious subject* (analysis of the foundations of buildings)"

Initial Findings

5.5.6 The proposed mitigation in the Grontmij ESIA at Pre-Construction and Construction phases are (i) mapping of sensitive buildings/constructions along the alignment; (ii) scheduling the activities in consideration of surrounding communities; (iii) use modified equipment to reduce vibration; (iv) monitoring of vibration impact and complaints of vibration nuisance; (v) conduct building survey on right-of-way

5.5.7 In the discussions with the services, the EIB-CM also noticed that NAT has had specific discussions with the Spanish and Algerian Embassies, which are directly affected by the construction of the station in front of their premises. The EIB-services also reported that all affected owners will be approached by NAT during the census for the Resettlement Action Plan (RAP), and that this is currently on-going. During the desk review of the existing documents, the EIB-CM has also noticed the reference to "monitoring" of this risk made in the EIA, and the absence of reference to preventive actions on this matter. According to NAT, the preventive measures are put in place only in the case of buildings and sites categorised as cultural heritage in accordance to national and international regulations, and this is not the case for Zamalek buildings. However, in line with international best practices, the ESIA prescribes that an ex-ante building survey be carried out.

5.5.8 During the review of the case and the visit to the project site, the EIB-CM has collected additional information on this matter. During the site visit of April 2013, the EIB-CM visited some of the buildings along the Ismail Mohamed Street. Quite a few of the buildings show, from a visual inspection, lack of proper maintenance and their outside aspect looks quite deteriorated. However, from the same visual inspection it is difficult to assess whether the buildings are affected by more serious structural deficiencies. However, in this regard, the Complainants handed copies of the notifications issued by the Cairo Governorate to some residents of Ismail Mohamed Street requesting them to undertake serious repairs in order to secure the safety of the buildings and preserve people's lives. In this respect, it should also be highlighted that an important earthquake (5.9 over the Richter scale) affected Cairo in 1992. The foundations of the buildings of Zamalek might have been affected by the impact of the earthquake.

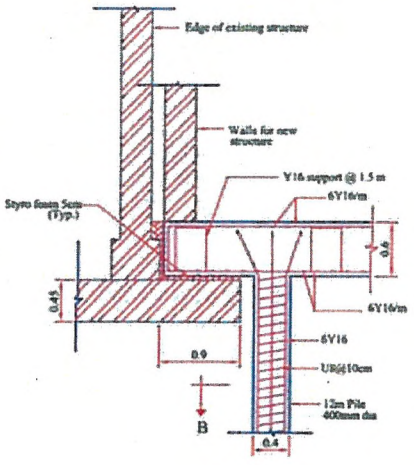
5.5.9 When discussing heavy construction works in Zamalek, another important aspect to be taken into consideration is the geological origin of the Island. The Island, as shaped today, was created artificially in 1866. Before 1800 AD it was an area frequently flooded by the Nile River. In 1800 AD the current island was part of the Western side of the Nile. It is only in 1866 AD that a canal was built at the actual Eastern side of Gezira, which created the island. The artificial construction of the island has effects on its

current morphology and geology. Hence, the surface of the island is not solid as it is made of the limos of the Nile and other geological materials taken from the river when the canal was built.

5.5.10 Another issue to consider relates to the specific characteristics of the foundations of some of the buildings of Zamalek Island. Modern buildings appear to be built with solid concrete and steel pillars. However, along the Ismail Mohamed Street there are several villas, some of them built at the time of the opening ceremony of the Suez Canal in the 19th century that were built with foundation systems avoiding the use of pillars, or with very weak and shallow pillars. As a result, these old buildings are based on the poor surfaced soil created at the raising of the island during the construction of the canal on the West branch of the Nile, from which the Zamalek Island emerged.

5.5.11 In addition, building construction in the area has demonstrated to be demanding. The Swiss Institute of Architectural and Archaeological Research on Ancient Egypt in Cairo occupies two villas at the Eastern end of the alignment of Ismail Mohamed Str. This is where, according to the existing designs, the metro line will enter the Zamalek Island. They were built in 1903 and were connected by a corridor in 1931. During the construction of the new wing between the buildings in 2004, the Swiss Institute faced several construction problems, mainly due to the natural cavities occurring in the muddy subsoil. The new extension needed additional foundation 12 m deep piles in the subsoil. As the picture below shows, the Swiss Institute it is not very tall. However, the depth of foundations required is significant.

Overview of Swiss Institute



Section A-A
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Foundation works for the extension

5.5.12 Another issue to take into consideration is that there are several buildings listed as national architectural heritage along the Ismail Mohamed Street. The Swiss Institute mentioned above, the Embassies of Bahrain, Algeria and Spain – all of them located in this street – are categorised as such. Most of these villas were built in the second half of the XIX Century or early XX Century. These buildings, amongst others, are also mentioned by the National Organisation for Urban Harmony (NOUH), which is an Egyptian organisation affiliated to the Egyptian Ministry of Culture. NOUH embraces all activities that aim at improving the visual image of cities, villages and new urban societies.

5.5.13 Moreover, it should be signalled the high density of buildings, especially in the last part of Ismail Mohammed street in direction of Imbaba. This problem might be exacerbated, as indicated in 5.4.6, due to the narrowness of the street and the high density of constructions in the northern part of the Island.

5.5.14 In addition, due to the narrowness of the street, the works related to the station will be more complex than in wider areas and will require a more sophisticated set of measures to mitigate the impacts.

EIB-CM's Conclusions

5.5.15 Given the (i) potential material consequences inherent to this risk (loss of lives, loss of assets, reputation risk), and (ii) taken into consideration the specific characteristics of the island (its geological formation, the reported weak foundations, uniqueness of some of the buildings) together with (iii) some warnings signals to existing buildings, it is crucial that a thorough assessment is done by the constructor before the works start. It would be recommended that the constructor carries out an ex ante preventive assessment on the buildings along the Ismail Mohamed Street.

5.5.16 On the basis of this preventive assessment, the constructor should evaluate the actual strength of the constructions along Ismail Mohammed Street, with a view either to put in place strengthening actions on the foundations of the buildings, or to take the required decisions following the assessment of the viability of the constructions. This action plan need to be proposed by the contractor and validated by NAT, and the financers before deployment on site. It needs to be also explained to residents of the area before its processing. This work will permit to archive the complete assessment of the constructions along the street concerned by the metro line. This assessment will be crucial to define the responsibilities of each of the parties involved, differentiating the existing damages from those that might be attributable to NAT's works. This assessment needs to be done on each building, each flat, each basement. In the view of EIB-CM this is the only way to avoid future unsolvable issues in case of any future complaint by residents.

6. Other issues

6.1 The Complainants have also presented some allegations related to the future operation of the metro line, should it be built the Zamalek station. Amongst them, the Complainants allege that the future metro line will bring an increase of social intrusion (workers from other neighbourhoods, thieves...); they have also provided copies of articles of the Egyptian press addressing the problem of harassment to women in the underground and they have expressed their concerns that these practices are extended to the Zamalek Island. From the Complaints Mechanism these are important social issues that need to be addressed by the concerned authorities. The operation of the underground is not responsibility of the project promoter – NAT. This is a responsibility of the ECM. This report cannot address therefore this type of complaints although it would be important that NAT put the Complainants in contact with ECM.

6.2 In addition, some of the Complainants questioned the lack of urban planning for the future of Zamalek Island. The Complainants mentioned that they have no information on issues of what are the plans of the Governorate to control the flow of pedestrians in the Ismail Mohamed Street once the metro is operational; they do not know either what are the plans to control the number of private transport (i.e. school buses). These comments also fall outside the scope of work of NAT and therefore cannot be addressed in this report. It would, however, be desirable that NAT and the concerned authorities of the Governorate organise information sessions to the residents of Zamalek in due time. However, the EIB-CM has been informed that the Contractor will be responsible to "renew the pavement all along the alignment of the metro", meaning that pedestrians will be able to use the foot ways which are presently in very bad conditions. Special requirements of vulnerable groups (residents with limited physical mobility, children, elders, women...) should be taken into consideration.

6.3 The Complainants have also raised important questions/complaints concerning the potential loss caused to their business and/or to their residences. They would also like to see the adequate compensation measures and an effective grievance mechanism in the case that evidenced losses happen. In this regard, the EIB-CM learnt that NAT plans to put in place a Grievance Mechanism, including the appointment of an ombudsman, and a Liaison Officer. The EIB-CM discussed with NAT the calendar for implementing this action as well as the potential support of the EIB-CM in establishing an effective Grievance Mechanism, in order to enhance the ownership of NAT in handling complaints. NAT was very receptive of this idea.

7. PROPOSED WAY FORWARD

In the case at stake, it is important to highlight that the EIB-CM is predominantly compliance-focused and that within its remit, and whenever appropriate, the EIB-CM determines if there is room for problem solving and endeavours to find and propose appropriate solutions whilst taking into consideration the interest of all its internal and external stakeholders. Therefore, in light of the above mentioned Findings and Conclusions the EIB-CM proposes the following way forward:

7.1 *Regarding the first and second allegations, the EIB-CM proposes:*

7.1.1 Residents of Zamalek and NAT should continue an open and on-going engagement on the selection criteria followed to select Zamalek Island and, more specifically, the Ismail Mohamed Street as part of the Metro Line 3; the Complainants and NAT should also discuss openly the viability of the alternatives proposed by the Complainants with the objective of reaching a satisfactory solution to the 2 parties

7.1.2 To facilitate the dialogue and unify the criteria of the complaints from the residents of Zamalek Island, the Complainants should be encouraged to liaise with the local association, "Save Zamalek".

7.1.3 In accordance to article 5.7.3 of the Operating Procedures Manual of the EIB-CM, the EIB-CM will facilitate the dialogue between the parties. This Report already provides some clarifications concerning the selection of the route and the location of the station and facilitates the Information Sharing. In addition, the EIB-CM will play a role as "honest broker" to facilitate the dialogue amongst the two parties. The EIB-CM will appoint a mediator/facilitator to assist in the process and ensure a fluid and continuous interaction with the parties involved.

7.2 *Regarding the third allegation, the EIB-CM proposes:*

7.2.1 The EIB team to follow up with the promoter that the drafting of the tender documents include the request of DTS in relation of all the mitigation measures in line with the proposal of the ESIA.

7.2.2 Once the DTS are presented by the Contractor, the EIB team should also discuss with NAT and other lenders an appropriate communication strategy to inform the residents of the potential impact and mitigating measures. This is in line with the Stakeholder Engagement Plan.

7.2.3 The Promoter to put in place a detailed survey of all the constructions along Ismail Mohammed street, in view to put in place an appropriate action plan for preventive actions prior the construction of the metro when necessary, and during construction when required, to be able to handle future complaints.

7.3 *Regarding the fourth allegation, the EIB-CM proposes:*

7.3.1 In addition to the detailed survey above-mentioned, the EIB-CM expects that a detailed monitoring of each potentially affected building is carried out by the Contractor. The tender documents should therefore make very clear mention to both preventive and monitoring measures.

7.3.2 EIB-CM will review the Contractors proposals to ensure that the Complainants concerns are properly addressed.

7.3.3 Given the sensitivities of this matter, a careful communication strategy has to be put in place by NAT and the Contractor to inform the affected population once the DTS have been approved and before launching the works, in line with the Stakeholder Engagement Plan

7.4 *Regarding Other Issues*

7.4.1 The EIB-CM (i) proposes to discuss with NAT in detail the plans to put in place the grievance mechanism and the appointment of the ombudsman, and (ii) offers to help NAT with capacity building on this matter.

7.4.2 From the Bank's perspective, and taking into consideration the complexity of the project and expected interaction with different parties, the EIB-CM strongly recommends that the Bank puts in place a reinforced monitoring plan, especially during the preparation and implementation. The Bank should therefore plan for the necessary resources and expertise, including the proactive use of the Bank's office in Cairo. The EIB-CM will follow up with the services the implementation concerning the works of the Zamalek Island.

F. Alcarpe
Head of Division
Complaints Mechanism
12/092013

A. Abad
Senior Complaints Officer

12/09/2013

LIST OF ACRONYMS

AfD	Agence Française de Développement
ECM	Egyptian Company for Cairo Metro Management and Operation
EPC	Engineering, Procurement and Contracting
EIA	Environment Impact Assessment
EIB	European Investment Bank
EIB-CM	Complaints Mechanism of the EIB
ENR	Egypt National Railways
EO	European Ombudsman
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
NAT	National Authority of Tunnels
NTS	Non-Technical Summary