

Environmental and Social Data Sheet

Overview

Project Name:	URBAN TRANSPORT INFRASTRUCTURE FRAMEWORK EGYPT
Project Number:	2020-0144
Country:	Egypt
Project Description:	The project consists of several urban transport infrastructure schemes in Cairo and Alexandria, notably investments in the tram system in Alexandria and the Cairo Metro network
EIA required:	Multi-scheme project, requirements vary
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

It is expected that the proposed framework loan will finance mainly rehabilitation of existing tram, metro and suburban railway lines, and at the time of appraisal it was foreseen that the loan would be used for the rehabilitation and modernisation of the :

- i) Alexandria Blue Tram
- ii) Abu Qir urban rail in Alexandria
- iii) line 2 of the Cairo metro.

The schemes to be financed by the framework loan will be assessed in detail prior to the allocation of the EIB loan to these schemes. For investments with a cost above 50 mEUR a separate ESDS will be published.

Compliance to local environmental legislation:

The Egyptian Environmental Affairs Agency (EEAA), as the primary regulatory body responsible for environmental matters in Egypt, is in charge of coordinating environmental management. It operates in accordance with the Law on Protection of the Environment (Law No. 4, 1994) as amended by Law No. 5, 2009. Projects are categorised in accordance with the predicted environmental impacts that they could have (white list – category A projects – for projects with minor environmental impacts; grey list – category B projects – for projects that may have substantial impacts; and black list – category C projects – for projects that may have potential severe impacts). For category B and category C projects, an EIA needs to be carried out for both new projects and the expansion of existing infrastructure.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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The three schemes foreseen to be financed under the proposed framework loan are all rehabilitation projects of existing rail infrastructure. For the two schemes in Alexandria an EIA is required under Egyptian law, while for the rehabilitation of line 2 of Cairo metro no EIA is required. The screening and assessment of impacts will be confirmed at allocation of each scheme.

In any case, the Bank will require the Promoter, i.e. the National Authority for Tunnels (NAT), to ask for a screening from the EEA prior to allocation. If the scheme is screened in, an ESIA and an Environmental and Social Management/Action Plan (ESMP/ESAP) will be required. If the scheme is screened out, the Bank will still require an impact assessment and an ESAP. The ESAP will have to include any measures needed to ensure compliance of the project with the Banks social and environmental standards and the Promoter will be required to implement such ESAPs.

Environmental Impacts

In-depth assessment of the environmental impacts will be made at allocation stage for each scheme separately. It is expected that the proposed rehabilitation schemes will result in community disturbance and nuisance, such as noise, dust and project-related traffic, usual for this type of works. The ESAP for each scheme will contain measures to minimise such impacts, in accordance to Egyptian law and the Banks standards. It is also expected that the schemes produce hazardous and non-hazardous waste for which a Waste Management Plan will be developed and implemented by the contractor. Disposal of excavation/construction waste will be to locations licensed by the local authority, in line with Articles 28, 31 and 33 of Law No. 9/2009 on the Protection of the Environment.

Egypt Laws 102 and 117 protect sensitive nature and cultural heritage areas. It is however not expected that urban public transport schemes financed under this loan will impact on protected nature areas or cultural heritage. Prior to allocation of any scheme, this will be confirmed.

The project will help to maintain and improve public transport services in dense urban areas. Therefore, it will improve accessibility, while reducing adverse impacts of mobility such as local pollutants, GHG, noise and traffic accidents.

Social Assessment

The proposed framework loan focusses on schemes with limited resettlement needs. The three above mentioned schemes are rehabilitations of existing rail lines, and works are expected to take place within the existing right of way. Nevertheless, if any of the schemes require any resettlement or have any impact on the livelihood of people living or working on or around the work sites, the Bank will require the Promoter to manage such resettlement in accordance to the Banks social standards and prepare an resettlement/livelihood restoration action plan prior to allocation of the scheme and to the Bank's satisfaction.

The works contracts will comply with the national law on labour and the ILO Fundamental Conventions, which have been ratified by Egypt. The Promoter is used to incorporating international Health, Safety and Environment (HSE) standards into the contractual arrangements with contractors, and the Bank will require the Promoter to do this also for all schemes to be allocated under this loan. In addition, the Promoter undertakes to ensure that the Project's human resource policy is aligned with the Bank's requirements of non-discrimination and equal opportunity.

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Public Consultation and Stakeholder Engagement

For schemes requiring an ESIA, the Bank will require the Promoter to undertake public consultation. In addition, a separate Stakeholder Engagement Plan (SEP) will be drafted for all large schemes and prior to allocation of the scheme. The Promoter will be required to implement these SEPs.

The Promoter will be required to establish a grievance mechanism for each scheme, prior to allocation and to the Banks satisfaction. The Bank will require the Promoter to include in the progress reports to the Bank a section on grievances received.

Other Environmental and Social Aspects

For all large schemes to be financed by the proposed framework loan, an Environmental and Social Management/ Action Plan (ESMP/ESAP) will be prepared and implemented by the Promoter. The ESMP/ESAP will outline the management programme to be further developed for the project and will address issues such as community relations, community safety, traffic management, waste management and E&S performance monitoring.

The current Environmental and Social Management System (ESMS) of the Promoter is weakly developed. There is no formal Environmental Social Health Safety Policy yet but the Promoter complies with all local legislation and maintains environmental registers, in accordance with article no. 22 of law No. 4, 1994 and article No. 17 and its executive regulations.

The Promoter recently established an environmental department consisting of one manager, two engineers and two environmental specialists. For each large scheme to be financed by the proposed framework loan, an assessment of the institutional environmental and social arrangements made by the Promoter to ensure compliance with the Bank standards will be made, and if needed the Promoter will be required to undertake necessary measures such as assigning an environmental or social specialists to the schemes Project Implementation Unit. In addition, if necessary technical assistance will be provided to assist NAT with the implementation of the ESAP.

Conclusions and Recommendations

Given that detailed information on the schemes to be financed under the framework loan is not available at this stage, environmental aspects will be checked at scheme allocation stage and the Bank will require the Promoter to comply with the Bank's environmental and social standards.

The capacity of the Egyptian government and the Promoter to implement schemes in accordance with the Banks E&S standards has improved over the last years, as the Bank provided advice and technical assistance in the context of previous projects. It is however expected that for the schemes foreseen to be financed under this framework loan close monitoring and additional technical assistance may also be required. This will be assessed and agreed at the allocation phase for each scheme separately.

The Promoter undertakes to implement each scheme in accordance with the Bank E&S standards. Prior to allocation of a scheme, the Promoter will submit to the Bank, if required and to the satisfaction of the Bank:

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- an Environmental Impact Assessment (EIA),
- an Environmental and Social Management/Action Plan (ESMP/ESAP),
- a Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP),
- a Stakeholder Engagement Plan (SEP),
- any environmental or building permits required in connection with the Project,
- a written confirmation that the scheme does not lead to loss of or damage to cultural property and has no significant impact on protected nature areas (Form A or equivalent).

The Bank will require the Promoter to ensure that the Bank's HSE standards are inserted into the contractual arrangements with its contractors for this project. Moreover, the Promoter will be required to ensure that the Project's human resource policy is aligned with the Bank's requirements of non-discrimination and equal opportunity.

With these conditions in place, the project is acceptable for EIB financing from an environmental point of view.