

Environmental and Social Data Sheet

Overview

Project Name:	EGYPTIAN POLLUTION ABATEMENT (EPAP) III
Project Number:	2012-110
Country:	Egypt
Project Description:	Line of credit intermediated by local commercial banks to finance pollution abatement investments promoted by public and private industrial companies.
EIA required:	To be assessed on an allocation-by-allocation basis.
Project included in Carbon Footprint Exercise ¹ :	No

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

EPAP III's purpose is to lead to environmental improvement in Egyptian hot spot areas (area where polluting emissions are significant and where notably air and/or water pollution negatively impact on the surrounding population and/or environment) through pollution abatement investments. Consequently, it is not expected that significant negative impacts will be generated through its implementation. Moreover, the operation will lead to a reduction of industrial emissions and increased environmental enforcement capacity of the Egyptian Environmental Agency. Some investments may fall under Annex II of EIA Directive, but it is expected that only few will require a full EIA.

It is not expected that the pollution abatement sub-projects will trigger any negative social impact. On the contrary, most of the impact will actually be positive as the work environment of the workers will improve and the population downstream or downwind of the project will be exposed to better environmental conditions and less health risks.

The Egyptian Environmental Agency and the Apex bank will undertake to perform sub-project's assessment and screening as defined in the operational manual to ensure that project implementation is satisfactory and complies in particular with the environmental and social requirements of the Bank.

Environmental and Social Assessment

Environmental Assessment

The evaluation of the allocations has to underline the environmental benefits as well as the social impact. Procedures for this evaluation are laid down in a detailed operation manual. Technical assistance will be provided to assist and monitor this activity. Under these terms, it is considered that the environmental procedures carried out for individual sub-projects will appropriately address social and environmental issues and ensure that the schemes to be part-financed under this Global Loan meet the Bank's requirements.

The evaluation of the allocations will verify project compliance with applicable environmental legislation (national, EU and International), including EIA legislation. Usual safeguards and monitoring procedures will be put in place to ensure that project implementation is satisfactory and complies in particular with the environmental and social requirements of the Bank.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

As part of the monitoring procedures established as a central element of project management, data and information on the ambient environmental conditions as well as on the aspects affecting or being affected by the proposed activity in the selected hot spots will be collected and analysed. Moreover, the comprehensive environmental evaluation/assessment and monitoring procedures established in the operational manual will allow the generation of information that will be subjected to public disclosure. This very important feature of the programme will enhance the effectiveness of the approach insofar as public pressure will apply both on industries (for decreasing emissions) and governmental agencies (for increased enforcement).

Social Assessment, where applicable

The project will not finance relocation of facilities and thus will not trigger the Involuntary Resettlement Policy.

Other Environmental and Social Aspects

- *Summary of E&S management arrangements:* Implementation of EPAP III will be integrated into, and undertaken in the context of, a range of environmental management activities routinely undertaken by EEAA to ensure a smooth implementation. These include the following:
 - Environmental impact assessment
 - Negotiation and implementation of Compliance Action Plans
 - Environmental compliance monitoring
 - Ambient environmental monitoring.

- *Specific E&S monitoring arrangements:*
 - *Self-Monitoring:* Enterprises will detail in their EPAP III sub-project application documents the self-monitoring they will undertake of emissions to the environment and the workplace (as appropriate) associated with their EPAP III investments.
 - *Environmental Compliance Monitoring:* The Programme Director will work with the appropriate entities within the Egyptian Environmental Affairs Agency (EEAA) to establish verification monitoring schedules that will be undertaken by EEAA to ensure that enterprises are meeting their commitments under the EPAP III-financed investment. Verification monitoring of the EPAP III-related investment will be undertaken at sub-project completion for the loans, not less frequently than once every quarter. Sub-project monitoring will be ensured for three years after the end of the implementation period. CAP of sub-projects will continue to be monitored until full compliance is achieved.