

Environmental and Social Data Sheet

Overview

Project Name:	EGYPT GREEN ECONOMY FINANCING FACILITY
Project Number:	2014-0704
Country:	Egypt
Project Description:	The proposed Framework Loan to AlexBank is part of the EBRD-led Egypt-GEFF (Green Economy Financing Facility) which aims at providing credit lines to local Financial Intermediaries (FIs) in Egypt for the private sector financing of green economy projects with a significant Climate Action component, including energy efficiency and renewable energy.
EIA required:	Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The expected schemes under this framework loan will include private sector financing of energy & resource efficiency and small renewable energy (RE) projects in the industrial, agri-business and commercial/services sectors, as well as potentially other sectors such as resource efficiency & circular economy projects.

The environmental impact of most of the energy efficiency and renewable energy investments/schemes targeted by the operation (e.g. energy efficiency in residential and commercial buildings and in industry, small PV, onshore wind) is likely to be limited, with minor negative residual effects. They will generally generate positive environmental impacts, notably by reducing greenhouse gas emissions.

The main principles of environmental assessment practice enshrined in EU legislation, such as screening, scoping, independent review, public participation, disclosure and monitoring are also present in the Egyptian EIA system. A project consultant, engaged under the GEFF Facility, will assist AlexBank to ensure that all schemes financed by the Bank will be compliant with national law and the Bank's environmental and social standards.

AlexBank will be required to verify that none of the schemes submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance.

Where a project is subject to an EIA under national legislation or required by the EIB Environmental and Social Standards, the FI shall provide the Bank with a copy.

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.

Social Assessment

Due to the small size of the individual investments the social impacts are expected to be limited. Nevertheless, where supporting the screening of investments the technical consultant would pay specific attention to involuntary resettlement aspects and the application of labour and health & safety standards.

Conclusions and Recommendations

Given that AlexBank have limited capacity to appraise and monitor the investments in accordance with the Bank's standards, this operation will include the involvement of a technical consultant. The consultant's role will be, inter alia, to assist AlexBank in the environmental & social (including Health & Safety and labour standards) due diligence process, and ultimately ensure the application of the Bank's environmental & social standards.

The Bank will provide its ex-post approval to the sub-projects' allocations, largely based on the result of the due diligence carried out by AlexBank with the support of the technical assistance programme. Egypt-SEFF E&S requirements are in line with the Bank's, and will be incorporated in the finance contracts with AlexBank.

Furthermore, for projects subject to an Environmental Social Impact Assessment (ESIA) under local legislation (or which would be subject to an EIA if the project were located in the EU), the relevant Environmental Impact Study (EIS) will be published by the Bank, or AlexBank will provide a link to the location where the EIS is published.

Under these terms, it is considered that the E&S procedures carried out for individual schemes will appropriately address E&S issues and ensure that the operation is acceptable for EIB financing in E&S terms.