

Environmental and Social Data Sheet

Overview

Project Name:	ALEXANDRIA WEST WWTP EXTENSION AND UPGRADE
Project Number:	2017-0089
Country:	Egypt
Project Description:	The project concerns the capacity increase and treatment level upgrade of the Alexandria West Wastewater Treatment Plant (WWTP).
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Environmental Assessment

The Project concerns the capacity increase and treatment level upgrade of the Alexandria West Wastewater Treatment Plant (WWTP) in the city of Alexandria in Egypt. The plant is designed to serve 1.8 million people. The current level of treatment is limited to primary treatment, leading to high levels of pollution in Lake Maryout as well as El-Mex Bay and, ultimately, the Mediterranean Sea. Considering the current environmental situation in Lake Maryout, more advanced treatment is necessary. The Project will upgrade the level of treatment to secondary (biological) treatment and will include sludge treatment and digestion to allow for bio-energy generation. The requirements for the discharge in terms of percentage of reduction of standard parameters are in line with the EU Directive 91/271/EEC concerning Urban Wastewater Treatment.

The extension and upgrade of the Alexandria West WWTP is included as one of the top priority projects in the National Action Plan (NAP) prepared by the Government of Egypt in 2015.

Besides supporting the depollution of Lake Maryout and the Mediterranean Sea, the Project will improve the economic situation for fishery, agriculture/forestry and tourism in the area as well as improve the health and environmental situation of the people living in the Governorate of Alexandria. Finally, the Project could potentially in the future provide an additional source of water for irrigation.

The Project will comply with national environmental requirements as defined in Egyptian Law 4/1994 and its executive regulations (ERs) as amended by Law 9/2009 and Decree 1095/2011. The Law dictates that Environmental Impact Assessment (EIA) studies are mandatory for both new projects and/or expansion of existing projects as a part of the licensing procedure.

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.

Luxembourg, 9 October 2018

An Environmental and Social Impact Assessment (ESIA) has been prepared as part of the feasibility study for the preparation of the Project. The assessment was carried out according to the Guidelines of Principles and Procedures for Environmental Impact Assessment issued by the Egyptian Environmental Affairs Agency (EEAA) in 1996 and amended in 2009. This ESIA will be submitted to the EEAA for approval. The draft version of the document will be published on the Bank's website and updated after approval. Wastewater treatment projects are classified as category B projects (i.e. of medium severity impacts that can be directly mitigated) in accordance with the "Protocol for Cooperation between the Ministry of Environment and the Ministry of Housing, Utilities, and Urban Communities for the Application of Criteria and Environmental Conditions for Wastewater Projects". As the project will benefit a population of 1.8million, taking into account future population growth, according to the EU EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU, it falls under Annex I thus requiring a full EIA. The Project will not affect any protected areas.

The approach adopted in the EEAA 2009 EIA Guidelines for the classification of projects, is overall, considered compatible with EU EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU, reflecting the increasing levels of details required in environmental impact assessment, depending on the severity of potential impacts. All environmental and social impacts will be addressed in accordance with Egypt's national regulations and to the satisfaction of the Bank through the project's ESIA and the Environmental and Social Management Plan (ESMP).

As the project activities will be limited within the existing site of Alexandria West WWTP, no significant environmental impacts are foreseen during the construction and operation phases. Activities will involve clearing the construction site from obstacles, excavation of trenches, laying of pipes, construction of concrete structures and installation of electromechanical equipment. Possible negative environmental impacts are limited to the construction period and include traffic and land disturbance, air pollution due to dust generation, noise and generation of construction waste. These impacts will be temporary and confined to the immediate construction site. Management of these issues will be addressed in the ESMP. The project is unlikely to result in any loss of flora and fauna.

EIB Carbon Footprint Exercise

Estimated annual emissions of the Project in a standard year of operation amount to 89 kilotonnes of CO₂ equivalent per year absolute (gross). This figure indicates estimated emissions savings of 54 kilotonnes of CO₂ equivalent per year compared to the current emissions from the WWTP.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment, where applicable

No land acquisition will be required for the project, as works will take place within the boundary limits of the existing Alexandria West WWTP. The project has been designed so that no relocation and resettlement will take place, although a number of illegal settlements can be found within the boundary of the WWTP.

With regard to labour standards, Egypt has ratified all eight fundamental ILO Conventions; however, effective implementation has been inconsistent with regard to recognition of independent trade unions. The project will comply with international standards, national labour, social security and occupational health and safety laws.

Public Consultation and Stakeholder Engagement

Luxembourg, 9 October 2018

Public consultation is foreseen as part of the EIA process as defined in the Guidelines of Principles and Procedures for Environmental Impact Assessment issued by the Egyptian Environmental Affairs Agency (EEAA) in 1996 and amended in 2009. An initial public consultation took place in May 2018. An appropriate Stakeholder Engagement Plan for the construction of the project, inclusive of a Grievance Mechanism, will be developed as part of the project's Environmental and Social Management Plan.

Conclusions and Recommendations

The environmental and social benefits resulting from the implementation of the proposed investment, particularly the reduction of pollution in Lake Maryout and the Mediterranean will lead to the significant improvement of public health conditions and living standards for the local population. In addition, the potential stimulation of economic activities that are currently adversely affected by the increased levels of pollution will provide much needed employment for skilled and unskilled workers in the region and would contribute to easing the country's unemployment burden.

The Project is not expected to have any significant adverse impact on the environment, with possible negative environmental effects being temporary and confined to the immediate construction site. These adverse impacts can be either prevented and/or minimised through appropriate mitigation measures and by adhering to national standards and relevant international standards, guidelines and design criteria.

The project will also contribute to climate change mitigation by reducing greenhouse gas (GHG) emissions through the treatment of wastewater and recovery of renewable energy in the form of biogas from the sludge treatment.

The project will comply with the requirements of the national legislation.

The scope of the Project is fully in line with the Bank's Lending Priority in Climate and Environment and the Water Sector Lending Policy.

In order to comply with the Bank's requirements, the following conditions and undertakings relating to environmental and social matters will be applied to the project:

- A project Environmental and Social Management Plan will be prepared, to the satisfaction of the Bank, agreed and endorsed by the Promoter prior to the start of any construction works.
- The Promoter will undertake to ensure full compliance with the project's Environmental and Social requirements and the ESMP.
- The Bank shall be immediately informed should any of the illegal settlements within the perimeter of the wastewater treatment plant be affected by an update of the design of the project, which shall be submitted to the Bank for approval.
- The non-technical summary of project's approved EIA along with the full EIA will be sent to the EIB for publication on its website, prior to the start of the works.

With the above conditions in place, the project is acceptable for financing in environmental and social terms.