

Document of
The World Bank

Report No: 58925-EG

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF THE
EGYPT: EL-TEBBIN POWER PROJECT
LOAN NUMBER - 7359-EGT
FEBRUARY 16, 2006
TO THE
ARAB REPUBLIC OF EGYPT
APRIL 8, 2011

Middle East and North Africa

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ABBREVIATIONS AND ACRONYMS

CP	Contract Package
EA	Environmental Assessment
FM	Financial Management
FMA	Fiduciary Monitoring Agent
FMR	Financial Management Report
AF	Additional Financing
GOE	Government of Egypt
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
NBE	National Bank of Egypt

Regional Vice President:	Ms. Shamshad Akhtar
Country Director:	Mr. A. David Craig
Sector Director:	Mr. Laszlo Lovei
Sector Manager:	Ms. Patricia Veevers-Carter
Task Team Leader:	Mr. Mohab Hallouda

Restructuring**Status: Draft****Restructuring Type: Level II to be approved by the Country Director**

Last modified on date : 4/8/2011

1. Basic Information

Project ID & Name	P091945: El-Tebbin Power Project
Country	Arab Republic of Egypt
Task Team Leader	Mohab Hallouda
Sector Director	Laszlo Lovei
Sector Manager	Patricia Veevers-Carter
Country Director	A. David Craig
Original Board Approval Date	February 16, 2006
Original Closing Date	April 30, 2011
Current Closing Date	April 30, 2011
Proposed Closing Date [if applicable]	October 30, 2011
EA Category	A- Full Assessment
Revised EA Category	A- Full Assessment
EA Completion Date	06/12/2005
Revised EA Completion Date	

2. Revised Financing plan	Original			Revised		
	Local	Foreign	Total	Local	Foreign	Total
Source						
Borrower	151.30	38.70	190.00	301.00	47.30	348.30
IBRD/IDA	0.00	259.60	259.60		259.60	259.60
OPEC Fund					40.00	40.00
National Bank of Egypt (NBE)					133.70	133.78
Total	151.30	298.30	449.60	301.00	480.60	781.60

3. Borrower

Organization	Department	Location
Ministry of International Cooperation		Egypt

4. Implementing Agency

Organization	Department	Location
Egyptian Electricity Holding Company	Cairo Electricity Production Company	Egypt

5. Disbursement Estimates (US\$ m)			
Actual amount disbursed as of 31st March 2011 is \$ 220.22million			
Fiscal Year	Revised Estimates	Actual	Cumulative
May-07	23.60	23.62	23.62
Oct-08	31.20	19.32	42.93
Jun-09	65.78	70.23	113.17
Jun-10	41.30	76.25	189.42
Dec-11	56.10	28.56	217.98
Oct-12	41.62	2.24	259.60
Total	259.60	220.22	259.60

6. Policy Exceptions and Safeguard Policies	
Does the restructured project require any exceptions to Bank policies?	N
Does the restructured project trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.	N

7a. Project Development Objectives/Outcomes
Original/Current Project Development Objectives/Outcomes
The Project Development Objectives are to assist the GoE in enhancing energy supply in a sustainable manner and strengthening the power sector performance.

7b. Revised Project Development Objectives/Outcomes
N/A

**ARAB REPUBLIC OF EGYPT
EL-TEBBIN POWER PROJECT
LOAN NUMBER - 7359-EGT**

RESTRUCTURING PAPER

CONTENTS

	Page
ANNEX 1: EXTENSION OF CLOSING DATE.....	4
ANNEX 2:ACTIVITY AND DISBURSEMENT PLAN.....	5

ANNEX 1: Extension of Closing Date

*EGYPT: EL-TEBBIN POWER PROJECT
P091945
(Loan number 7359-EGT)*

Restructuring Paper

1. The project was approved of February 16, 2006, with the objective to assist the Borrower in enhancing energy supply in a sustainable manner and strengthening the power sector performance.
2. Construction and commissioning of El-Tebbin power plant has been completed. The plant, which consists of two identical units of 350 MW, has been put into commercial operation and has passed the reliability test. Unit #1 was commissioned on August 28, 2010 and unit #2 on September 17, 2010. Performance tests for both units were successfully concluded in December 2010. Of the total US\$259.60 million amount of Loan, US\$220.22 million has been disbursed to date.
3. Procurement under the project has been completed. The project continues to maintain sound financial management arrangements, including stability of staff, consistent application of internal controls and smooth process of flow of funds. All previous FMRs and audit reports were timely received, reviewed and found acceptable by the Bank. Therefore, the project's FM arrangements are "Satisfactory".
4. A delay by the contractor responsible for the Mechanical Equipment/Pipe Installation (package CP-118, not financed by the World Bank loan) and the delay in preparing the final list of required spare parts caused a delay in the delivery of spare parts under a related contract for supply and installation of the Steam Turbine Generator (CP-106), financed by the World Bank loan. In addition further delays in Supply and Installation (including final design) of steam generator and auxiliaries including start up and commissioning (CP-105) resulted in disbursement during January/February 2011 as a result of Egypt's political crisis. Because of the delay, an amount of Euro14.8 million (equivalent to about US\$ 20.1 million or 7.8 percent of the loan) is expected to be withdrawn after the original Closing Date of April 30, 2011 to cover spare parts that are to be delivered also after the original Closing Date. Annex 2 details the disbursement plan for the remaining activities under the contract. The Borrower has therefore requested that the Closing Date for the El- Tebbin Power Project (Loan number 7359-EGT) be extended from April 30, 2011 to October 30, 2011.
5. This will be the first extension of the Project.

Annex 2 Activity and Disbursement plan

El-Tebbin Thermal Power Plant 2 X 350 Gas / Oil Fired Units		<u>WB Packages and disbursement statusCost Status</u>							
		Mar-11							
Currency	Contract	CP-104	Date	CP-105	Date	CP-106	Date	PO-109A	Total
EURO	Contract Price	17,953,822.60		96,484,000.00		77,030,493.92		3,823,599.00	
	Approved Value	16,650,249.40		81,520,700.00		70,867,598.27		2,791,600.00	
	Remaining	1,303,573.20		14,963,300.00		6,162,895.65		1,031,999.00	23,461,767.85
Delivery for PO								267,279.20	Mar-11
Progress Upon achieving monthly progress payment milestones.		330,740.10	Mar-11	830,800.00	Apr-11				
Construction completion certificates (CCC)		55,236.00	Mar-11	7,181,200.00	May-11				
Operational certificates (OAC)/(PAC)		43,239.50	Apr-11	6,608,300.00	May-11	3,769,201.70	Apr-11	382,359.90	Mar-11
Off Shore Training		192,180.00	Apr-11	343,000.00	Apr-11	288,741.00	Mar-11	382,359.90	Apr-11
Spare Parts		682,177.60	Apr-11			1,052,476.50	Apr-11		
						1,052,476.50	Jun-11		
	Mar-01	Apr-11	May-11	Jun-11					
TOTAL	1,324,356.20	7,295,435.20	13,789,500.00	1,052,476.50					
Main Reasons for the delay of payments									
1	Delay of Mechanical Equipment / Pipe Installation - by CP-118 contractor.								
2	Delay of submission of final spare parts list by contractors.								
3	Delay due to slow disbursement during time of revolution								
4	Delay of closing the punch list items								

