Early Warning System

WB-P146007

EG: Household Natural Gas Connection Project

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Quick Facts

Countries	Egypt
Specific Location	Alexandria, Giza, Marsa Matrouh, Ismaillia, Qalubia, Menofia, Gharbia, Daqahlia, Qena, Sohaj, Aswan
Financial Institutions	World Bank (WB)
Status	Active
Bank Risk Rating	A
Voting Date	2014-07-24
Potential Rights Impacts	Healthy Environment, Housing & Property, Labor & Livelihood, Right to Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 500.00 million
Project Cost (USD)	$ 1,473.90 million

Project Description

The proposed project is aimed at supporting the Government of Egypt's to connect 800,000 households each year with piped natural gas in the greater Cairo area, which is an on-going program that already has support from the World Bank. The project now being proposed will connect 1.5 million households to the gas distribution networks, but World Bank financing will focus on connecting approximately 1.1 million households in 11 Governorates over the first three-year implementation period of the larger project. The service areas in these 11 Governorates are under the concessions of two distribution companies: Town Gas & Egypt Gas. The project has three key components: 1) Gas Distribution & Network Connection, includes expansion of the intermediate and low pressure gas distribution networks; 2) construction of 25 Pressure Reduction Stations (PRS); 3) Gas Transmission Connection, includes construction of 178 km of high pressure pipelines.

Resources needed: approximately 4 hectare of permanent land acquisition and 180 hectare "temporary land use". Each PRS will require an average of approximately 1600 square meters of land (40 x 40) and the high pressure pipelines will be 1.3 meters in diameter and range from 50m - 38km of 185 km in length
Project Number: P146007

Early Warning System Project Analysis

Risk Assessment: Category A.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category A is assigned to a project only if it is likely to have "significant adverse environmental impacts that are sensitive, diverse, or unprecedented."

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Environmental Assessment OP/BP 4.01

this safeguard is triggered *due to the potential multi-dimensional environmental and social concerns that could be sensitive, diverse or unprecedented.*

Involuntary Resettlement OP/BP 4.1

triggered because *involuntary taking of land* for construction of high pressure pipelines and as many as 25 Pressure Reduction Stations *will not be avoidable.*

Physical Cultural Resources OP/BP 4.11

triggered *because of the project's potential to affect archeological or cultural or religious sites.*

OUR RISK ASSESSMENT

Based on the World Bank's project documents, this project poses potential risks to the following human rights:

* The Right to Property & Adequate Housing
Known impacts of the project include involuntary and permanent land acquisition, *temporary* damage to crops, and permanent losses of other assets including housing, standing crops, trees, and plants, incomes, and livelihoods. Egypt Gas and Town Gas will be responsible for paying compensation to people who suffer a complete or partial loss or lack of access to their assets. Additional losses may include cemeteries and public schools, hospitals, and markets.
* The Right to a Healthy Environment
Potential harmful impacts identified in bank documents include: air pollution caused by emissions by heavy machinery and dust during excavation; production of solid and liquid hazardous including heavy metals, asbestos tar and oils; water pollution resulting from the discharge of industrial wastewater and reductions in groundwater; disruption of ecological systems, particularly during excavation for steel pipelines; threats to plant and animal life posed by the production of two highly toxic, hazardous, and flammable substances (Tertiobutylmercaptin and Methylehylsulphide). An environmental and social assessment for the project notes that impacts resulting from any damage to or leaks from the pipelines *may be permanent and highly severe.*
* The Right to Health
Each of the harmful environmental impacts identified as a risk in this project also potential risks to human health. Bank documents also know that the PRS pose safety risks for community members that include *leakage, fire hazard, explosion, and suffocation.* The Bank also notes the risk of accidents resulting from increased traffic congestion, *negligent* workers and hazards at the digging sites, and measures will be needed to limit exposure to noise levels and impacts.
* Labor Rights
Bank documents note that each of the safety risks associated with the PRSs also pose a risk to workers. Measures will also be needed to limit exposure to noise levels and impacts. The bank suggests this *could be achieved* by providing ear muffs to workers and adjusting working hours and breaks to keep the length of exposure within permissible limits *according to the Egyptian legal standards.*

People Affected By This Project

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Investment Description

- World Bank (WB)

Bank financing: World Bank
Borrower: Egyptian Gas Holding Company (EGAS)
Amount of bank loan or investment: 500 USD Million in Investment Project Financing
Total project cost: 1449.40 USD Million

Contact Information

World Bank Contact: Husam Mohamed Beides
Title:Lead Energy Specialist
Tel: 5367+235 / 9
Email:hbeides@worldbank.org

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. You can learn more about the Inspection Panel and how to file a complaint at: http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx.

Bank Documents

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- Egypt - Household Natural Gas Connection Project : environmental assessment (Vol. 2) : Executive sum [Original Source]
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- Egypt, Arab Republic of - Households Natural Gas Connection Project : procurement plan (English) [Original Source]
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- Integrated Safeguards Data Sheet (Appraisal Stage) - EG: Household Natural Gas Connection Project - [Original Source]
- Integrated Safeguards Data Sheet (Concept Stage) - EG: Household Natural Gas Connection Project - P1 [Original Source]
- Official Documents- Disbursement Letter for Loan 8411-EG (Closing Package) (English) [Original Source]
- Official Documents- First Revised Disbursement Letter for Loan 8411-EG (English) [Original Source]
- Official Documents- Loan Agreement for Loan 8411-EG (Closing Package) (English) [Original Source]
- Official Documents- Project Agreement for Loan 8411-EG (Closing Package) (English) [Original Source]
- Official Documents- Statutory Committee Report for Loan 8411-EG (Closing Package) (English) [Original Source]
- Official Documents- Supplemental Letter Ref. Financial Data for Loan 8411-EG (Closing Package) (Engl [Original Source]
- Project Information Document (Concept Stage) - EG: Household Natural Gas Connection Project - P14600 [Original Source]