

International Financial Institutions and Egypt

IFI Project Update

August 2008

This document is intended to provide a periodic look at the proposed and active projects financed by the international financial institutions (IFIs) in Egypt. The tables are organized by institution and project status. “Proposed projects” refers to projects currently being considered and under preparation by the institutions, and “active projects” are those that have been approved and are currently being implemented. Where available, links are provided in the electronic version for each project that will take you to the institution’s own project page. This document is also available in Arabic on our website at: www.bicusa.org/egyptprojectsarabic.

A more in-depth look at each institution and their involvement in Egypt is available in BIC’s Egypt Country Study from October 2007 on our website at: www.bicusa.org/ifisandegypt. The Egypt Country Study is also available in Arabic at: www.bicusa.org/ifisandegyptarabic.

Find out the latest news about the IFIs in Egypt on BIC’s Egypt country page at: www.bicusa.org/Egypt. The Egypt country page is also available in Arabic at: www.bicusa.org/EgyptArabic.

If you have specific concerns or questions about any of the projects listed below, feel free to contact us at mena@bicusa.org.

Note: Projects highlighted in yellow have been added since the last project update. That is, they are either newly proposed projects or newly approved.

Note: “Env. Category” refers to the environmental and social assessment that each institution attributes to the project. Category “A” means that major environmental or social impacts are anticipated. Category “B” projects are expected to have limited environmental impacts. Category “C” projects are unlikely to have adverse environmental impacts. No environmental analysis is required for Category “F” (financial intermediary) projects.

World Bank proposed projects

| Project Title | Amount (US\$ mn) | Est. Board Date | Env. Category | Description |
|---|------------------|-------------------|---------------|---|
| National Railways Restructuring Project | 120 | Jan. 15, 2008 | B | Restructure the Egyptian National Railway, strengthen its financial viability, and partner with the private sector especially in freight services. |
| Greater Cairo Development Project | 100 | Feb. 28, 2008 | A | Develop basic infrastructure and transportation in the urban and metropolitan areas in Cairo; to support institutional development for public authorities in Greater Cairo. May require involuntary resettlement of some local populations. Project preparation on hold, awaiting the Government's letter of request. |
| Family Health Insurance | 75 | Apr. 30, 2008 | C | Develop a new National Health Insurance Fund infrastructure by contracting government, public and private/NGO providers. Also includes development of management and information systems, claim processing, and other elements. |
| Upper Egypt Integrated Governorates Development Project | 200 | December 17, 2007 | A | Support infrastructure development in Asyut, Menia, Beni Suef and Fayoum. Also seeks to develop supply chains for competitive agricultural products. |
| Education Reform Program | 50 | Oct. 15, 2008 | B | Five-year project to reform admissions policy and curriculum at secondary and tertiary levels, and establish teacher academy. |
| Ain Sokhna Power Project | 600 | Dec. 16, 2008 | A | Finance a \$1.6 billion 1,300 MW supercritical steam turbine power plant using natural gas. |

World Bank active projects

| Project Title | Amount (US\$ mn) | Approval Date | Env. Category | Description |
|---|------------------|---------------|---------------|---|
| Financial Sector Development Policy Loan II | 500 | June 19, 2008 | C | Second phase of the Financial Sector Reform Program adopted by Egypt in 2004. To strengthen the financial sector to support Egypt's growth performance; concentrates on increasing private sector involvement (privatization of banks and insurance companies), diversification of financial intermediaries, and strengthening of resource mobilization. |
| Additional Financing for Airports Development Project | 40 | Apr. 24, 2008 | A | Additional funding for the construction of new terminals at Cairo International and Sham El Sheikh Airports (see 2004 loan below). |
| Integrated Sanitation & Sewerage Infrastructure Project | 120 | Mar. 20, 2008 | B | Develop sanitation systems and monitoring and evaluation system to measure the impact on environment. Capacity building and institutional development within the national and local public institutions responsible for sanitation implementation. To be implemented in the western Delta in the Governorates of Beheira, Kafr El Sheikh and Gharbeya within the two command areas of Mahmoudeya and Mit Yazid. |

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|---|-------|-----------------|----|--|
| Natural Gas Connections Project | 75 | Jan. 24, 2008 | A | Category A project to support natural gas transmission, distribution, and connection to households in Greater Cairo. |
| Kureimat Solar Thermal Hybrid Project | 0 | Dec. 11, 2007 | B | Increase the share of solar-based power to diversify power sources. |
| Mortgage Finance | 37.1 | August 15, 2005 | C | Line of credit in local currency to Egyptian Company for Mortgage Refinancing. |
| West Delta Water Conservation and Irrigation Rehabilitation Project | 145 | June 21, 2007 | A | Construction of surface water system and establishment of financial framework for irrigation in West Delta, including institutional support for Ministry for Water Resources and Irrigation to transfer irrigation services from public to private hands based on a cost-recovery model. |
| Avian and Human Influenza Control and Prevention | 0 | Apr. 18, 2007 | B | US\$7 million financing from Avian and Human Influenza Facility to be implemented by World Bank, to support disease management and surveillance, expansion of laboratory facilities. |
| Second Pollution Abatement Project | 20 | Mar. 23, 2006 | F1 | Use of market-based schemes to reduce pollution in Alexandria and Greater Cairo industrial centers, support for qualification for emissions credits under Clean Development Mechanism. |
| ONYX solid Waste Alexandria - Carbon | 0 | Feb. 19, 2006 | A | Category A project to extend existing Al Hamman waste disposal site, located south of Al Hamman city. |
| El Tebbin Power | 259.6 | Feb. 16, 2006 | A | Category A project to construct gas-powered 700 MW plant at El-Tebbin. A steam component will rely on water from the Nile. |
| Integrated Irrigation Improvement and Management Project | 120 | May 3, 2005 | B | Support rehabilitation of irrigation and drainage infrastructure in Mahmoudia and Meet Yazid. |
| Early Childhood Education Enhancement Project | 20 | Feb. 15, 2005 | C | Construction of kindergarten classrooms, development of curriculum, teacher training, institutional support for Ministry of Education |
| Airports Development Project | 335 | Mar. 30, 2004 | A | Construction of new terminals at Cairo International and Sham El Sheikh Airports. |
| Skills Development Project | 5.5 | July 31, 2003 | C | Vocational training for tourism, construction, and manufacturing, to be supported in partnership with beneficiary firms. |
| Higher Education Enhancement Project | 50 | Apr. 16, 2002 | C | Restructure governance and management of universities and support legislative reform. Will also expand information technology facilities. |
| Second National Drainage Project | 50 | June 15, 2000 | B | Increase agricultural productivity through improvements to drainage system. |
| Secondary Education Enhancement Project | 50 | Apr. 15, 1999 | C | Upgrade of schools, revision of curriculum and teacher training. |
| Sohag Rural Development Project | 25 | Aug. 27, 1998 | B | Village infrastructure and access to credit in Sohag Governorate. |
| Health Sector Reform | 90 | May 21, 1998 | B | Universal health coverage in Alexandria, Minoufia, and Sohag Governorates. |
| East Delta Newlands Agricultural Services Project | 15 | Nov. 4, 1997 | B | Agricultural support services, farming infrastructure, lines of credit for purchasing agricultural inputs. |

International Finance Corporation (IFC) proposed projects

| Project Title | Amount (US\$ mn) | Est. Board Date | Env. Category | Description |
|---|------------------|-----------------|---------------|---|
| El Gebaly | 30 | June 26, 2008 | B | IFC loan to develop 7000 acres of plantation for citrus and other fruits in Wadi El Natroun. El Gebaly family owns the majority shareholding of the Gebalex Holding Company, a leading citrus exporter in Egypt. The total project cost is \$ 67 million. |
| Egypt Student Loan Facility | 17 | June 23, 2008 | C | IFC to guarantee up to \$17 million on portfolio on student loans for students attending private universities in and around Cairo. |
| Sphinx Fund | 20 | June 19, 2008 | FI | The fund has a committed capital of \$100 million, of which IFC up to 20%. The fund will buy out unprofitable Egyptian SMEs, and will be based in Europe for tax purposes. |
| Amlak Egypt | 3.62 | Mar. 3, 2008 | C | IFC equity investment for a minority stake in Amlak Finance and Real Estate Egypt. Amlak is the leading and largest listed Islamic mortgage finance company in the region. This project aims at developing broad-scale and sustainable mortgage lending in Egypt. |

International Finance Corporation (IFC) active projects

| Project Title | Amount (US\$ mn) | Approval Date | Env. Category | Description |
|---|------------------|--------------------|---------------|---|
| Nile Suez | 20 | June 9, 2008 | B | To support bed sheet and towel production in the Free Industrial Zone in Sadat City for export to US and European markets. |
| Aspet Egypt | 26 | Dec. 10, 2007 | B | \$20 million IFC loan and \$6 million equity investment in a joint venture project involving an Egyptian government agency, Echem, that aims to establish a 315,000 tons/year greenfield PET resin plant in Damietta, The project will cost \$135 million and Echem will hold 23% of the project. |
| Bank of Alexandria | N/A | September 21, 2007 | FI | Bank of Alexandria is Egypt's third largest bank, and it is the first public sector bank to be privatized. IFC has an equity investment in the bank, but the amount of that investment is not available to the public. |
| Andalusia Hospitals | 25 | Aug. 16, 2007 | B | \$15 million IFC loan and \$10 million equity investment to fund the expansion of the Andalusia Hospitals in Alexandria, and the establishment of a hospital in Cairo and a Nursing Academy in Egypt. |
| Wadi Il | 25 | July 9, 2007 | B | \$25 million loan to expand the Wadi Holding Company's operations in Egypt. The investment is to expand the company's feed milling and pelleting capacity, plant olive groves and grape farms,.etc. |
| Omar Effendi | 50 | June 18, 2007 | B | \$40 million IFC loan and \$10 million equity investment in \$207 million project to conduct a refurbishment and infrastructure upgrade of the Omar Effendi chain of retail department stores, which has been privatized by the government of Egypt and sold to Saudi company Anwal. |
| Egyptian Liquidity Facility | 13.5 | May 10, 2007 | C | \$10 million IFC guarantee, \$3.5 million equity, and technical assistance for Egyptian Mortgage Refinance Company (EMRC) which was established to develop a viable housing and housing finance sector in Egypt. |

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|--|------|---------------|---|---|
| Indo-Egyptian Fertilizer Co. | 50 | Apr. 19, 2007 | B | \$350 million project undertaken by the Indian-Egyptian joint venture company "Indo-Egyptian Fertilizer Co." The project is to set up a greenfield phosphoric acid plant in Edfu, Aswan Governorate, to produce and export phosphoric acid. |
| Interstate Paper Industries | 26.4 | Mar. 23, 2007 | B | \$76.8 million project that aims to construct a Greenfield tissue mill in Sadat Industrial City. |
| IPR Transoil Corp. | 25 | Feb. 6, 2007 | B | \$90.8 project undertaken by IPR Oil Group to further develop its Almein Yidma field (drilling nine new oil wells and undertaking 51 well interventions or workovers) and to explore other 5 oil fields in Egypt. |
| Tantalum Egypt | 2 | May 11, 2006 | B | Equity investment in Gippsland Limited to facilitate completion of feasibility studies of the Abu Dabbab Tantalum-Tin project and gold exploration in Wadi Allaqi |

European Investment Bank (EIB) proposed projects

| Project Title | Amount (EUR € mn) | Description |
|---|-------------------|---|
| South Sinai Power Plant | 100 | Construction of a 375 MW gas-fired combined-cycle power plant. |
| ERC Refinery | 500 | Construction of various units to process petroleum residues from domestic refineries to higher value and cleaner oil products for local markets. Total cost of the project is €3 billion. |

European Investment Bank (EIB) active projects

| Project Title | Amount (EUR € mn) | Approval Date | Description |
|--|-------------------|---------------|--|
| Sphinx Turnaround Fund | US\$20 | July 15, 2008 | The fund has a committed capital of \$100 million, of which EIB is investing up to \$20 million. The fund will buy out unprofitable Egyptian SMEs, and will be based in Europe for tax purposes. |
| Integrated Water and Wastewater Services Programme | 70 | June 10, 2008 | Upgrade and installation of water treatment plants, waste water treatment plants and water and sewer networks. |
| EGAS Gas Grid Reinforcement | 280 | Dec. 11, 2007 | Construction of five large-diameter pipelines to enforce the eastern and southern part of the national high-pressure gas transmission system. |
| EDBE III Credit Line | 50 | July 17, 2007 | Line of credit to the Export Development Bank of Egypt (EDBE) to finance small- and medium-sized private investment projects. |
| El Atf and Sidi Krir Power Plants | 260 | Dec. 21, 2006 | Construction of two gas-fired combined-cycle power plants. |
| EMX Methanol Plant | 200 | Dec. 21, 2006 | Construction of a methanol plant in the Demietta industrial port |
| Upper Egypt Gas Pipeline | 50 | Dec. 21, 2006 | Design, construction and operation of a new natural gas pipeline between Abu Qorqas and Assiut. |
| Egyptian Pollution Abatement II | 40 | Nov. 21, 2006 | Industrial pollution abatement schemes mainly in Greater Alexandria and Greater Cairo. |

African Development Bank (AfDB) proposed projects

| Project Title | Amount (US \$) mn | Description |
|--|-------------------|---|
| Social Fund for Development Phase III | 82 | Loan for small- and medium-size enterprises and institutional support for the SDF. |
| Social Fund for Development: Micro and Small Enterprises Support Project | 572 | Loan to the SDF for micro and small enterprises. |
| Integrated Community Development Project | 65 | Improve community health, household connections and support community public works. |
| Franchising Project | 42 | No Information available |
| Gabal El Asfar Wasterwater Treatment Project | 64 | Construction of a wastewater treatment plant. |

African Development Bank (AfDB) active projects

| Project Title | Amount (US \$) mn | Approval Date | Description |
|--|-------------------|---------------|---|
| Damietta Port-Container Terminal Project | 150 | Dec. 7, 2007 | Development of terminal and container area, construction of quay wall at the port. |
| Abu Qir 1300 MW Steam Power Project | 325 | Nov. 14, 2007 | Construction of a dual fuel-fired power plant using natural gas and mazout (a light fuel oil); includes steam turbine generating units. |
| Social Fund for Development: Micro and Small Enterprises Support Project | 88 | Oct. 13, 2007 | Technical assistance component for the Social Fund for Development (SFD); line of credit for the SFD to on-lend to micro and small enterprises. |
| Financial Sector Reform Program | 500 | Jul. 26, 2007 | AfDB's largest loan ever to provide general budget support to the Egyptian government, conditioned on substantial reforms of the country's financial sector, including the privatization of banks and financial services. |
| Second Line of Credit to NBE | 200 | Oct. 12, 2005 | Line of credit to the National Bank of Egypt intended to support small- and medium-sized enterprises. |
| El-Kureimat Combine Cycle Power Plant | 230 | Oct. 18, 2005 | Construction of a dual gas- and steam-powered 750 MW power plant in El Kureimat, which is located 95km south of Cairo. |