



Project Summary Information

Date of Document: December 12, 2019	
Project Name	National Bank of Egypt On-Lending Facility for Infrastructure
Document Code	PD000258
Country	Egypt
Sector/Subsector	Financial Institution
Status of Financing	Under Preparation
Project Description	<p>The transaction is an on-lending facility to the National Bank of Egypt (NBE). AIIB will provide NBE with a loan of USD150 million for on-lending to sub-projects in the infrastructure sector. NBE is wholly owned by the Ministry of Finance of Egypt and is the largest commercial bank in Egypt by asset size, gross loans and deposits.</p> <p>Depending on the pipeline, the proposed financing has the potential to support AIIB's Energy Sector Strategy, Transport Sector Strategy, and Sustainable Cities Strategy. The proposal also supports the Government of Egypt's initiatives to increase investments into infrastructure in the country.</p>
Objective	To enhance the growth in investments into infrastructure in Egypt.
Expected Results	The Project is expected to fund 10 or more small and medium sized projects in the infrastructure sector. Total investments are expected to be 1.5x that of this credit facility.
Environmental and Social Category	Category FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and where applicable the Environmental and Social Standards (ESS), is applicable to this on-lending facility. The Project has been placed in Category FI, because the financing structure involves the provision of funds through a Financial Intermediary, whereby AIIB delegates to NBE the decision-making on the use of AIIB's funds for subprojects that meet the conditions to be agreed with NBE and applied through an Environmental and Management System (ESMS).

NBE has established a Strategic Sustainability Team and initiated in 2014 the establishment of an ESMS that will be expanded to include screening, categorizing, appraising, contracting and monitoring of subprojects supported by AIIB and their implementation in accordance with the ESP, the ESEL, Egyptian environmental and social regulatory requirements and, for Category A and selected Category B subprojects, the ESS. A senior manager will be responsible for the oversight of the ESMS, and an investment officer will take day-to-day responsibility for its implementation, initially supported by external specialized environmental and social (E&S) resources.

NBE will apply eligibility criteria for selection of subprojects to avoid, where feasible, those exposed to significant risks, comprising risks of: (i) significant adverse impacts to community health and safety as a result of construction/operation of the assets; (ii) significant number of serious injuries and/or fatal accidents during construction and/or operation of the assets; (iii) involuntary resettlement of people; (iv) impacts on critical habitat, vulnerable peoples and cultural resources. These sensitive activities are either to be avoided or managed in accordance with AIIB's ESSs.

For all subprojects supported by AIIB, NBE will require the sub-borrower to complete the preparation of environmental and social assessment documentation proportionate to the risks and impacts of the subproject and in accordance with the NBE ESMS and AIIB ESP, to draft an integrated Environmental and Social Management Plan (ESMP), and to establish a subproject-level ESMS. That ESMS shall include appropriate processes to disclose E&S information, conduct stakeholder engagement activities, and establish subproject-level Grievance Redress Mechanisms (GRMs) to address concerns and grievances from both project workers and external stakeholders. NBE will monitor these aspects as part of its subproject monitoring process to be defined in its ESMS.

NBE will be required to strengthen its external communication mechanism to address third-party views, enquiries or concerns regarding their own E&S processes and outcomes, as well as E&S impacts and performances of their AIIB-supported subprojects. NBE currently has a grievance redressal process and platform, accessible on: <https://www.nbe.com.eg/en/ContactUs.aspx> .

AIIB will review and validate NBE's ESMS prior to the use of AIIB funds and conduct a prior E&S review of at least two of the initial subprojects and any Category A subproject to be financed using AIIB funds. Subsequently AIIB will receive an annual E&S monitoring report issued by NBE reporting on its ESMS implementation and the E&S performance of all

	AIIB-supported subprojects. AIIB will conduct regular monitoring of NBE's activities, including visits to selected subprojects.		
Cost and Financing Plan	USD 150 million		
Borrower	National Bank of Egypt		
Estimated date of last disbursement (NSBF)	December 2020		
Contact Points:	AIIB	National Bank of Egypt	Implementation Organization/Sponsor
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Date of Concept Decision	February 12, 2019		
Date of Final Review decision.	November 11, 2019		
Date of Financing Approval/Estimated Date of Financing Approval	December 12, 2019		
Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level or subproject level GRMs or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit the PPM web page.</p>		