

ÉGYPTE

Industrial pollution abatement

EPAP supports Egyptian public and private industrial companies to invest in pollution abatement technologies, assisting them in complying with environmental regulations.

CONTEXT

Environmental degradation is estimated to cost Egypt around 5.4% of its GDP, or 2.2 billion euros a year. These figures are twice as high as the industrialized country average with Egypt ranking last out of all Mediterranean countries in which these analyses were carried out.

The Egyptian Pollution Abatement Project (EPAP), in effect since the early 1990s, is a major initiative of the Egyptian Ministry of Environment to incentive industries to reduce their pollution and emissions. The second phase (EPAP2), co-financed by AFD, supported Egyptian industrial plants in the reduction of their air particulate and water emissions by 82% to 99%, mitigating the harmful impact that the sector has on the environment and surrounding populations. Pollution levels remain high and many companies have yet to comply with current regulations. The third phase of the project (EPAP3), launched in 2015, will continue to support emission-reducing investments.

DESCRIPTION

The main goal of EPAP is to enhance the livelihoods of the Egyptian population by reducing harmful pollution, and to protect the environment by setting up a framework to encourage cleaner industrial production across Egypt. EPAP is being implemented by the Egyptian Ministry of Environment via the Egyptian Environmental Affairs Agency.

The APEX bank, the National Bank of Egypt, will ensure the proper management of program funds for investment in sub-projects. The latest phase, EPAP3, has three main components:

- An investment facility (bank credit line) up to EUR 120 million aiming at financing pollution abatement projects in public and private enterprises in Egypt.
- A grant facility worth up to EUR 20 million to be used to soften the terms of the loan, creating incentive for investment.
- A EUR 6 million Technical Assistance (TA) program to strengthen the capacities of EEAA, participating banks and final beneficiaries.

IMPACTS

This project is expected to bridge a financing gap for pollution abatement investments estimated at EUR 280 million. It financed over 35 sub projects. It will finance sub-projects that have a significant positive impact on the local environment, for example by reducing air and water pollution. The project helps improve the livelihoods of local populations and contributes to diminished rates of disease (respiratory, kidney, hepatic diseases). In the longer term, this project is expected to strengthen the enforcement and monitoring capacity of EEAA and contribute to the development of a pollution abatement financing market.

27/03/2007

Project start date

 Egypt
Location

 Financial Systems , Climate sector(s)

 Sovereign Concessional Loan financing tool(s)

 50 000 000 EUR
Financing amount

Arab Republic of Egypt
Beneficiaries

