

Egypt : Alexandria- Abou Qir Metro Line Project

1. Project Information

Project ID:	P000207	Instrument ID:	L0207A
Member:	Egypt	Region:	Northern Africa
Sector:	Transport	Sub-sector:	Urban transport
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 Euro million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	European Bank for Reconstruction and Development
ES category:	A	Borrowing Entity:	Ministry of Finance, Egypt; Ministry of Planning, Economic Development & International Cooperation, Egypt
Implementing Entity:	National Authority for Tunnels		
Project Team Leader:	Mohamed Sameh		
Responsible DG:	Xiaohong Yang		
Responsible Department:	PSC2		
Project Team Members:	Rizal Rivai, SFD - Procurement Specialist; Goktug Ersoy, Team Member; Shodi Nazarov, SFD - Financial Management Specialist; Ting Wang, Alternate Counsel; Jose Maria Marella, Project Counsel; Jyosyula Siva Rama Krishna Sastry, SFD - Social Development Specialist; David Rollinson, SFD - Environment Specialist; Manuel Benard, Back-up PTL; Hanqing Qi, Project admin		
Completed Site Visits by AIIB:	Jun, 2025 The site visit to the Alexandria–Abou Qir Metro Project was conducted on June 4, 2025, by the Project Team Leader (PTL) in coordination with the EBRD Project Procurement Team. The mission included structured meetings with the Project Implementing Entity (PIE), the Contractor, the Construction Supervision Engineer, and the Lenders' Monitoring Consultant. The visit provided a valuable opportunity to assess construction progress and discuss mitigation measures required to ensure timely completion of the project and full compliance with AIIB policies and standards. The project's physical progress advanced substantially.		
Planned Site Visits by AIIB:	Nov, 2025 The planned site visit will include the participation of AIIB Environmental and Social Development Specialists, ensuring integrated oversight of project implementation and alignment with environmental and social safeguards.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2024/12		

2. Project Summary and Objectives

Objective: The project aims to enhance access to efficient, safe, and low-carbon public transportation in the city of Alexandria by upgrading and electrifying the existing Alexandria-Abou Qir rail line.

Project Summary: The project provides co-financing resources from AIIB, EBRD, EIB, AFD, and the Government of Egypt (GoE) to upgrade and electrify the existing Alexandria-Abou Qir rail line into an efficient, safe, and low-carbon metro rail system. Specifically, the project supports the following activities: (1) civil works for the upgrade and electrification of the metro line including a depot; (2) metro rail systems including signaling, telecommunication, centralized control system, and safety measures; (3) rolling stock to be operated on the metro system [now fully financed by the GoE]; and (4) project management and construction supervision to ensure quality and timely delivery. The upgraded metro line will span 22 kilometres, featuring 20 modern stations, of which 13.5 kilometres will be elevated, significantly improving urban mobility and reducing greenhouse gas emissions.

3. Key Dates

Approval:	Dec. 22, 2022	Signing:	Jul. 11, 2023
Effective:	Nov. 25, 2024	Restructured (if any):	
Orig. Closing:	Jul. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:	188,174,061.00	Cancellation (if any):	0.00
Disbursed:	0.63	Latest disbursement (amount/date):	0.00/Nov. 25, 2024
Undisbursed:	249.38	Disbursement Ratio (%) ¹ :	0.25

5. Project Implementation Update

Implementation Monitoring:

Overall

The Project's physical progress has advanced substantially with key Project Milestones achieved, including: ▪ Removal of existing tracks and station buildings: Completed. ▪ Surveying and soil testing: Completed. ▪ Civil construction:

- Piles and columns for elevated track: 9 tracks out of 15 tracks completed,
- Fabrication and Installation of Viaduct beams: 6 tracks are completed.
- Structure work for stations: 10 Stations out of 20 Stations are ongoing.

Based on the dashboard provided by the Contractor on 04 June 2025, reporting on progress:

- 75% of the preliminary design has been completed. ▪ 63% of the detailed design has been completed. ▪ 17%

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

of the Construction works have been completed.

Environmental and Social Safeguards:

In line with the EBRD Environmental and Social (E&S) Policy, the Alexandria–Abou Qir Metro Project has been classified as Category A, reflecting its potential for significant environmental and social impacts that require robust management and oversight. The Contract Monitoring/Contract Supervision Consultant (CMCS), a joint venture between EGIS Rail and ECG, has been mobilised to play a central role in supervising contractor performance. Their responsibilities include ensuring compliance with the Project’s schedule, budget, quality standards, safety protocols, and environmental requirements. The CMCS is primarily tasked with:

- Supporting the Project Implementation Unit (PIU) within the National Authority for Tunnels (NAT).- Overseeing contract implementation and management.- Assisting with compliance and reporting obligations under the financing agreements.- Providing environmental and social implementation support.- Supervising the design and construction activities carried out by the EPC contractor.

The CMCS team is further supported by an Environmental and Social Action Plan (ESAP) Consultant, who provides dedicated assistance on E&S monitoring. The most recent report from the Lenders’ Monitoring Consultant, MENA Rail, submitted on 06 April 2025, offered valuable observations. Key recommendations included:

- Enhancing the CMCS’s social monitoring capacity.- Improving documentation of stakeholder engagement activities.

The ESAP Consultant is working closely with NAT to address any issues related to labour and working conditions, in particular employment contracts and social insurance. A set of remedial actions has been outlined in the Environmental and Social Action Plan (ESAP) and is being tracked through a Corrective Action Tracker (CAT). Additionally, the EPC1-1 Contractor has developed a universal dashboard that consolidates all Environmental and Social Management System (ESMS) policies, procedures, and monitoring data. This dashboard is accessible to all employees and includes modules on:

- Project CESMP Environmental Aspects and Impact Register.- Biodiversity Management.- Audits.- Air Quality.- Environmental Incidents.- Workers’ Welfare.- Hazardous Materials Management.- And other key areas.

The Project Team (PT) continues to actively participate in lenders’ monitoring meetings, where the Project E&S performance and any related issues are collectively discussed. The shared goal is to support NAT, CMCS, and the EPC1-1 Contractor in implementing effective measures. Key follow-up actions include:

- Strengthening the E&S capacity of the supervision engineer. - Encouraging the EPC contractor to expand worker engagement efforts, including subcontractor staff.

- Carrying out the necessary updates to the Environmental and Social Impact Assessment (ESIA) and the Resettlement Action Plan (RAP), including a social analysis and entitlement matrix.

The PT will continue to monitor reporting by the Independent Environmental and Social Consultant (IESC) on the EPC1-1 contractor’s adoption and implementation of ESAP. The upcoming Project Implementation Monitoring Report (PIMR) will reflect progress.

Furthermore, the PT will engage with the Lead Financier and the Borrower to explore opportunities for expanding the ESAP’s scope to include:

- Project-level gender inclusion initiatives (e.g., job creation, training for women);- Adoption of gender-sensitive policies or tools by contractors or NAT.

An ES visit is planned for November 2025.

Procurement:

Procurement for EPC1-1 (Civil Works and Systems) has been completed, and implementation work is underway.

Procurement for EPC1-2 (Rolling Stock) to be financed from the MDBs has been cancelled. The GoE decided to finance the procurement of the rolling stock from its own funds. The procurement has been completed, and implementation is underway.

Procurement for monitoring and supervision (CMCS) has been completed and monitoring and supervision of works and contract execution is underway.

Below is a summary of the procurement activities of the Project:

Contract	Description	Status	Signing Date	Planned Completion	Total Amount (EUR)
EPC1-1	Civil Works & Systems	Awarded, Under Implementation	05-Sep-23	Jul-26	EUR 1,091,204,410.88
EPC1-2	Rolling Stock	GoE to finance the procurement of the rolling stock from own funds.	-	-	-
CMCS	PIU Support, Contract Management, Construction Supervision Consultant	Awarded, Under Implementation	16-Mar-24	Jun-29	EUR 37,638,171.01
ES	ESAP Implementation Support	Awarded, Under Implementation	05-May-24	May-27	EUR 201,783.00

Financial Management:

According to the Loan Agreement, the Client is required to submit:(i) a bi-annual Project Report, including an interim unaudited financial report, and(ii) annual audited Financial Statements.

AIIB's loan became effective in November 2024. The first disbursement is expected in September 2025. The first audit period is extended to December 31, 2025

The PT is closely working with the Lead financier and the Borrower and reports in the coming PIMR on the disbursement and FM measures.

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>Works For Part A (EUR193,000,000.00): This Component will finance the main civil works, including:</p> <ul style="list-style-type: none"> a. removal and upgrading of the existing tracks as well as viaduct for the 16 km of elevated rail section b. modernisation of existing stations and construction of new stations; c. construction of a depot including workshop; d. procurement and installation of workshop equipment, power supply, electrical and mechanical equipment, and supplies; e. procurement and installation of signalling and telecommunication systems, centralised control systems, and automated fare collection systems; f. public utility diversion, construction of pedestrian over/under passes at stations, fences; and 	<p>In-Progress.</p> <p>Removal of existing tracks and station buildings: Completed.</p> <p>Surveying and soil testing: Completed.</p> <p>Civil construction:</p> <ul style="list-style-type: none"> ▪ Piles and columns for elevated track: 9 tracks out of 15 tracks completed, ▪ Fabrication and Installation of Viaduct beams: 6 tracks are completed, ▪ Structure work for stations: 10 Stations out of 20 Stations are ongoing. 	<p>Please see above.</p>	<p>Completed</p>

g. integration of the rolling stock supplier package.			
Good for Part B (EUR 49,375,000.00). Procurement for EPC1-2 (Rolling Stock) to be financed from the MDBs has been cancelled. The GoE decided to finance the procurement of the rolling stock component from its own funds. The Procurement has been completed, and implementation is now underway.	See above. Formalization of the exclusion of the rolling stock from the project MDB's financing is expected in September 2025.	Please see above.	-
Services for Part C (EUR 7,000,000.00). This component is providing valuable support to NAT to effectively manage the procurement process, supervise the construction, and supervise the Implementation of environmental and social management plans and resettlement plans; and financial control, monitoring, and reporting.	On track. Monitoring and Construction Supervision Contractor is in place.	ES enhancement may be required.	Completed

Financial Management:

NA

6. Status of the Grievance Redress Mechanism (GRM)

The Grievance Redress Mechanism (GRM) has been implemented by the National Authority for Tunnels (NAT) in line with project requirements. It was introduced to communities during the project preparation phase, and relevant information has been shared with affected persons. Project documentation—including the Initial Environmental Examination (IEE), Land Acquisition and Resettlement Plan (LARP), Social Due Diligence Report, and regular safeguards monitoring reports—has been disclosed via the NAT and EBRD websites.

The contractor has established a site-level mechanism to receive, register, and document complaints. The GRM accommodates submissions from workers and affected communities in both anonymous and signed formats. NAT has installed complaint boxes at several project site locations and also receives submissions through its online portal.

The Monitoring Consultant has identified opportunities to further enhance information dissemination and is working collaboratively with NAT to implement these improvements. A recent site visit by the Lenders' Monitor noted that accessibility to some grievance boxes could be improved. Suggestions were made to enhance visibility, such as displaying contact details and phone numbers more prominently. These recommendations have been incorporated into the Environmental and Social Action Plan (ESAP) to support broader access to complaint channels and strengthen stakeholder engagement.

In its most recent report (April 2025), the Independent Environmental and Social Consultant (IESC) reviewed the project's grievance register, which recorded a total of 13 grievances since the start of implementation. These grievances primarily related to water and sanitation, infrastructure maintenance, health and safety, and worker welfare.

Several concerns, such as temporary water supply interruptions, drinking water quality, and roof leakages, were addressed through subcontractor coordination, maintenance efforts, and supplier adjustments. Facility-related feedback, including bathroom conditions, septic tank overflow, and pest presence, has helped identify opportunities to further enhance site management practices. Grievances related to worker welfare, such as salary-related queries, were also noted. These inputs continue to inform ongoing efforts to strengthen working conditions and ensure that the grievance mechanism remains responsive and accessible to all stakeholders.

7. Results Monitoring

According to RMF, all Project Objective Indicators will be measured after the first year of metro line operation.

Intermediate Results Indicators are measured annually. Construction is progressing, albeit in a delayed manner, as indicated in the figures below.

Rolling stock. Procurement for EPC1-2 (Rolling Stock) to be financed from the MDBs has been cancelled. The GoE decided to finance the procurement of the rolling stock component from its own funds. The procurement has been completed, and implementation is underway.

Project Objective: The project aims to increase access to efficient, safe, and low carbon public transport in the city of Alexandria by upgrading and electrifying the existing Alexandria-Abou Qir rail line.

Project Objective Indicators

Monitoring end year : 2027

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
Average daily ridership	Number	70000			0	330000

Train frequency	minutes	20			0	5
Greenhouse Gas (GHG) emission reduction (tCO ₂ eq/year)	tCO ₂ e/year	0			0	25000

Comments:

Intermediate Result Indicators

Monitoring end year : 2027

Component:

Upgrading existing Alexandria About Qir Rail Line into a Metro System

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
Metro construction progress	Percentage	0			70	100

Comments:

Component:

Low Carbon Electric-Drive Rolling Stock

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
Rolling stock delivery progress	Percentage	0			20	100

Comments:

Component:

Construction Supervision and Project Management

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
Enabling works progress	Percentage	0			80	100

Comments:

Remarks:
