

CEG 1003 – CAIRO METRO EXTENSION
LINE 3 / PHASE 2

SECTOR	: INFRASTRUCTURE AND URBAN DEVELOPEMENT	PROJECT COST	498 M€
AFD DECISION (CEE)	: APRIL 2, 2009	COFINANCIERS	FRENCH MINISTRY OF FINANCE (RÉSERVE PAYS EMERGENTS)
LOAN AGREEMENT SIGNED ON	:	AFD LOAN	44 M€
RATIFICATION BY PARLIAMENT	:	MATURITY/ GRACE PERIOD	20 YEARS/ 7 YEARS
EFFECTIVENESS	:	TYPE OF LOAN	SOVEREIGN CONCESSIONAL
1ST DISBURSEMENT	:	DIRECT BENEFICIARY	NATIONAL AUTHORITY FOR TUNNELS
DEADLINE FOR DISBURSEMENT	:	DISBURSEMENT RATE	0%

Project Description:

The project will finance the construction of Cairo metro Line 3, Phase 2. Cairo metro already includes two lines, which ensure 17% of the city's public transport demand. The first phase of the third line is currently under construction, between Ataba and Abbassia stations (4,2 km and 5 stations). The project will finance the second phase, between Abbassia and Al Ahram (Heliopolis) stations (7,12 km and 4 stations).

Implementing Agency:

National Authority for Tunnels will be the implementing agency of the project. The line will be operated by the Egyptian Company for Metro (ECM), the public company in charge of the first two lines.

Final beneficiaries: Cairo inhabitants concerned by the daily 20 million motorized trips of the city.

Development objective: To improve the living conditions and transport conditions of Cairo inhabitants.

Project's specific objective: Reduce transport time, traffic congestion, carbon dioxide and other polluting emissions in Cairo.

Content of the Project:

The third line will link Cairo Airport and the West bank of the Nile (total length of 33km, mainly underground) through Heliopolis and Zamalek. Modeled on the first two lines, it will be a high capacity metro. The second phase construction was launched in parallel with the first phase works. It will include a 7,12 km tunnel, starting at Abbassia station and ending at Heliopolis (Al Ahram station) and four new underground stations. The stations are built using cut-and-cover construction, while the standard sections are excavated by a tunnel boring machine. The Mistubishi rolling stock for Phases 1 and 2 will be financed through a Japanese loan.

Financing Plan:

The foreign currency cost of the project will be financed through the AFD loan: 44M€ and a RPE loan (French Ministry of Finance): 200M€. The Government of Egypt will finance the local cost (1.5 billion EGP).

The FFEM (French Fund for Global Environment) will provide additional financing (€ 1M Grant) for capacity building in urban transport planning and operation.

Project duration: 4 to 5 years

Impact:

Cost-advantage economic analysis of line 3 estimates the economic internal rate of return at 17.4%, mainly due to a gain in travel times. Environmental impacts will be negative during construction phase, even though well controlled, but positive during the operating phase: noise reduction and pollution abatement at local level, decrease in green house gas emission (133 000 tons CO₂/year for Phase 2) at global level. From a social point of view, the project will give Cairo citizens better access to employment and services, especially for low income population.