EG: Household Natural Gas Connection Project (P146007)

Key Dates

**Key Project Dates**

- Bank Approval Date: 24-Jul-2014
- Effectiveness Date: 11-Feb-2015
- Planned Mid Term Review Date: 31-Oct-2017
- Actual Mid-Term Review Date: --
- Original Closing Date: 30-Jun-2019
- Revised Closing Date: 30-Jun-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to assist the Arab Republic of Egypt to increase household access to reliable, lower cost, grid connected natural gas supply.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

- Gas Network Expansion and Household Connections: (Cost $1395.00 M)
- Financial Support for Household Connection Charges in Disadvantaged Areas: (Cost $61.20 M)
- Institutional Strengthening: (Cost $17.70 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions
Project implementation is progressing well, though the pace of progress is slower than had originally been envisioned when the project was approved. Part of the reasons for this delay is the high complexity of dealing with a large number of procurement packages and the need for site-specific data for the routes of the low pressure pipelines and the location of the pressure reduction stations. The project also needed multiple different environmental and social impact assessments covering individual sites where construction work is expected to take place.

The Government has requested an extension of the project's closing date to June 30, 2021 and inclusion of nine additional Governorates to the project scope. The Bank is currently considering this request. Financing of this expansion would come from savings expected from lower than anticipated expenditures to achieve the project's original scope. As such, no additional financing is envisioned to cover the contemplated expanded scope. This expansion is expected to add about 800,000 new connections in additional 9 Governorates. Estimation of additional connections expected from intensification activity is yet to be determined.
Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
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</thead>
<tbody>
<tr>
<td>Political and Governance</td>
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<td>• Substantial</td>
<td>• Substantial</td>
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<tr>
<td>Macroeconomic</td>
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<td>• Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>• Moderate</td>
<td>• Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
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<td>• Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
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<td>• Moderate</td>
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<tr>
<td>Fiduciary</td>
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<td>• Moderate</td>
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<tr>
<td>Environment and Social</td>
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<td>• Moderate</td>
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<tr>
<td>Stakeholders</td>
<td>--</td>
<td>• Moderate</td>
<td>• Moderate</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
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<tr>
<td>Overall</td>
<td>--</td>
<td>• Moderate</td>
<td>• Moderate</td>
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Results

Project Development Objective Indicators

- Natural gas household connections financed by the project in targeted areas. (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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<td>17-Jun-2014</td>
<td>26-Aug-2016</td>
<td>26-Aug-2016</td>
<td>28-Dec-2018</td>
</tr>
</tbody>
</table>

- Government annual savings from reduction in LPG imports due to decreased LPG consumption in the targeted project areas. (Amount(USD), Custom)

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</table>

Gas leaks per 1000 consumers per year of distribution networks installed in targeted governorates not to exceed agreed reliability level of 5. (Yes/No, Custom)

<table>
<thead>
<tr>
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<th>End Target</th>
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<td>17-Jun-2014</td>
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</table>

Direct project beneficiaries (Number, Custom)

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<td>17-Jun-2014</td>
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<td>26-Aug-2016</td>
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</table>

Female beneficiaries (Percentage, Custom Supplement)

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</table>

Direct project beneficiaries who are poor benefiting from financial support to connection fees. (Percentage, Custom Supplement)
### Intermediate Results Indicators

#### Kilometers per year of new distribution networks installed in target areas (Number, Custom)

<table>
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#### Reduction of LPG consumption in the target area. (Tones/year, Custom)

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</table>

#### PRSs developed and operational serving targeted areas (Number, Custom)

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<th>End Target</th>
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### Customer service centers in targeted areas established and operational. (Number, Custom)

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<td>26-Aug-2016</td>
<td>26-Aug-2016</td>
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</tr>
</tbody>
</table>

### LDC average response time per 1000 calls by household consumers in targeted area calling the emergency national phone number (129) not exceeding 15 minutes (Yes/No, Custom)

<table>
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<th>End Target</th>
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<td>26-Aug-2016</td>
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### Targeting and disbursement mechanism for the financial support of connection charges to the poor is in place. (Yes/No, Custom)

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### EGAS Financial Reporting by the new FMIS. (Yes/No, Custom)

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</table>
Establishment of a Gas Regulator. (Yes/No, Custom)

<table>
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</table>

Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P146007</td>
<td>IBRD-84110</td>
<td>Effective</td>
<td>USD</td>
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<td>111.03</td>
<td>388.97</td>
<td>22%</td>
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</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.