
Non-Technical Summary



DAMIETTA PORT MODERNISATION PROJECT, EGYPT

October 2023

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1. INTRODUCTION

A second Container Terminal (“CT2” and “the Project”) is currently being developed at Damietta Port, which will increase the capacity of Port from 1.4 M TEUs to 4.7 M TEUs. The Damietta Port Authority (DPA) is constructing the quay and dredging the basin for CT2, after completion of these works the project will be handed over to the Damietta Alliance Container Terminal S.A.E¹ (“Consortium”) for further construction on over-quay components, installation of cargo handling equipment and all other facilities within CT2 internal boundaries. The Consortium will also operate the Terminal for 30 years as per the concession agreement.

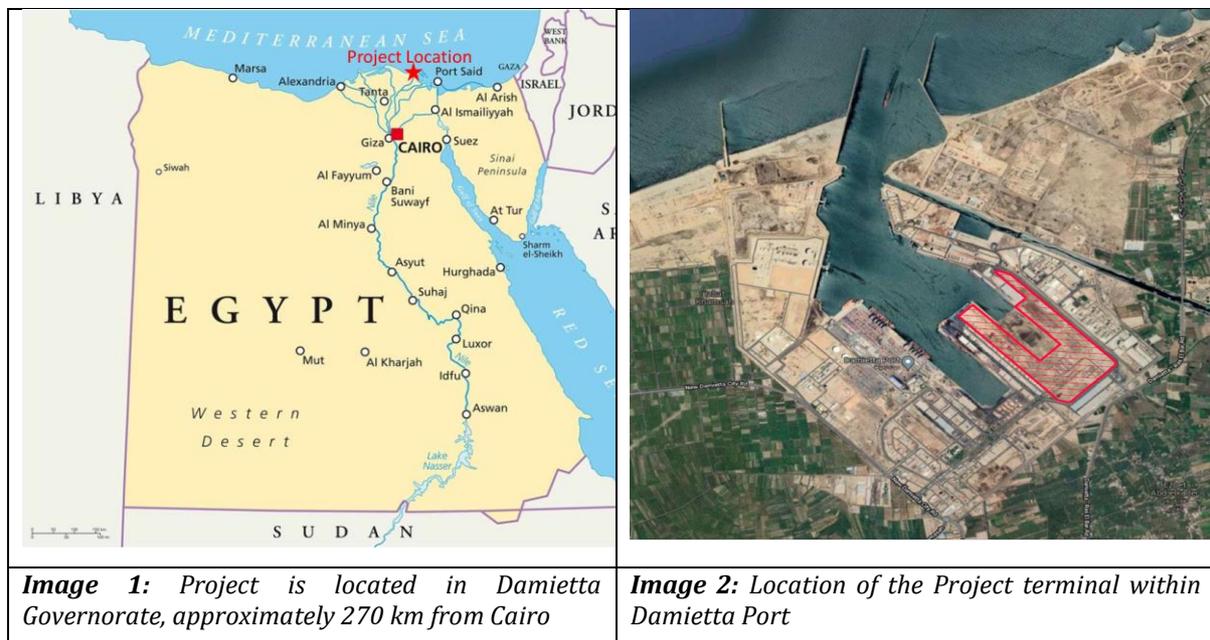
The European Bank for Reconstruction and Development (the “EBRD”), the International Finance Corporation (the “IFC”), Deutsche Investitions-und Entwicklungsgesellschaft (“DEG”), Asian Infrastructure Investment Bank (AIIB), and Proparco are considering financing the Consortium for the construction of CT2 at Damietta Port.

The Project has been categorised as Category B under the EBRD ESP 2019 and the IFC IFC’s Environmental and Social Sustainability Policy, while DEG and Proparco have classified the project as Category B+. The categorisation suggests that the Project may result in adverse environmental and/or social impacts which are site-specific, and/or readily identified and addressed through mitigation measures.

2. WHAT IS THE PROJECT?

Damietta Port is located on the north-eastern part of the River Nile delta on the Egyptian Mediterranean Coast (Figure 1 below). The Project is located within the existing concession area of Damietta Port, which is approximately 73km west of Port-Said and 12km from Damietta City. The Port sits within the Damietta administrative centre in the Damietta Governorate.

Figure 1 - Project Location



The Project involves the development of a new U-shaped container terminal which will be able to handle 4 million containers or 3.3 million TEUs to accommodate the loading and unloading of large

¹ Consortium includes Hapag-Lloyd (39%) , Eurogate (29.5%) and Contship Italia (29.5%), Middle East Logistics & Consultants Group (1%) and Ship & C.R.E.W. Egypt S.A.E (1%).

container ships of the length of 400m. The annual traffic will have a ratio of ~80% and ~20% for import and export. Import and export (together local cargo) will serve the greater area of Damietta as well as greater Cairo, while planned transshipment caters to the Levant Region up to Black Sea.

The northern side of the terminal will be constructed alongside additional land units over an area of 93 ha to accommodate terminal area as well as office building and pre gate complex (Figure 2).

Figure 2 – Overview and Design of the Terminal Layout



The terminal will include:

- Main terminal area;
- Pre-gate;
- 8 berths;
- 16 fully electrical Ship to Shore (STS) cranes (25 rows with 57.5m under spreader and a 30.48m span);
- 40 Rubber Tyred Gantry (RTG) cranes (including 20 electric cranes) with a lifting capacity of 41t;

- 16 spreaders;
- 12 lashing cages;
- 8 OOG frames; and
- Space for temporary loading and unloading.

3. WHAT ARE THE OVERALL BENEFITS OF THE PROJECT?

The Project is expected to generate economic opportunities associated with increased volumes of trade being handled within the DPA. This is anticipated to generate direct opportunities in the form of employment and through improved access to markets in favourable geographical positions, but also indirect economic benefits for companies in supply chains.

4. WHAT ARE THE KEY IMPACTS AND SUGGESTED MITIGATION MEASURES?

The following table summarises the main potential positive and negative EHSS impacts related to the Project, as well as a summary of the key mitigation measures to ensure that no significant impacts will be realised.

Environmental Resource	Impact Overview	Mitigation Measures Summary
Construction Phase		
Climate and Air Quality	<p>The road transport has a significant impact on the exposure of the neighbouring population to air pollution.</p> <p>Whilst maximum changes to emissions with CT2 are associated with shipping, and with the hotelling of ships in particular, the proximity of receptors to the roadside to the south of the Port means that impacts from Port HGV traffic are potentially the most significant impact from CT2.</p>	<p>Measures for emission reductions include:</p> <ul style="list-style-type: none"> ▪ Installation of onshore power supplies to minimise emissions during hotelling of ships; ▪ Further electrification of CT2 equipment; ▪ Setting requirements for minimum emissions standards for diesel powered plant e.g. Stage V emissions standards; ▪ Setting requirements for minimum emissions standards for HGV accessing the Port e.g. Euro IV or preferably Euro V or Euro VI ; ▪ Encouraging use of rail for container shipment to minimise HGV trip generation; and ▪ Regular air quality monitoring should be undertaken where there are likely to be sensitive interactions (dependent upon civil works contractors' exact plans); ▪ The predicted reduction in air quality (from the 2006 EIA) for CT2 triggers the need for an assessment and evaluation of community health, and such an assessment should be conducted ; ▪ Consultation should be undertaken with local communities in any cases of complaint of significant dust from construction site affecting people and properties; ▪ Measures to suppress dust emissions should be employed, including suppression with water and covering stockpiles of sand or any other loose material that may increase in particulate matter concentration especially during windy conditions; and, ▪ All vehicles including passenger cars, plant and equipment must be maintained in good working conditions.

Environmental Resource	Impact Overview	Mitigation Measures Summary
Noise and Vibration	No significant adverse effects are anticipated either during the ongoing construction works at CT2, or once the terminal is operational.	<ul style="list-style-type: none"> ▪ Regular consultation with local communities on any grievances associated with noise complaints; ▪ Contractor to avoid noisy activities (e.g., piling, drilling into concrete) at sensitive times (early morning, night-time) and avoid unnecessary noise, such as idling engines ▪ The machines (including RTG cranes, STS cranes and telehandlers) to support the future operation of CT2 should be selected to be the quietest available. Furthermore, operation of the public-address system associated with the RTG should be kept to a minimum and designed to avoid and minimise disturbance to nearby receptors.
Hydrology: Surface Water and Groundwater	<ul style="list-style-type: none"> ▪ No working aquifers and saltwater intrusions already occur due to the shallow groundwater table at this site. There are no downstream users of groundwater and groundwater is not used for drinking or agricultural purposes. ▪ There is limited potential for impact to water courses as a result of construction activities and operation. ▪ Ongoing dredging activity has potential for contamination of land and water. However, a detailed Ground investigation were carried out recently and based on the results received it is concluded that the soil and sediment to be excavated from the proposed dock area would not pose a risk to human health or the aquatic environment of the Mediterranean sea. 	-
Wastewater Management	<p>The anticipated wastewater sources from the new terminal could be mainly from the toilets at various locations in the CT2 and kitchen/canteens that would be collected and supplied to the existing North WWTP at the port having capacity of 500 m³ / day.</p> <p>All surface run-off at CT2 will go through an O/W separator prior to discharge and that regular maintenance and monitoring (including sampling) is undertaken.</p>	<p>Effluent from WWTP after treatment will not be discharged in surface waters, but will be used for landscaping and firefighting purposes.</p> <p>The storm water will be managed as follows:</p> <ul style="list-style-type: none"> ▪ Avoid installing storm drainage catch basins that discharge directly into surface waters; ▪ Install filter mechanisms (e.g., draining swabs, filter berms, drainage inlet protection, sediment traps and sediment basins) to prevent sediment and particulates from reaching the surface water; ▪ Install oil/grit or oil/water separators in all runoff collection areas; ▪ Regularly maintain oil/water separators and trapping catch basins; and ▪ Manage recovered, contaminated solids or liquids in storm water. ▪ Quality of discharge surface water to be compliant with EU Directive on Urban Wastewater Treatment Directive and less than 5 mg/L of oil in water.
Geology and Land	No significant potential for impact outside of the Project site.	-
Ecosystems and Flora & Fauna	<p>The Project will be constructed within the boundary of the Port and, as such, no terrestrial flora or fauna under the protection of international agreements are likely to be impacted.</p> <p>The Harbour has been extensively modified over time and disturbed by marine craft. However, coastal productivity, marine biodiversity and fisheries in the wider marine environment could be temporarily negatively impacted upon from deterioration of sediment and water quality from a spill.</p>	<p>Loss of modified habitat will be minimised through best practices and management, including protection of water and sediment quality by techniques employed by the dredging contractor (e.g. minimising overflow).</p> <p>Annual marine life, water quality and coast line changes will be monitored annually.</p>

Environmental Resource	Impact Overview	Mitigation Measures Summary
Waste Management	Waste materials will be managed using existing DPA facilities and operators. No significant potential impacts are identified.	<ul style="list-style-type: none"> ▪ A Waste Management Plan will be developed for the construction and operation phase detailing collection, storage, treatment and/or disposal methods. ▪ Staff will be trained to segregate and appropriately dispose of waste.
Cultural Resources	<p>There are no known archaeological resources within the development site boundary, nor immediate vicinity.</p> <p>Off-site impacts (related to air quality, noise etc) on cultural and religious resources are not currently anticipated to be of a significant magnitude.</p>	<ul style="list-style-type: none"> ▪ A Chance Find Procedure, compliant with the requirements of EBRD PR8 and IFC PS 8 will be applied for construction. ▪ The Project Grievance Mechanism will also provide an accessible forum for specific complaints and issues in this regard throughout both the construction and operations phases.
Visual and Landscape	<p>The Project will be constructed within the boundary of the Port and no significant visual impacts are anticipated.</p> <p>However, temporary buildings, worksites and stockpiles will be present during construction.</p>	The contractor will apply good housekeeping and management of compounds, temporary offices and storage facilities.
Land Acquisition	The Projects will be constructed within the boundary of the current Port.	Not applicable.
Social	There are no significant social impacts anticipated as a result of the port development. However, potential impacts could be expected mainly during the construction stage in relation to labour influx, dust and safety of community due to cumulative developments in the project area of influence.	<p>Social impact assessment and community consultations will were conducted during environmental and social due diligence. An environmental and social action plan has been developed to manage impacts including development of Environmental and Social Management System and relevant management plans.</p> <p>The company will develop project-specific Human Resource (“HR”) plans and procedures for the construction and operation phases aligned with national and lenders’ requirements.</p> <p>A stakeholder engagement plan was developed to ensure that information on project activities and progress is disclosed to stakeholders; views and concerns of the public are incorporated into every stage of the Project including a grievance mechanism.</p> <p>A traffic risk and impact assessment will be undertaken, including route risk assessments, to minimize impacts to the local surrounding communities.</p>

5. HOW WILL THE PROJECT ENSURE EFFECTIVE MANAGEMENT AND MONITORING OF IMPACTS?

An Environmental and Social Action Plan (ESAP) has been developed to align the proposed investment with the EBRD PRs and IFC PSs. The proposed action areas will result in improved EHSS performance and risk management and benefit enhancement across the Consortium, as well as Contractors’ operations. Some of the key actions in the ESAP include:

- Assign Environmental, Health, Social and Safety responsibilities within the Consortium;
- Develop appropriate policies, plans and management systems to manage EHSS aspects;
- Ensure that all conditions set by the EEAA (in their decision based on the EIA, existing permits, and any permits issued), are incorporated in the environmental management system and associated management plans and adequately implemented and monitored.
- Training of staff on robust Environmental, Health and Safety processes;

- Air quality and noise monitoring throughout the Project lifecycle;
- Regular consultation with local communities to resolve any project related issue/ complaint; and
- Implement a robust Stakeholder Engagement Plan and Grievance Mechanism.

6. STAKEHOLDER ENGAGEMENT PLAN

A Stakeholder Engagement Plan (SEP) has been developed with the objective of identifying key stakeholders and ensuring that, where relevant, they are informed in a timely manner of the potential impacts of project. The SEP also identifies a formal grievance mechanism to be used by stakeholders (internal and external) for dealing with complaints, concerns, queries and comments. If activities change or new activities relating to stakeholder engagement commence, the SEP will be brought up to date. It will also be reviewed periodically during project implementation and updated as necessary.

The SEP includes the following:

- Public consultations and information disclosure requirements;
- Identification of stakeholders and other affected parties;
- Overview of previous engagement activities;
- Stakeholder Engagement Programme (SEP) including methods of engagement and resources; and a
- Grievance mechanism with a template for provision of comments/complaints.

Any comments or concerns of Stakeholders can be brought to the attention of the company verbally (in person or over the phone) or in writing by email or filling in a grievance form. The grievance form can also be submitted in person in the complaint boxes at the Project site. Stakeholders could be individuals and organisations that may be directly or indirectly affected by the project either in a positive or negative way, who wish to express their views.

7. CONTACT

Contact information for this project is provided below:

Name of the person	Contact Information
Andreas Russler Damietta Port Center (DPC) Office #424, New Damietta, Kafer El-Bateikh/ Damietta Port Area, Egypt	Phone: +49 160 792 65 25 Email: andreas.russler@damiettaalliance.com