

## SBF Project Implementation Monitoring Report

### Egypt: Sustainable Rural Sanitation Services Program, Phase-2

#### 1. Project Information

Project ID:	000052	Investment Number:	L0052A
Member:	Egypt	Region:	Northern Africa
Sector:	Water	Sub-sector:	Sanitation
AIB Financing Type:	Loan: 300 USD million	Co-financier(s):	WB-led
E&S category:	B	Borrower:	Arab Republic of Egypt
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Ministry of Housing, Utilities and Urban Communities		
Project Team Leader:	Ghufran Shafi		
Project Team Members:	Ghufran Shafi Co-PTL/Senior Investment Operations Specialist Somnath Basu, Senior Social Development Specialist Xiaowei Guo, Senior Procurement Specialist Shonell Robinson, Financial Management Specialist Zacharias Ziegelhofer, Infrastructure Sector Economist Liu Yang, Counsel - Investment Operations		
Completed Site Visits by AIB:	Jul, 2019 July, 2019; Aug, 2020 August 2020 (Virtual Mission)		
Planned Site Visits by AIB:	Planned mission of April 5-9, 2020 was postponed in view of travel restrictions due to COVID situation. In lieu of that, both AIB and WB conducted a virtual mission in August 2020.		

#### 2. Project Summary and Objectives

The objective of the Program is to strengthen institutions and policies to increase access and improve rural sanitation services in selected governorates in the Arab Republic of Egypt. This will be accomplished through implementing key sector and institutional reforms together with rehabilitation and construction of integrated infrastructure for collection, treatment, and disposal of household sewage.

Phase 1 of the Program (SRSSP-1) is already under implementation, co-financed by the World Bank (WB), in the three governorates of Beheira, Sharkia and Dakhliya. Phase 2 of the Program (SRSSP-2) is jointly co-financed by AIB and the WB. Phase-2 will scale-up sanitation services in the governorates of Sharkia and Dakhliya by including new villages and satellites, as well as include three new governorates of Menoufia, Gharbiya and Damietta. The WB has prepared the SRSSP using its Program-for-Results (PforR) financing instrument in accordance with the WB's PforR Policy. Under the PforR, the funds are released on achievement of results using Disbursement Linked Indicators (DLIs) and Disbursement Linked Results (DLRs). Key Results include: (i) Improved sanitation access; (ii) Improved operational systems and practices of Water Supply Companies (WSC); and (iii) Strengthened National Sector Framework.

AIB and the WB will each contribute USD300 million to cover the total external financing of USD600 million needed to implement the SRSSP-2. AIB financing is for the physical infrastructure to provide sanitation services to about 178,000 households in 133 villages of five governorates; namely, Dakahliya, Sharkiya, Damietta, Menoufiya, and Gharbiya,

#### 3. Key Dates

Approval:	Sep. 28, 2018	Signing:	Dec. 9, 2018
Effective:	Jun. 18, 2019	Restructured (if any):	
Orig. Closing:	Dec. 31, 2023	Rev. Closing (if any):	

#### 4. Disbursement Summary (USD million)

a) Committed:	300	b) Cancellation (if any):	
c) Disbursed:	0.75	d) Most recent disbursement: (amount / date)	0.75, Jun. 18, 2020

e) Undisbursed:	299.25	f) Disbursement Ratio(%) <sup>1</sup> :	0.3
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<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

## 5. Project Implementation Update

The detailed designs of the civil works for the two governorates (Dakahlia and Sharkia) for 67,900 HH connections, representing 38% of the total connections under the program, have been completed and tendering is ongoing. 19 construction contracts have been awarded, representing achievement of results under the agreed Disbursement Linked Results (DLR#1.5). However, the DLR will be verified by the Independent Verification Agent (IVA-2) consultant, which is under procurement. Another 6 civil works contracts are also in tendering process.

The procurement of a new Project Management Consulting Firm (PMCF-2), new Independent Verification Agent (IVA-2) and 3 Independent Supervision Consultants (ISCs) for each of the new governorate of Menoufia , Gharbiya and Damietta have been delayed due to pandemic related issues. The PMCF-2 and IVA-2 are expected to be onboard by end of September, whereas ISCs will be on board by end of FY2021.

Both field and office activities have been slowed down due to ongoing COVID-19 pandemic situation, with contractors reducing their workforce on site.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Improved Sanitation Access: Provide about 178,000 new household connections (HHC) to working sanitation systems in rural areas of identified Egyptian governorates (USD300 million)	In Dakahliya and Sharkia governorates, 19 contracts (for 67,900 HH connections, representing 38% of total) have been awarded and construction commenced in Q1, 2020.	About 55% of the required land for pumping stations and wastewater treatment plants has been secured and about 27% is in the approval process in 3 governorates Menoufia , Gharbiya and Damietta.  Two ESIA reports have been approved by EEAA in Sharkia Governorate and six reports and one ESIA in Dakhliya Governorate have been submitted for approval.	Civil works are procured through 31 different contracts of which, 19 contracts (of USD 139 million) have been awarded, 6 contracts are in tendering process, while the tendering for the remaining 6 contracts is still to commence.

Financial Management:

N/A

## 6. Status of the Grievance Redress Mechanism (GRM)

The GRM is based on the Complaint Units (call centers) within WSC which receive regular O&M complaints as well as project level grievances. In the meantime, project level complaints are also received and addressed using other modalities and channels located on more localized level (the Social Officer of the PIUs, the Contractors, and the Local Community Committees). This allows quick reporting and resolution for the project level complaints. If O&M complaints are not resolved, the grievances are referred to the Holding Company for resolution.

## 7. Results Monitoring

N/A

Baseline Year: Jan. 1, 2019 End Target Year: Jan. 1, 2024

Project Objective Indicators	Year	Target	Actual	Others, if any
People provided with access to "improved sanitation facilities" under the SRSSP-2 (Number)	Dec. 31, 2024	892,000	N/A	
WSC Operating Ratio	Oct. 31, 2024	84.3	N/A	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
New functioning household connections to working sanitation systems	Oct. 31, 2024	178317	N/A	

Remarks: