

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: AB5502

Project Name	EG- SECOND INTEGRATED SANITATION AND SEWERAGE INFRASTRUCTURE PROJECT
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Sewerage (65%), Sanitation (35%)
Project ID	P120161
Borrower(s)	Ministry of Housing, Utilities and Urban Development, 12 Ismail Abaza Street, Cairo, Arab Republic of Egypt
Implementing Agency	Holding Company for Water and Waste Water (HCWW) Contact Person: Eng. Mamdouh Raslan Telephone No: +202-24583591 National Organization for Potable Water and Sanitary Drainage Contact Person: Eng. Samia Saleh Telephone No: +202-33042933
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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1. Key development issues and rationale for Bank involvement

Egypt's Nile–Lake Nasser system is one of the largest hydraulic infrastructure complexes in the world and consists of large barrages, canals, drains, pumping stations, water and sewage treatment plants, and water supply and sewerage networks. This system is the only renewable supply source for surface water and provides 95% of Egypt's total water resources. Currently 94% of urban households and 70% of rural households have access to piped water primarily through direct connections and 84% of urban households have access to sewers. In contrast, only 26% of rural households across Egypt have access to sewers.

The situation is particularly dire in the Nile Delta and Upper Egypt areas where high population densities and an elevated groundwater table create unsanitary conditions. While many households in these villages have access to latrines or flush toilets connected to infiltration trenches or septic tanks, many others have simple unlined pits or do not have any latrines at all. In addition, much of the septage evacuated from latrines and septic pits is discharged directly into nearby water canals and drains, via pumps or direct gravity connections.

The Government of Egypt (GoE) attaches high priority to rural sanitation and has prepared a "National Rural Sanitation Strategy" to deliver comprehensive sanitation coverage to the populations of all rural Governorates. The World Bank supported Integrated Sanitation and Sewerage Infrastructure Project (ISSIP) supports improvements in sanitation in the Beheira, Kafr El Sheikh and Gharbeya Governorates

through: (i) centralized sanitation systems in about 222 large villages within 14 clusters, and decentralized sanitation systems in an estimated 120 individual villages with smaller populations.

The GoE has thus requested additional Bank support to the sector through the proposed ISSIP-2 follow-on project in two contrasting parts of the country- Upper Egypt and Lower Egypt – which have significant differences in terms of overall development, climate and topography, hydrology, and basic infrastructure, with Upper Egypt generally having more adverse conditions. The proposed project will provide improved sanitation (mainly wastewater collection and treatment systems) and hygiene (community, household and personal) services in targeted clusters along with capacity strengthening of implementing agencies across four large Governorates: two in the Delta (Munafeya and Sharkeya) and two in Upper Egypt (Asyut and Sohag).

2. Proposed objective(s)

The Project Development Objective (PDO) of the proposed project is to provide the targeted population in the four project governorates increased access to improved hygiene and sanitation services.

Progress towards meeting the PDO will be measured through the following key result indicators:

- Increased number of people with access to improved hygiene and sanitation services in the project areas.
- Reduction in domestic pollution loads from the project areas entering water courses.
- Improved capacity of project implementing agencies to design, implement, operate and maintain project infrastructure.

3. Preliminary description

The main components of ISSIP2 are expected to be:

Component 1: Infrastructure sanitation improvements in rural areas within the four Governorates of Sohag, Asyut, Sharkeya and Munafeya (Estimated project cost \$300 million). This component will provide sustainable sanitation systems for households within the targeted areas, using a demand-responsive approach and appropriate technology. It would include: construction/rehabilitation of small wastewater treatment plants (typically between 2,500 cubic meters per day and 12,000 cubic meters per day capacity); construction/rehabilitation of on-site sanitation systems; and pilot solid waste management systems.

Component 2: Improve hygiene services (Estimated project cost \$5 million). This component will work in parallel with the technical teams to establish local community understanding of the proposed sanitation solutions through a sanitation promotion program as well as improved hygiene practices in the utilization of the new systems. Activities under this component will be implemented through a variety of intermediaries, including educational institutions, community organizations, public and private sector agencies involved in sanitation promotion.

Component 3: Monitor water quality and reduce organic load in selected irrigation canals and drainage basins (Estimated project cost \$5 million). This component will design a monitoring system (selection of performance indicators, development of data collection system, identification of monitoring sites, data collection and analysis, results review and finalization, and communication of results) to monitor water quality in drains and canals on a consistent basis and share results regularly with relevant stakeholders.

Component 4: Institutional development and capacity building of implementing agencies (Estimated project cost \$5 million). This component will focus on the institutional capacity to manage sanitation infrastructure design, implementation and O&M, based on sustainable financial and operational systems.

4. Safeguard policies that might apply

Environmental Assessment (OP/BP 4.01) - Yes

The overall environmental impact of ISSIP-2, as defined by its goals and development objectives, are expected to be highly positive leading to improvements in water quality, hygiene and environmental conditions in the intervention areas. The project will construct mainly rural, small scale sanitation and sewerage systems that either replace on site technology or complement existing infrastructure. The proposed project is classified as Category “B” given that no significant or long-term adverse environmental impacts are anticipated. Additionally, any adverse impact identified can be effectively addressed through appropriate preventative action and/or mitigation measures.

The ISSIP-2 project interventions are expected to serve individual or cluster villages with improved sanitation and sewerage systems to substitute current practices of using on-site systems or localized untreated sewerage networks that dispose untreated effluent into nearby waterways. Identification of the intervention areas will be finalized during project preparation, with active community participation, and will pay particular attention to environmental/hygiene “hot spots”.

During project preparation a Framework Environmental and Social Assessment (FESA) for the entire project will be prepared, as the specific nature of the interventions (e.g. treatment plants and pumping stations) would not be known exactly at appraisal stage. During project implementation, and when the specific investments will have been clearly identified, implementation stage-specific Environmental and Social Impact Assessment (ESIA) for each phase will be prepared, including the necessary Environmental and Social Management Plan (ESMP). Lessons learned from the implementation of the ESMP for the ongoing ISSIP-1 as well as other donor initiatives in the sector will also be taken into consideration.

Physical Cultural Resources (OP/BP 4.11) – To be determined

Cultural Heritage OP/BP 4.11 is unlikely to be triggered in this project however given Egypt’s vast contribution with regard to cultural heritage, particularly in the Upper Governorates, the team is flagging this as a precaution at this point. Three of the four potential Governorates have been identified to have archeological sites (Sohag, Sharkeya and Assiut). In the case of Sohag (Balyana & Akhmeem Districts) and Sharkeya the sites are well known and in some cases currently have sanitation coverage (as they are often tourist destinations), therefore it is expected that it not be triggered. In the case of Assiut, Denka and Shatab Districts were identified to have potential archeological artifacts therefore the project would be encouraged not to work in those areas. If construction were to be done in these villages, clearance from the Ministry of Culture will be needed. “Chance finds” procedures will also be prepared as a part of the FESA and the project specific ESIA, to be followed by the contractor, in the event of finding any archeological artifacts.

Involuntary Resettlement (OP/BP 4.12) - Yes

Construction of treatment plants and pumping stations will require land. Under ISSIP2, it is considered likely that OP/BP 4.12, Involuntary Resettlement will be triggered as both resettlement and land acquisition are likely. In Sharkeya, resettlement is possible given its densely populated area and in Sohag,

agricultural lands may be sold and/or donated. As such, a Resettlement Policy Framework (RPF) for the overall project will be prepared and a specific Resettlement Action Plan (RAP) will be prepared for the affected areas.

Safeguard Preparation Plan

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: August 15, 2010
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The feasibility studies (one per each governorate) as well as all safeguard related studies are expected to be launched by July 1, 2010.

5. Tentative financing

Borrower	100 million USD
International Bank for Reconstruction and Development	200 million USD
Other	15 million USD
Total	315 million USD

6. Contact point

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¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

