



PROJECT: National Drainage Technical Assistance
COUNTRY: Arab Republic of Egypt

Proposal for a Middle Income Country Technical Assistance Fund (MIC-TAF)

Date: November 2015

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Currency Equivalents

As of November 2015

1 UA	=	1.2679 EUR
1 UA	=	11.2012 EGP
1 EUR	=	8.8342 EGP

Fiscal Year

1 July – 30 June

Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres
1 feddan	=	0.42 hectares

Acronyms and Abbreviations

ADB	African Development Bank
AREP	Adaptation Review and Evaluation Procedures
CSP	Country Strategy Paper
CUA	Collectors Users Association
DPG	Development Partners Group
EA	Executing Agency
EIB	European Investment Bank
EPADP	Egyptian Public Authority for Drainage Projects
EGFO	Egypt Field Office
ESMF	Environment and Social Management Framework
ESMP	Environment and Social Management Plan
Fd	Feddan (a measure of land equivalent to 0.42 Hectares)
FM	Financial Management
GOE	Government of Egypt
Ha	Hectares
HAD	High Aswan Dam
IsDB	Islamic Development Bank
KfW	Kreditanstalt für Wiederaufbau (German Bank for International Development Financing)
M&E	Monitoring and Evaluation
MIC	Ministry of International Cooperation
MIC-TAF	Middle Income Countries Technical Assistance Fund
MWRI	Ministry of Water Resources and Irrigation
NCB	National Competitive Bidding
NWRC	National Water Research Centre
O&M	Operation & Maintenance
ORNA	Operations Regional Northern Africa
PIU	Project Implementation Unit
SBD	Standard Bidding Documents
TA	Technical Assistance
UA	Units of Account
USD	United States Dollar
WB	The World Bank
WUA	Water Users Associations

Grant Information

Client's information

BENEFICIARY: The Arab Republic of Egypt

EXECUTING AGENCY: Egyptian Public Authority for Drainage
Projects (EPADP)

Financing plan

Source	Amount (UA)	Instrument
ADB	400,000	MIC-TA Fund
Government of Egypt	40,000	Counterpart Funds
TOTAL COST	440,000	

RESULTS-BASED LOGICAL FRAMEWORK

Country and project name: Egypt, MIC-TA for the National Drainage Programme (NDP)						
Purpose of the project: To increase agricultural productivity and incomes of households in the project area						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
IMPACT	Impact Increased economic growth through improved agricultural productivity	Agricultural growth rate (agricultural GDP growth)	2.92 % ¹	4% by year 6	Government National Statistics	1. Regional and country political stability. 2. Global climate change.
OUTCOMES	Outcome 1 Increased technical capacity of EPADP to implement the NDP	No. of in-house technical studies conducted and operations processes/policies developed.	1. No of in-house technical studies on wetlands. 2. No. of in-house gender and sub-surface drainage processes/policies.	1. New technical studies and reports on wetlands; 2. New processes/policies for gender and sub-surface drainage mainstreaming.	1. Project progress reports 2. Bank supervision missions	<u>Risks</u> 1. Delays in receiving government counterpart funds. 2. Cost of environmental studies escalating. <u>Mitigation</u> 2. Efforts will be made to ensure financial commitments are properly budgeted and included in EPADP’s allocation from MOF for the year. 2. Government has indicated willingness to finance the balance of the payments if required. Other development partners (GIZ/KfW) are also providing funds for technical studies.
	Outcome 2 Increased administrative capacity of EPADP to implement the NDP	Time required to process procurement requests.	1. Average time to process procurement requests in EPADP.	1. Average time to process procurement requests decreased by 30%.		
	Component 1 – Technical Studies 1.1 Pilot studies for in-stream wetlands; 1.2 Screening, reviewing and monitoring of ESMF. 1.3 Preparation of ESMPs and AREPs.	1.1 No. of technical studies conducted 1.2 Monitoring of ESMF 1.3 No. of ESMPs and AREPs	1.1 Studies on wetlands – 0 1.3 Periodic Monitoring of ESMF – 0 1.2 ESMPs and AREPs – 0	1.1 Studies on wetlands – 1 1.2 Periodic screening and reviewing of ESMF – as required by ESMF 1.3 ESMPs and AREPs prepared – as required by ESMF		
	Component 2 – Training 2.1 Training and capacity strengthening of EPADP staff and WUAs on various topics.	2.1 No. of trainings conducted for NDP on operations and maintenance 2.2 No. of people trained	2.1 Training modules conducted – 0 (gender, drainage, ESMF, etc.) 2.2 No. of people trained – 0	2.1 Training modules conducted – 10 2.2 No. of people trained – 1,500		
	Component 3 – Project Management 3.1 Recruitment of a Procurement Expert; 3.2 Recruitment of a Financial Assistant; 3.3 External Audit.	3.0 No. of staff recruited. 3.3 Audits Conducted	3.1 Procurement expert – 0 3.2 Financial Assistant – 0 3.3 Audits conducted – 0	3.1 Procurement expert – 1 3.2 Financial Assistant – 1 3.3 Audits – 2		
KEY ACTIVITIES	COMPONENTS				INPUTS	
	Component 1 Technical Studies to Strengthen EPADP Capacity for Operation and Maintenance. Component 2 Training to Strengthen EPADP Capacity for Operation and Maintenance. Component 3 Capacity Strengthening for Project Coordination and Management.				Component 1: UA 151,200 Component 2: UA 140,700 Component 3: UA 148,100 Total Costs : UA 440,000	

¹ World Bank 2012 report.

1. Introduction

1.1 Background Information

1.1.1 In Egypt agricultural land represents about 4% of the total land area of the country and it is one of the most intensively cultivated lands in the world with diversified crop patterns. The River Nile and the interventions made on the river since the end of the 19th century have greatly contributed to regulating its natural flow by building dams, diversion canals and irrigation systems. The High Aswan Dam (HAD) built in the 1960s allowed full control of the Nile flow and provision of a continuous supply of water for year round irrigation to all the cropped lands of Egypt. Water allocated for agriculture is about 85% of the country's fresh water resources.

1.1.2 Drainage appeared as a problem in the Nile Delta soon after the construction of the Delta barrages and introduction of perennial irrigation at the end of the 19th century. Water logging and salt accumulation occurred due to the rise of the groundwater table and was associated with a sharp decline of the cotton crop yield. Open main drains were excavated to remove excess water from the irrigated lands but was not effective until on-farm drainage was improved. In an arid country like Egypt, drainage is a necessary measure for the protection and sustainability of agricultural productivity.

1.1.3 Drainage practices were introduced in the Nile Delta as early as the turn of the twentieth century. A modest land drainage program started prior to the construction of the HAD and turned afterwards into a national drainage program since 1970. The objective was to cover all the cultivated land (about 6.4 million feddans²) with effective artificial drainage systems to protect the quality of the cropped land and to increase crop yields. Egypt's policy choice for drainage technology is a gravity subsurface drainage system at the farm level and a network of main open drains to collect and dispose of the drainage effluent into the Nile river and its branches, and the salty inland and coastal lakes, or directly into the Mediterranean Sea. Pump stations are installed along and at the outlets of the main drains to keep their water level low enough for free flow of the field system. Subsurface drainage has the advantage of conserving land use and needs less maintenance work than open drains.

1.1.4 The National Drainage Program (NDP) began in the 90s with the objective of optimizing the efficiency of water resource use as well as improve the efficiency of the drainage systems. On 17th June 2015, the Bank approved a loan of UA 40.00 million to finance the third phase of the program in parallel with the Islamic Development Bank, KfW, EU and the Government of Egypt estimated at a total cost of UA 152 million. The Bank financed Project will be used for the construction and rehabilitation of 125,000 feddans of sub-surface and surface drainage systems and for strengthening the capacity of the Egyptian Public Authority for Drainage Projects (EPADP).

1.1.5 In order to complement the NDP project which will finance mostly infrastructure and equipment, the Government of Egypt submitted a request to the Bank for a MIC-TA Fund to provide Technical Assistance for the NDP to finance studies, training and capacity strengthening for EPADP, the Executing Agency. This proposal is therefore for the MIC-TA Fund in an amount of UA 400,000 to complement the overall NDP project. The Government will contribute UA 40,000.

² One feddan is equal to one acre.

1.2 Programme Objectives

1.2.1 The aims of the NDP is to optimize the benefits of irrigation by draining excess irrigation water from agricultural land in order to reduce water logging and consequent soil salinity, in addition to making more land available for cultivation. This is expected to result in higher crop yields in the target areas, higher farm incomes, and increased food security and poverty reduction in general.

1.2.2 The specific objective of the MIC-TA Fund is to strengthen the capacity of the EPADP which is responsible for the implementation of the NDP.

1.2.3 In particular, the MIC-TA Fund will be used for the following: (i) Technical studies to improve drainage water quality; (ii) Implementation of the Environmental and Social Management Framework (ESMF) recommendations; (iii) Training for EPADP Staff and WUAs on various topics including gender mainstreaming; and (iv) Project Coordination and Management that includes capacity strengthening for EPADP in terms of procurement, administration and external audit.

1.3. Sector Department Responsible for Preparing the Request

1.3.1 The Department of Agriculture and Agro-Industry (OSAN) prepared this proposal in response to the request of the GOE dated 23rd April 2015. The proposal has been prepared in close collaboration with the Egypt Field Office (EGFO) and the North Africa Regional Department (ORNA).

1.3.2 ORNA validated the request and followed-up the review process in accordance with the Revised Guidelines for the Administration and Utilization of the MIC-TAF approved in 2011.

1.4 Justification for the Use of Resources

1.4.1 In line with the Revised Guidelines for the Administration and Utilization of the Technical Assistance Fund for Middle Income Countries (ADB/BD/WP/2011/191) the resources of the Fund can be used to finance project/programme preparation activities, feasibility and sector studies, intensification of ESW and other country analytical work, environmental impact assessments, as well as activities with the potential to create new business opportunities both in the public and the private sectors. Capacity building and institutional strengthening activities also qualify for financing by the Fund.

1.4.2 The MIC-TA Fund resources will be used to specifically support the National Drainage Programme (NDP) that was approved by the Board on 17th June 2015. In particular, the MIC-TA Fund will be used to support Components II and III of the NDP. Component II is *Strengthening EPADP Capacity for Operation and Maintenance* and Component III is *Project Coordination and Management*.

1.4.3 Two of the key development policy and strategy documents of the Government, are Egypt's Sustainable Development Strategy: 2030 Vision, whose goals are Economic Development, Market Competitiveness, Human Development and Citizens' Happiness; and Egypt's Five Year Macroeconomic Framework and Strategy 14/15-18/19. Both of these development strategies identify enhanced agricultural productivity through improved water

resource management systems and investment in infrastructure. These development strategies are addressed by key outputs of the NDP and the MIC-TA Fund.

2. Project Description

2.1 Project components

2.1.1 The MIC-TA Fund resources will be used to finance the following specific components to support the overall NDP programme through conducting technical studies to strengthen EPAD capacity for operation and maintenance.

Component I: Technical Studies to Strengthen EPADP Capacity for Operations and Maintenance

- Pilot studies for in-stream wetlands to improve drainage water quality;
- Screening, Reviewing and Monitoring of the Environmental and Social Management Framework (ESMF);
- Preparation of Environmental and Social Management Plans (ESMPs) and Adaptation Review and Evaluation Procedures (AREPs) for the implementation of the ESMF recommendations.

Component II: Training to Strengthen EPADP Capacity for Operation and Maintenance

- Training and capacity strengthening of EPADP staff and WUAs on various relevant topics including:
 - Gender mainstreaming for EPADP Staff and WUAs;
 - Mainstreaming subsurface drainage into on-farm integrated water management systems for the WUAs;
 - Training and capacity strengthening for ESMF implementation.

Component III: Capacity Strengthening for EPADP for Project Coordination and Management

- Recruitment of a Procurement Expert;
- Recruitment of a Financial Assistant;
- External Audit (Mid-term and Final Audit).

2.2 Project Outputs

2.2.1 The expected outputs from the MIC-TA Fund include finalized technical studies on the improvement of drainage water, which will inform project implementation and future programmes in the drainage sector. Other outputs include the development and implementation of the ESMP and AREPs where required and monitoring of the programme's environmental aspects. There will also be training of EPADP staff and WUA members on gender mainstreaming and on mainstreaming of drainage systems into integrated water management systems. The recruitment of a procurement expert and a financial assistant dedicated to the project will greatly enhance project implementation especially with respect to complying with the Bank's rules and regulations for procurement, financial management, and communication and thereby reduce the time required to process procurement and disbursement requests.

2.2.2 The activities of the MIC-TA Fund resources will contribute to the successful implementation of the NDP and thereby concretize the social and farm-level benefits. The expected benefits will be a combined result of the following changes: (i) an increase in cropping intensity; (ii) a shift in cropping pattern towards more remunerative crops; (iii) a significant increase in crop yields; (iv) an increase in gainful employment; and (v) a conversion of abandoned, marginal lands into agricultural use. The main outcomes of the project will be improved soil drainage of the farms thereby resulting in increased crop productivity by 15-21% for selected crops.

2.2.3 In other words, subsurface drainage helps to improve farm incomes by creating conducive conditions for crop intensification and diversification, for overcoming crop calendar constraints, for allowing mechanisation of farm operations, for enhancing the impact of fertilisers and other inputs, for lowering production costs, and for mitigating adverse environmental impacts. As a result of the above, the project beneficiaries will have more income to address their economic and social needs including education for their children, provision of health services, procure food items to supplement their dietary needs, attend to social functions such as weddings and funerals, buy clothes and improve their houses. Therefore, the Project is expected to improve economic growth through improved agricultural performance, agricultural productivity and consequently higher crop yields in the target areas, higher farm incomes, improved socioeconomic status of the project population and poverty reduction in general. The primary beneficiaries will be the farming households in the project areas. Given the current land tenure in Egypt where the average farm size is one feddan, this means that the primary/target beneficiaries will be approximately 125,000 households or 625,000 people³, of which 50% are women. Some indirect project beneficiaries include labourers who will benefit from employment on construction of the drainage system. Increased incomes in the project areas will also result in increased off-farm activities where traders and business people will also benefit indirectly.

3. Cost Estimates for the TA Activities

3.1 Cost Estimates

The total cost of the MIC-TA Fund project is estimated at UA 440,000 net of taxes and customs duties. The Bank will contribute UA 400,000 and the GOE will contribute UA 40,000 in counterpart funding. A price contingency of 5% has been factored into the cost estimates. Table 3.1 presents the Cost Estimates by component.

Table 3.1 Cost Estimates by Component (UA)

Components	FE (UA)	LC (UA)	Total Cost (UA)	%FE	% Total Base Cost
1. Technical Studies to Strengthen EPADP Capacity for Operations and Maintenance	104,000	40,000	144,000	72%	34%
2. Training to Strengthen EPADP Capacity for Operations and Maintenance	134,000		134,000	100%	32%
3. Capacity Development for Project Coordination and Management		141,048	141,048		34%
Total Base Cost	238,000	181,048	419,048	57%	100%
Contingency (5%)	11,900	9,052	20,952	57%	5%
Grand Total	249,900	190,100	440,000	57%	105%

³ The average family size in rural Egypt is about 5 people per household.

3.2 Financing Plan

The Study will be financed by the Middle Income Countries Technical Assistance Fund (MIC-TAF) and the GoE. The MIC-TA Fund will finance UA 400,000 or 91% of the total costs and the GoE will finance UA 40,000 or 9% of the total costs. The MIC-TA Fund will finance 100% of the foreign exchange costs, and 72% of the total local costs, while the GoE counterpart contribution will finance 38% of the local costs. The GoE counterpart funds will be in-kind contribution and will be used to finance the preparation of the ESMPs and AREPs as recommended by the ESMF. All the other activities will be financed by the MIC-TA Fund. The proposed financing plan is presented in table 3.2.

Table 3.2 Financing Plan (UA)

	FE	LC	TOTAL	% of Total
MIC-TA Fund	249,900	150,100	400,000	91%
GoE		40,000	40,000	9%
TOTAL	249,900	190,100	440,000	100%

4.0 Mode of Procurement of Services and Goods

4.1 Applicable Rules and Procedures

4.1.1 Procurements foreseen to be finance by the Grant include Consultancy Services and the purchasing of goods. All procurement of consulting services financed by the Grant will be in accordance with Bank's *Rules and Procedures for the Use of Consultants (May 2008 Edition, revised July 2012)* as amended from time to time and Bank's *Rules and Procedures for Procurement of Goods and Works (May 2008 Edition, revised July 2012)* as amended from time to time using the relevant Bank Standard Bidding Documents.

4.1.2 Procurements foreseen to be financed by the MIC-TA Fund include Technical Assistance, Consultancy, Capacity building; and Training Services. The Executing Agency, the Egyptian Public Authority for Drainage Projects (EPADP) will be responsible for the implementation of the procurement procedures.

4.1.3 A procurement capacity assessment of EPADP carried out during project preparation found that EPADP is missing a qualified procurement specialist to adequately handle Bank procurement procedures both for Goods and services to be financed by this grant but also works and others items funded by the AfDB loan to be procured. The current procurement risk assessed is considered Substantial. To mitigate that risk, a procurement expert will be hired for the project life to lead all procurement processes planed under the overall NDP project and to develop EPADP internal procurement capacity. The procurement expert will be financed under the MIC-TA Fund. Procurement arrangements are summarized in Table 4.1.

4.2 Procurement of Consultancy Services

4.2.1 **Consultancy services for Firms:** all Consultant firm assignments under the grant are small in size (each assignment is estimated to cost between UA 24,000 and UA 80,000) and related to various fields such as: technical studies, training and capacity building, etc.

4.2.2 All consultant firms' selection will be done using one of the following methods depending on the assignment nature and size: (i) Quality Cost Based Selection (QCBS); or (ii) Consultant Qualification Selection (CQS), respectively as described in section II and article 3.20 of the Bank procurement rules for selection of consultants dated May 2018 revised in July 2012.

4.2.3 Most of the firm consultancy assignments are already known. Others are not and will depend on the training needs that will be expressed along the way. Those already known as well as the associated procurement method are the following:

- (i) Services for the “study for in-stream wetlands to improve drainage water quality” estimated to cost UA 79,000 will be procured using QCBS method;
- (ii) Services for: (a) Screening, Reviewing and Monitoring assignments estimated to cost UA 25,000; and (b) ESMP and AREP Preparation estimated to cost UA 40,000 will all be procured using CQS method;

4.2.4 **Consultancy services for Individuals:** this includes recruitment of 2 individual consultants to support the project PIU: (i) one procurement expert; (ii) financial assistant; and others that may arise. All consultancy services to be carried out by individual consultants will be procured based on the qualifications for the assignments of at least three consultants assessed, based on their respective Curriculum Vitae (CV).

4.3 Procurement of Non Consultant services

4.3.1 **Training:** Training and capacity building is a critical element of the project. A training plan and budget will be submitted to the Bank annually for prior review and approval. The training plan will identify the general framework of training and similar activities for the year, including the nature, relevance and objectives of training; the type of trainer (that may be a consulting firm or individual); number of participants; cost estimates and the translation of the knowledge gained in the actual implementation of project components. Training will cover the following areas: (i) Training and Capacity Strengthening; (ii) Gender mainstreaming for EPADP Staff and WUAs; and (iii) Mainstreaming subsurface drainage into on-farm integrated water management systems. In case the trainer identified is a consultant, the cost of the consultant's contract will be extracted from the training program and the consultant hired after a selection as described under section 4.2 above.

4.3.2 **Logistic and Operational cost:** All training logistic as well as operational cost items (if any) will be managed in accordance with the Executing Agency's appropriate internal rules.

4.4 General Procurement and Specific Procurement Notices

4.4.1 The General Procurement Notice (GPN) will be issued for publication in the United Nations Development Business (UNDB) online and on the Bank's Internet Website, upon approval of the financing of the Grant. For each specific consultancy assignment, a specific Expression of Interest (EOI) will be prepared and published.

4.5 Procurement Plan

4.5.1 All procurement arrangement for various items to be procured have been discussed and summarized in Table 4.1 in line with the details above. As part of the preparation of the project, the Recipient prepared and furnished to the Bank for final approval, a Procurement Plan

consistent with the Table 4.1 and is acceptable. This plan includes among others the following key information:

- Particular contracts for the services required to carry out the project during the initial period of at least 18 months;
- Proposed methods for procurement of such contracts that are permitted under the Financing Agreement; and
- Related Bank review procedures.

Table 4.1: Procurement Arrangements (UA '000)

Category of Expenditure	Prior/Post Review	Quality - Cost Based Selection (QCBS)	Consultant's Qualification Selection (CQS)	Selection of Individual Consultant	Training Budget*	Non-Bank Financed (NBF)	Total Cost
Technical Studies							
Pilot studies on in-stream wetlands to improve drainage water quality	Prior	79					79
		(79)					(79)
ESMF Implementation							
Screening, Reviewing and Monitoring	Post		25				25
			(25)				(25)
ESMP and AREP Preparation	Prior					40	40
Training							
Training, Capacity Development and Technical Assistance	Post				90		90
					(90)		(90)
Gender mainstreaming for EPADP staff and WUAs	Post				25		25
					(25)		(25)
Mainstreaming subsurface drainage into on-farm integrated water management systems	Post				19		19
					(19)		(19)
EPADP Capacity Development							
Procurement Expert	Prior			86.40			86
				(86.40)			(86)
Financial Assistant	Prior			34.60			35
				(34.60)			(35)
Audit	Prior	20					20
		(20)					(20)
Total Base Cost		99	25	121	134	40	419
Contingency (5%)		5	1	6	7	2	21
Total		104	26	127	141	42	440
		(104)	(26)	(127)	(141)		(398)

4.5.2 The Recipient shall update the Procurement Plan annually or as needed throughout the duration of the project. The Recipient shall implement the Procurement Plan in the manner in which it has been granted through the approval by the Bank.

4.5.3 Bank review: All Procurement process for high value contracts financed by the Grant will be submitted to the Bank for prior review as shown in Table 4.1. Specifically, the following documents shall be subject to the Bank's prior review: (i) General Procurement Notice; (ii) Specific Procurement Notices; (iii) Requests for Proposals; (v) Technical Evaluation Reports; (vi) Reports on Evaluation of Consultants' Proposals, including recommendations for Contract Award; and (vi) Draft contracts.

5.0 Implementation Schedule

5.1 Implementation Arrangements

5.1.1 The MIC-TA Fund and the NDP Project will both be executed by the Egyptian Public Authority for Drainage Projects (EPADP) under the Ministry of Water Resources and Irrigation (MWRI). EPADP was created in 1973 as a semi-autonomous organization to be responsible for the design, procurement and implementation of all drainage works, as well as for maintenance of field drainage systems and open drains. EPADP will be responsible for conducting the technical studies, training and capacity strengthening activities.

5.1.2 For the efficient, effective and timely implementation of the Project, EPADP will establish a Project Implementation Unit (PIU) with designated staff who will be responsible for the day-to-day running of the MIC-TA Fund and NDP project. The following key staff will be provided for the PIU to be dedicated to the project on a full time basis: a senior official designated as the Project Coordinator; a Finance Officer; a Planning, Monitoring and Evaluation (PME) Officer; and a Gender and Social Officer. These staff will be designated from the current EPADP staff. In addition, given the complexity and critical nature of procurement to project implementation, a Procurement Expert with the required qualifications and experience will be recruited competitively. A Financial Assistant will also be recruited to track all financial data and payments in order to enhance project implementation.

5.2 Implementation Schedule

5.2.1 The project will be implemented over a period of six years. The technical study for in-stream wetlands and water quality will be conducted during the second year of the project. All the other activities will be conducted periodically throughout the NDP project life. The implementation schedule is presented figure 5.1.

5.2.2 At the commencement of project implementation, the PIU will be required to submit an annual work program for one year, as well as an estimated budget of the Grant activities for a period of six months.

Figure 5.1: Implementation Schedule of MIC-TA Fund

Activity	2016				2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Technical Studies - Wetlands																								
Environmental Studies																								
Environmental Capacity Development																								
Environmental Review & Monitoring																								
Training activities for EPADP/CUAs																								
Procurement/Accounting																								

6.0 Financing Arrangements

6.1 Terms of Financing

6.1.1 Disbursement. The disbursement of the MIC TA Fund will be in accordance with the Bank's rules of disbursement, using the methods applied by the Bank, under either one of the following methods: (a) Special Account method, or (b) Direct Payment method. The direct payment method will be used for paying consultants fees.

6.1.2 Conditions precedent to the first disbursement include the Entry into Force of the Letter of Agreement, evidence of the opening of the Special Account at a bank acceptable to the Bank where the proceeds of the MIC-TA Fund will be deposited, and furnishing the details of this account to the Bank.

6.1.3 Financial management. Under the terms of the MIC-TA Fund, the funds shall be administered in accordance with the Bank's applicable policies and procedures. Annual grant financial statements will be prepared in accordance with internationally acceptable accounting standards annually three months after the closure of the financial year. The grant recipient will also submit to the Bank Interim Financial Reports (IFRs) every quarter together with the progress report. The due date for the IFRs is 45 calendar days after the end of the quarter. The IFRs will be in the format of the annual financial statements.

6.1.4 Audit. The financial statements of the MIC-TA Fund will be audited two times: Mid-term Audit and Final Audit at the end of the grant by the Auditor General or a firm of private auditors acceptable to the Bank in line with the Terms of Reference agreed with the Bank. An audit report, complete with a management letter and management responses, will be presented 3 years after the grant approval and within six (6) months following the project completion. The audits will be done in accordance with International Standards on Auditing.

6.2 Suspension of disbursement

6.2.1. Disbursement from the MIC-TA Fund will be subject to Bank disbursement rules, in particular the rules on suspension of disbursements. Disbursements can be suspended in case of non-transmission to the Bank of the annual audit reports and in case of non-compliance with the provisions set forth in the financial agreement.

6.3 Letter of Agreement and its Annexes

6.3.1. Following the approval of the request by the Bank, the Bank's Legal Department (GECL) will prepare a Letter of Agreement using the format provided in Annex 3 of the Revised Guidelines for the Administration and Utilization of the Middle Income Country Technical Assistance Fund. The duly-mandated representatives of the Bank and the Arab Republic of Egypt will be the signatories of the Grant Agreement.

7.0 Conclusions and Recommendations for Bank's Consideration


7.1. Conclusions

Implementation of the NDP in Egypt will result in Increased crop productivity by 15-21% for selected crops; increased land area available for agriculture; reduction in water borne diseases; improved soil quality on the 125,000 feddans covered by the project; increased farm income by 40% for a typical one feddan farm; and improved food security and poverty reduction in general. The complementary MIC-TA Fund will be critical in supporting the achievement of the NDP objectives through the provision of technical studies and capacity strengthening for EPADP, the Executing Agency.

7.2. Recommendations

It is recommended that an amount not exceeding UA 400,000 be granted to the Arab Republic of Egypt from the Middle Income Country Technical Assistance Fund to implement this project.

Annex 1: Formal Request from the Ministry of International Cooperation



EGFO / LTR / 2015 / 05 / 021

Ministry of Planning and International Cooperation
Sector for International Organizations
International, Regional & Arab
Financing Institutions

Subject: Grant Request to finance the Necessary Studies
for the National Drainage Project

Dear Mrs. Mokadem,

Reference to the National Drainage Project which is a component of the National Drainage Program IIII (NDP) that was reviewed by the Bank's preparation mission that fielded during 2-13 November ,2014 , I would like to share with you the request that we received from the Ministry of Water Resources and Irrigation (MWRI) to finance the necessary related studies for the national Drainage Project.

The project aims at reusing agricultural drainage water through the collectors of subsurface drainage networks before dumping it in open drains. This will directly impact on lowering the water table and reducing soil salinity , increasing water use efficiency and effectiveness of agricultural land, increasing drainage land under crop production, increasing capacity and knowledge of the Egyptian Public Authority for Drainage Projects (EPADP) for operation and maintenance of drainage systems, increasing crop productivity by 15%- 21% for selected crops , and finally increasing household incomes in the rural areas ,decreasing rural poverty and increasing food security. aiming to optimize the benefits of the irrigation by draining excess irrigation water from agricultural land in order to reduce water logging and consequent soil salinity.

The total study cost is 550,000 Euros and will be implemented by EPADP at MWRI over the next coming five years. The grant is a complementary part of the National Drainage Project and as such included in the coming Country Strategy Paper. The Grant constitutes of a number of activities namely technical assistance and capacity building to EPADP for procurement and accounting , gender instreaming , ESIA, monitoring and evaluation , and technical studies for financial studies , environmental monitoring and audit of water quality.

Brief description of the project and its detailed objectives, activities, and expected outcomes is attached.

8 Adly Street - Cairo Post No. : 11521 Box No. : 2225 Ministry of Planning and International Cooperation
Tel. : 23912815 - 23916214 Fax : 23912815 - 23915167

4/23/2015

IN

African Development Bank

Field Office

2015

4/23/2015

cc: Hossam A. Hossam

4/23/2015



Ministry of Planning and International Cooperation
Sector for International Organizations
International, Regional & Arab
Financing Institutions

In light of the above we kindly request the African Development Bank to consider financing this important study by providing a grant from the Middle Income Technical Fund resources amounting €550 thousand.

Your positive and prompt response would be highly appreciated. Looking forward to enhancing our mutual cooperation.

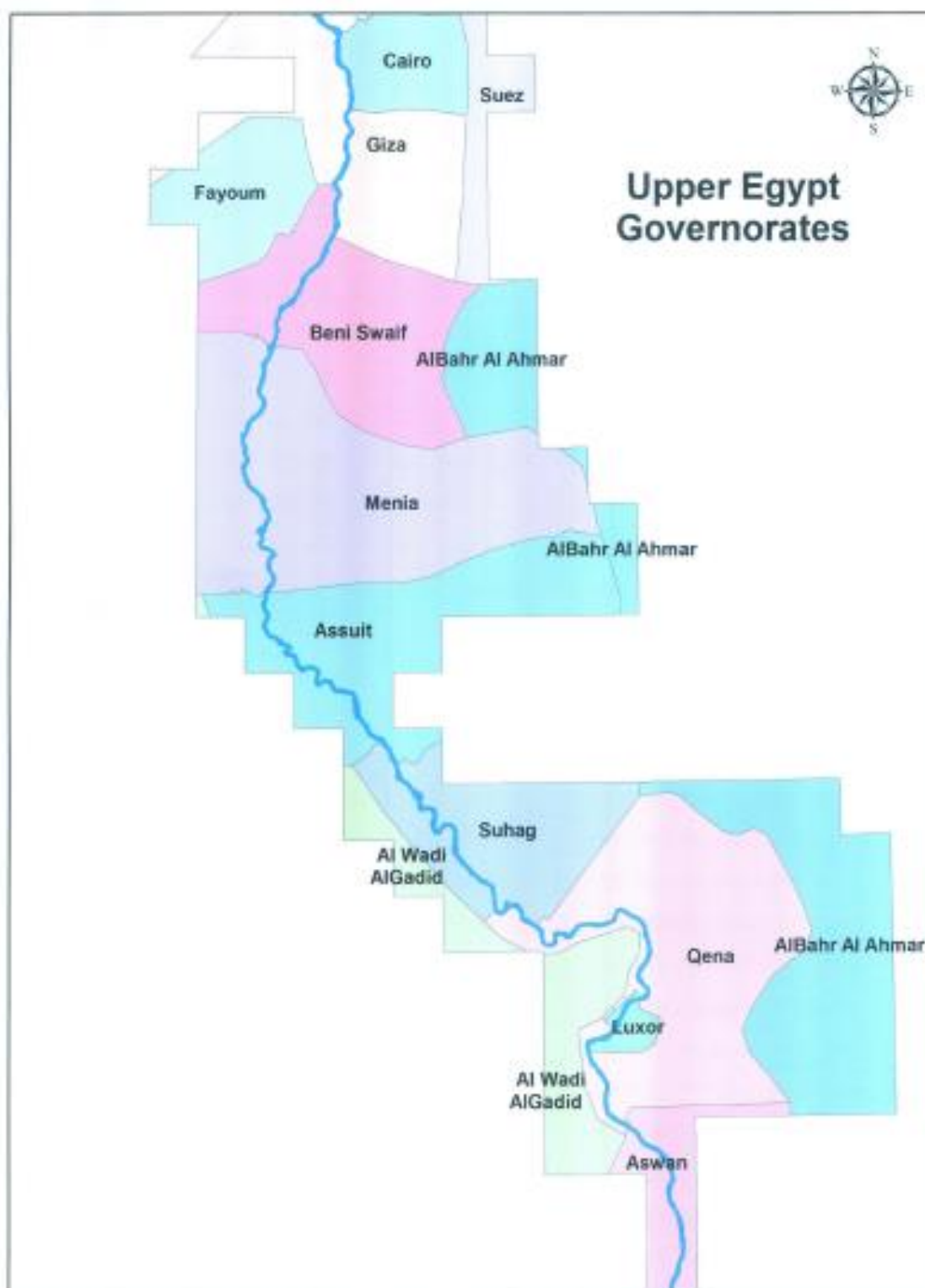
Sincerely,

Engineer/ Mohamed Hammam
Assistant to the Minister in charge of International,
Regional and Arab Financing Institutions and Organizations

Mrs. Leila Mokadem,
Resident Representative
Egypt Field Office, AfDB

Annex II: Detailed Cost Estimates

No.	Description	Unit Cost (UA)	No. of Units	Total Cost	FE	LC
Component I: Technical Studies to Strengthen EPADP Capacity for Operations and Maintenance						
	Technical Studies					
1	Pilot studies for in-stream wetlands to improve drainage water quality	79,000	1	79,000	79,000	
	ESMF Implementation					
2	Screening, Reviewing and Monitoring of ESMF	25,000	1	25,000	25,000	
3	ESMP and AREP Preparation	40,000	1	40,000		40,000
	Sub-Total			144,000	104,000	40,000
Component II: Training to Strengthen EPADP Capacity for Operations and Maintenance						
4	Training and Capacity Development of EPADP Staff and WUAs on various topics	90,000	1	90,000	90,000	
5	Gender mainstreaming for EPADP Staff and WUAs	25,000	1	25,000	25,000	
6	Mainstreaming subsurface drainage into on-farm integrated water management systems for WUAs	19,000	1	19,000	19,000	
	Sub-Total			134,000	134,000	
Component III: Capacity Development for Project Coordination and Management						
7	Procurement Expert	1,200	72	86,400		86,400
8	Financial Assistant	481	72	34,648		34,648
9	Audit	10,000	2	20,000		20,000
	Sub-Total			141,048		141,048
	Total Base Cost			419,048	238,000	181,048
	Contingency (5%)			20,952	11,900	9,052
	Grand Total			440,000	249,900	190,100



Annex IV: TORs for In-Stream Wetlands

Draft Terms of Reference

Study on In-Stream Wetlands for Drainage Water Treatment and Reuse in Egypt

1. Background

Egypt is facing a pressing need to both treat the sewage wastewater of its increasing population, and to treat the agricultural drainage discharges. As an arid, water scarce nation, Egypt is also keenly interested to safely and effectively treat and reuse of both domestic wastewater and agricultural drainage water. Currently, Egypt produces around 6.5 bcm of untreated sanitary wastewater per year, and 12-13 bcm of its drainage water enters the Mediterranean annually.

The sanitation facilities of Egyptian rural areas are facing lags behind potable water supply. As a result, coverage of urban sanitation was only 56% and rural coverage of villages 4% until as late as 2004. The government pledged to raise the ratio of villages connected to sanitation networks to 11% and managed to reach 13% coverage by 2010 (603 villages from a total of 4670). The most commonly adopted solution is septic tanks, dug into the ground, some without proper flooring. However, septic tanks only work in certain environments. High tap water consumption, when coupled with the heavy clay soil of the Nile Delta and the low rate of infiltration and permeability of the Nile Valley, prevents the septic tanks from emptying naturally. This causes a water logging situation – creating health hazards and agricultural damage both inside residential areas and in the surrounding agricultural fields. The potentially hazardous situation is further aggravated by residents manually emptying their septic tanks into nearby agricultural drains and irrigation canals, often in close proximity to their houses.

2. Study Rationale

Economies of scale make conventional wastewater treatment costs prohibitive in smaller more dispersed rural settlements. Domestic wastewater is typically discharged directly or indirectly to drainage canals. This practice has contributed to the widespread degradation of drainage water quality and thereby requires the consideration of the reuse of drainage water in Egypt.

Identifying appropriate treatment options for improving drainage water quality has a high priority since villages without sanitation facilities can be expected to continue discharging their sewage to near-by agricultural drains and contamination of drainage water by untreated or partially treated domestic sewage negatively impacts human health of downstream users and limits drainage water reuse.

Several treatment alternatives that vary in efficiency and cost are available. In general, the advantages of using natural biological processes relate to their 'low-tech/no-tech' nature, which makes them attractive in that the system require frequent inspections and constant maintenance to ensure smooth operation. In-stream wetland treatment system has additional advantage that it requires limited land where the treatment process takes place inside the drain (e.g. delta drains).

3. Objective of the Study

The ultimate objective of the study is to assess and investigate the applicability of in-stream wetlands for drainage water treatment in Egypt and to develop a strategy for improving the drainage water quality for reuse.

4. Scope of Work

The Consultant is expected to develop a suitable methodology for collecting data and reviewing existing studies. The data and information provided should facilitate a deeper understanding of the key challenges of the agricultural drainage water reuse. The specific scope of works will include the following main tasks:

1. Undertaking a baseline assessment study for agricultural drains;
2. Identify the priority for agricultural drain reuse based on pollution loads, sensitivity of the receiving media, reuse requirements, water scarcity, ...etc.;
3. Prepare GIS map(s) for potential In-Stream Wetlands projects in Egypt;
4. Design a small scale pilot project for in-stream wetland treatment in one of the polluted agricultural drains in the Delta to be constructed and assessed; and
5. Conduct three (3) regional specialized training workshops on agricultural drains pollution, treatment and reuse options, and awareness; followed by a National conference on "*In-Stream Wetlands Potentiality for Agricultural Drainage Treatment and Reuse*".

5. Beneficiaries

The direct beneficiaries will be the EPADP and the Ministry of Water Resources and Irrigation (MWRI) and indirectly the Egyptian people who benefit from irrigating their crops, especially in the areas where irrigation water is not sufficient. The proposed study will contribute to stabilizing the ecosystem in agricultural drainages and minimize waterborne epidemics in the population. In addition, the improvement of agricultural drains in the Delta region will be of considerable value to improving the water quality at the in-takes of drinking water treatment plants as the ultimate sink of most of the Delta drains goes into the Nile river and its branches and Rayahs.

6. Outputs

The Consultant will undertake independent research and analysis and produce a synthesis assessment report. The assessment report will have a length of about 50 pages, supported by graphs and tables. The assessment report will present the collected data and information and highlighting issues, current status, challenges, constraints, and future prospects of in-stream wetlands for agricultural drainage treatment and reuse in Egypt.

7. Duration of the Study

The assignment will last for 6 months.

Annex V: TORs for Procurement a Officer

Terms of Reference

Position Title: Local Procurement Officer

Duty Station: Egyptian Public Authority for Drainage Projects (EPADP), MWRI

A. Background

The National Drainage Program (NDP) began in the 90s with the objective of optimizing the efficiency of water resource use as well as improve the efficiency of the drainage systems. This third phase of the program which the Bank is financing in parallel with the Islamic Development Bank, KfW, EU and the Government of Egypt is estimated at a total cost of UA 152 million out of which the Bank is financing UA 40 million. The Bank financed Project will be used for the construction and rehabilitation of 125,000 feddans of sub-surface and surface drainage systems and for strengthening the capacity of the Egyptian Public Authority for Drainage Projects (EPADP), the Executing Agency of the NDP.

A procurement capacity assessment of EPADP carried out during project preparation found that EPADP is missing a qualified procurement specialist to adequately handle Bank procurement procedures. In terms of procurement risk assessment, this is considered Substantial. To mitigate procurement risks, a procurement officer will be hired for the project life and conduct procurement capacity development to ensure the internalization and appropriate use of the Bank's rules and procedures.

In order to complement the NDP project which will finance mostly infrastructure and equipment, the Government of Egypt submitted a request to the Bank for a MIC-TA Fund to provide Technical Assistance for the NDP to finance studies, training and capacity development for EPADP, the Executing Agency for both the NDP loan and the MIC-TA Fund. The MIC-TA Fund is in an amount of UA 400,000, and UA 40,000 in GOE counterpart funds, which will complement the overall NDP project. The procurement officer will be financed under the MIC-TA Fund.

B. Duties and Responsibilities of the Procurement Officer

Under the general supervision of the Project Manager, the main duties and responsibilities of the Procurement Officer will be:

- Managing the project procurement through implementing all policies and procedures related to procurement activities and ensuring the Bank procurement rules are followed in all transactions.
- Developing procurement tools such as bidding documents, review technical specifications, customized contracts for staff and other individual consultants.
- Organize the necessary bid advertisements and prepare calls for expression of interest on a periodic basis and update the General Procurement Notice (GPN) as required.
- Assist the Bid Opening Committee as well as the Evaluation Committee on procedures and procurement perspectives and prepare standard evaluation reports as well as providing necessary assistance and tools for conducting evaluation processes.
- Review and preparation of the procurement plan, bidding documents, RFPs, organization of bid evaluation and contract award.

- Developing and maintaining a database of suppliers and consultants and include their contacts and areas of expertise relevant to project components.
- Participating in project coordination committees or team meetings in order to ensure timely implementation progress with a focus on procurement-related activities.
- Coordinating with the PMU Financial Officer, Project Manager for regular preparation of Project Management Reports, as a part of the AfDB reporting requirements.
- Maintaining a coherent filing system for archiving all contracts, contract amendments including procurement preparation and contract management, correspondence, claims, reports, etc., and ensuring that all consultants' deliverables are properly filed and referenced.
- Prepare regular progress reports on procurement and/or contracting activities and answer questions concerning procurement and contracting;
- Liaise with the responsible personnel in the Ministry of International Cooperation to resolve procurement problems;
- Provide support to the planning activities of the procurement plan and preparing relevant statistics;

C. Qualifications

- A minimum of a Bachelor's Degree in Engineering, Finance, Law or a related field;
- At least 15 years general experience;
- At least 10 years experience in handling procurement in general, and national public procurement;
- Experience working with similar international organizations;
- Experience of having worked on AfDB financed procurement is an advantage;
- Demonstrated analytical and problem solving and negotiating skills with ability to balance project objectives and procurement requirements with client's needs;
- Demonstrate to be initiative, detailed oriented, and very good analytical skills;
- Very good knowledge in Arabic and English languages;
- Demonstrated ability to work as a team member.

D. Contract duration

The contractual agreement will be between the EPADP and the procurement officer. The position is required for the duration of the NDP project, which is six (6) years. EPADP will determine the length of the contract period with options of renewing.