

**SUSTAINABLE RURAL SANITATION SERVICES
PROGRAM FOR RESULTS – ADDITIONAL
FINANCE**

**ADDENDA TO THE ENVIRONMENTAL AND
SOCIAL SYSTEMS ASSESSMENT**

DRAFT REPORT

APRIL 5, 2018

Executive Summary

Background

The National Rural Sanitation Program (NRSP) was launched in 2014 with the goal of providing access to piped sewerage systems with adequate wastewater treatment for the rural population by 2037 and a development objective is to “accelerate access to rural sanitation services and to ensure sustainable service delivery”. The initial focus of the NRSP is to cover 769 ‘polluting’ villages in seven governorates that discharge untreated wastewater into surface watercourses that end up at the El Salam Canal and the Rosetta Branch Canal. The Sustainable Rural Sanitation Services Program for Results (SRSSP) was effective on December 2015 to support the NRSP in a number of governorates. The financial instrument for the SRSSP is the PforR which disburse against achievement of results rather than financing inputs. The Program Development Objectives (PDO) of the SRSSP is to strengthen institutions for increasing access and improving rural sanitation services in the three governorates of Beheira, Dakahliya, and Sharkiya in Egypt aiming at connecting 167,000 households to a working sanitation system in addition to strengthen the capacity of the sanitation sector both on the level of the 3 Water and Sanitation Companies (WSCs) and on the national level.

The Additional Financing

The SRSSP is preparing an Additional Financing (AF) to help finance the expenditures associated with i) scaling up the Program to three additional governorates (Gharbiya, Menoufiya and Damietta) and their respective Water and Sanitation Companies (WSCs); ii) extending access to sanitation services to an additional 183,333 households; iii) further strengthening the sector's institutions, especially the Egyptian Water Regulatory Agency (EWRA), and policy framework; and iv) introducing an Investment Project Financing (IPF) component for Technical Assistance on strategic sector issues. The AF will extend the Program closing date by 18 months to December 30, 2023. There are no significant changes to the original government program.

In parallel with the proposed US\$300 million in World Bank (WB) AF, the GoE will add an addition US\$94 million to support further infrastructure investments in the target areas. Additionally, the GoE has requested co-financing from the Asian Infrastructure Investment Bank (AIIB). AIIB management has expressed strong interest in the Program and aim to send a proposal, for US\$275 million in co-financing, to their Board in September 2018. The Program will disburse upon the achievement of a number of Disbursement Linked Indicators (DLIs). The DLIs of the parent Program will be scaled up to add the expected results of the AF, and new DLIs will be introduced to the AF as illustrated in the following table.

Table E1. DLIs for parent Program and AF

Current/Proposed DLIs	Comment
DLI 1: Establishment and functioning of at least 350,333 new House hold (HH) connections to working sanitation systems in villages and satellites of which at least 10% of the connections are in satellites.	Revised to reflect updated target number of household connections (167,000 for the parent Program and 183,333 for the AF)
DLI 2: Annual transfer of Performance-based Capital Grants (PBCG) by MHUUC to eligible WSCs pursuant to the provisions of paragraph 6 of Section I.C of Schedule 2 to this Agreement [i.e., the SRSSP Loan Agreement]	Revised to include 3 new WSCs with updated schedule (reflecting AF implementation period)
DLI 3: Design and implementation of the Annual Performance Assessment (APA) system for the WSCs, and WSCs achievement of the required APA weighted index scores in accordance with the Program Operations Manual.	Revised to include 3 new WSCs reflecting AF implementation period and to extend the APA for an additional year in the original three WSCs
DLI 4: Preparation and approval of a new national tariff structure for water supply and sanitation services by MHUUC to allow for sustainable cost recovery.	Completed
DLI 5: Establishment of PMU and approval of a National Water and Sanitation Sector Strategy by MHUUC.	Revised to develop an action plan and timeline for the National Water and Sanitation Sector Strategy
DLI 6: Approval of Standard Operating Procedures for land acquisition under NRSP by MHUUC.	Completed A new DLI for the signing of an inter-ministerial MOU for the implementation of an updated land SOP.
DLI 7: Strengthen the national regulator's, Egyptian Water Regulatory Agency (EWRA), capacity, role, and responsibilities.	New
DLI 8: Development and approval of a financial model for improved cost recovery in WSCs taking into consideration financial, economic, efficiency and affordability aspects	New

Objectives of the ESSA Addenda

An Environmental and Social Systems Assessment (ESSA), has been prepared by the Bank team on 2015 according to the requirements of Bank's Policy for PforR financing. As the environmental and social aspects of the Program is carried out according to the country system, the ESSA reviewed the capacity of existing country systems to plan and implement effective measures for environmental and social management and to determine if any measures would be required to strengthen the country system. This document is an Addenda for the ESSA prepared for the parent Program to cover environmental and social aspects of the AF. The preparation of the Addenda involved a series of interviews, field visits and consultation activities that targeted a wide range of stakeholders related to the sanitation sector. In addition to the consultation with the WSCs — which took place in Cairo and in the concerned governorates — a number of consultations were arranged with local stakeholders including community members, in the villages where the AF is going to be implemented and in villages that were previously engaged in sanitation projects. Further consultations are planned, with different stakeholders in the 3 new WSCs, by appraisal of the AF.

Environmental Assessment:

The environmental system described in the parent ESSA is still applicable both in terms of laws, regulations, standards, and in terms of procedures and actual implementation of those laws and standards. An exception to this is a change that occurred on the classification of sanitation projects, as the old classification system that used to have all WWTPs on the higher impact category (Category C in the Egyptian system) is now modified by introducing a fourth category (now the categories are A, B, Scoped B and C) and by having the classification of WWTPs are between the 3 categories (A, B and C). This change has been introduced during the implementation of the Parent Program and most of the Program sanitation facilities will be either Category B or Scoped B, and the change in classification has not affected the rigorosity of the ESIA's prepared by the Program following the capacity building, provided to the Program entities, which has resulted in significant improvement in the quality of ESIA's as indicated below.

The planned interventions of the AF have been screened for their eligibility to be financed under the PforR instrument. Except for the cluster served by Al May (Shebin El Kom/Menofiya) WWTP, all other activities are believed to be eligible for PforR finance and none of them are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people. The above cluster will be excluded through the verification protocol of DL11.

The overall environmental impacts of the AF will be positive as it will introduce important solutions to an existing environmental and health inadequate conditions resulting from absence of proper sanitation systems. The environmental impacts of the interventions under the AF are the same as those identified for the parent Program, and included in the ESSA, including: the risks associated with handling of sludge, risks of handling of solid wastes separated in PSs and WWTPs, risks of discharging noncompliant effluent, risks to the health and safety of workers and neighboring communities, risks of sewerage blockages and risks of improper handling of physical cultural resources (PCR) chance finds. The risks/impacts of the AF will affect a different geographic area but with similar context and baseline conditions as the areas of the parent Program (conditions in the Nile Delta are very similar).

The 3 new WSCs were visited during the preparation of the ESSA Addendum, and it was concluded that the procedures and capacities of the 3 new WSCs are close to those of the old WSCs during the preparation

of the ESSA of the parent Program. However, experience is gained in some of the new WSCs from implementing projects of international funding agencies (ISSIP and ISSIP2 World Bank projects in Gharbiya and Menoufiya, and IWSP EU project in Damietta). The experience and momentum gained in implementing environmental measures of the parent Program is likely to enhance the capacity building – for quickly getting them into the required level of improved procedures – of the new WSCs.

The implementation of environmental measures recommended in the ESSA of the parent Program is progressing well. Although such measures were not explicitly captured in the PAP of the parent Program, the client (the PMU and the 3 PIUs) were highly committed to implement all the ESSA recommendations and included them in the POM. Since the effectiveness of the parent Program the client has recruited experienced environmental specialists at the PMU and the PIUs and started timely preparation of ESIAAs for sanitation investments, as per the Egyptian legislation. A spot check has been conducted by the WB team to check the quality and an obvious improvement was noticed (meaningful consultation, adequate analysis of alternatives, capture of different risks and impacts and providing adequate mitigation measures). The PMU and PIUs have also started to initiate and frequently update the Environmental Registers of WWTPs to include waste handling procedures (for waste separated on screens and grit removal chambers). On the health and safety, the PMU and PIUs took advantage of the improvements after a fatal accident that occurred in ISSIP2 Project and started implementing those improvements in ongoing contracts.

The team visited the 3 existing WSCs during the preparation of this Addenda and acknowledged the above improvements. During those visits the team also conducted site visits in Sharkiya and Dakahlia (no construction works started in Beheira by the time of preparing this Addenda) and observed reasonable OHS measures at construction sites. There are still some environmental aspects to be improved, such as further improvement for ESIA quality (improve description of baseline conditions, include OHS risk assessments, timely preparation of health impact assessment for WWTPs that do not fulfill the 500 meter buffer zone required by MoH due to the high population density), timely integration of ESMPs in tender documents and include some fines for non-compliances, improving better access to residents during construction, and starting the sludge sampling program to inform the subsequent handling procedures.

Social Assessment:

The social risk management system described in the parent ESSA is largely still applicable both in terms of laws, regulations, standards, and in terms of procedures and actual implementation of those laws and standards. The addenda of the ESSA presented a number of changes in the laws and regulations that have been introduced on the macro level. This most importantly includes the issuance of Law No. 144, Year 2017 on the “Rules and Procedures of Disposition of State Property” and introduction of changes in the Law No. 10, Year 1990 on “Land Expropriation for Public Interest”. The former has been introduced in the country as a response to massive land encroachment on state owned land. Law No. 144, and its regulations, set rules and procedures for the actions that should be taken to restore state owned land and/or to help the land seizures to legalize their position under certain criteria and arrangements. The changes introduced to Law No. 10, Year 1990 are meant to improve certain provisions to ensure that the application of the Law brings fair compensation to the affected persons from the land expropriation, speeds up the process of land expropriation and makes it more sensitive to the subsequent social impacts.

The Law amendments are consistent with Article 35 of the Constitution which stipulates principles for protecting the private ownership and for offering fair and advance compensation for the expropriation for the public interest projects. Law 10 amendments have passed rounds of approvals in the Ministry of Justice, the Cabinet and the Parliament. The Parliament quorum with the final approval on the Law amendments is yet to come. While the amendments of Law No. 10 are likely to bring fairer and more transparent system for compensation in the cases where the eminent domain applies, Law 144, Year 2017 and all the surrounding applications and practices may bring to the Program some challenges and risks. This could be in the cases of using land with past encroachers who were removed as part of the national campaign and under Law 144/2017. While this probably has no direct relation to the Program, the fact that some of negative social implication could have been generated from this act may bring legacy risk and reputational risk to the Program. It should be noted that Land Acquisition Standards Operations Procedures (SOP) have been developed under the Parent Program. The update of the SOP and the operationalization on the level of all the governorates of the Program (including the ones for AF) should help in mitigating such risks. Capacity building support on the application of the SOP will be needed to enable the new WSCs to follow the principles and the procedures of the SOP in acquiring land.

Under the parent Program a range of citizen engagement activities were integrated into various aspects of the Program. The AF aims to build on the strong citizen engagement activities and reforms of the parent Program, supported by cross-fertilization among the targeted WSCs to allow for experience sharing and to ensure that the designed measures of citizen engagement (e.g., CMS and project-related GRM, beneficiaries feedback, etc.) are strengthened and institutionalized in all participating WSCs. As under Phase 1, targeted WSCs will rely on (1) the Citizen Engagement Guidelines developed (and updated as appropriate) to strengthen their community outreach and engagement and (2) the recommended improvements to the existing hotlines for complaints handling and grievance redress. The concept of the citizens audit and monitoring will be systematically introduced in the AF using mechanisms like the local committees – operationalized through the PAP. Overall, the three new WSCs capacities are similar to what was seen in the original three WSCs at the beginning of the parent Program.

Local Community Committees (LCCs) have been established in the target Program area for effective communication and to rebuild the trust between WSCs and citizens. Formation of these committees were needed in order to facilitate two-way communication between residents in related communities and the WSCs. The WSCs made efforts to ensure that these committees have representation of vulnerable groups including women and youth. Moving forward, efforts will be made to increase the participation of women within the LCCs and through cluster-level women’s forums. The committee meetings offer a space for deliberation and open discussion. LCCs can then notify WSCs about potential issues, questions or concerns, and help inform communities about project-related updates. In addition, the LCCs are also an important medium to facilitate the land acquisition process, raising awareness and helping to get the approvals needed. LCCs also serve as an uptake channel for complaints, by relying information and complaints – both related to the project and more broadly – from citizens to the WSCs. The LCCs also have a role to play in facilitating work in the field with implementing contractors.

The implementation of the AF of the Program will help in elevating the negative health and social impacts of the current unhygienic sewage systems that the targeted rural communities in the three Governorates

are suffering from. The AF will help in providing the sanitation service which is very highly demanded by the poor rural communities of the targeted Governorates. There are number of benefits and positive returns that the Program is expected to help local communities to attain. Most important benefits include economic saving on the household level, health and public hygiene awareness benefits. The implementation of the AF will bring special benefits for women and children who are the most negatively affected categories from the current situation. The negative social impacts and risks of the interventions under the AF are very similar in nature to those identified for the parent Program, and included in the original ESSA. This most importantly include the fact that the AF will entail land acquisition for the constructing of pumping stations and WWTP. If not handled carefully, land acquisition might result in serious impacts on individuals of land owners and land users. At this stage, since the technical design of the program is premature, it is difficult to know the exact amount of land that will be needed and consequently, it is also difficult to estimate the number of land owners and land users who would be affected from the land transaction process. The main land related risks could be attributed to the limited capacities of the new WSCs under the AF to manage land issue, the potential delay of the implementation as a result of the land acquisition, challenges related to lack of consistency and transparency in managing land related issues, livelihoods risk related to lands as well as the poor management to the temporary impacts related to land. In the meantime, the same non-land related risks that have been identified for the parent Program apply to the AF. Those most importantly include risks of damages associated to the construction activities, inconvenience to the local communities and temporary disruption of local activities within the villages, health and safety risks on workers and local residents within the project site, weak sense of demand for, acceptance, and readiness for projects in certain communities, potential social tensions as a result of exclusion of certain villages, lack of affordability to the service by poor households and potential escalation for unresolved community concerns/complaints

Under the parent Program, tangible achievements have been attained on the front of dealing with land acquisition through timely fulfillment for DLI 6, which stipulated the Approval of Standard Operating Procedures (SOP) for Land Acquisition under NRSP by MHUUC. The SOP aims to harmonize Egyptian requirements with international best practice and to include clear sequences for reviews and approvals as well as to improve the overall basis for implementation of investments in the sector overall. Prior to the preparation of the land SOP, MHUUC transitionally and proactively agreed with the Bank upon following interim arrangements for acquiring land to make sure that the process is following the principles of OP9.00 and also to avoid any delay in the land acquisition until the SOP preparation is finalized. MHUUC and 3 WSCs under the parent Program have gained experience in handling land related issues. As of December 2017, and according to the information received from MHUUC, about 84 plots of land from the 87 required land plots for pumping stations (PSs) and WWTPs for the mother villages of the parent Program were secured and 34 plots of land from the 35 required land plots for PSs of the satellite villages were secured. Those plots of land were secured by either by applying the SOP or the interim arrangements. In the meantime, and on the level of the social assessment related to the project under the parent Program, the WSCs with support from the Bank and MHUUC made a great progress in establishing a system for the social assessment. They have been preparing ESIA's and conducting consultation as part of the projects preparation under the parent Program.

The Bank conducted spot checks related to application of the land SOP and the interim arrangement and related to the quality of the social assessment process. The main takeaways from those two important main exercises are: 1) land related issues could be better managed through reviewing the SOP to introduce better measures in areas that include, but are not limited to, land valuation, consistency and sharing of information and systemizing the role of the local community committees and maximizing the role of the WSCs in overseeing the process, 2) on the social assessment front, the quality of the assessment could be strengthened further to include more concise baseline, better documentation for the consultation process, better integration for women in the consultation process and ensuring that the stakeholders feedback obtained in the consultation are informing, to the best possible, the design of the projects. It should be noted that the institutional assessment for the 3 new WSCs under the AF clearly showed that the capacity for managing land acquisition and carrying out social assessment by the related department (e.g., the community engagement and awareness raising departments or by the RSUs in the projects where ISSIP has been implemented) is very low because their engagement is those aspects (which is largely managed by NOPWASD and the HCWW) is very limited.

Citizen Engagement and Gender:

The original Program introduced many activities to strengthen citizen participation in the design and implementation of the projects, but it was found that in many cases women did not participate as often or as deeply as their male counterparts. In the three WSCs, only 21 percent (278 out of 1,299) of the community committee members are female and during consultation events, only 17.2 percent of attendees were female. During focus group discussions with women in the communities, it was found that the process for forming the committees and the timing of meetings were both barriers to greater female participation. To address these gaps, further measures will be mainstreamed in the AF design and operationalized through the PAP to deepen gender dimensions of the Program by i) creating local women forums at the cluster level; ii) setting clear roles for the women forums and tracking their role in the design and the decision-making processes; iii) establishing databases for gender-disaggregated data to monitor gender related indicators (e.g., women beneficiaries, GRM, etc.), and iv) better scheduling meetings and consultation events to encourage greater participation by women.

Under the Program, women are not only beneficiaries of the investments, but there are also many women working within the WSCs. Under the AF, career constraints that these women face could be addressed. Based on preliminary focus groups with women in the WSCs, some of the current bottlenecks they face in advancing their careers are: lack of clear paths to promotion at the highest levels and unnecessary hiring criteria that differentially disadvantage or discourage women from applying. Given the limited data available at this stage, it is proposed to undertake additional analytical work before defining any specific possible intervention.

The progress that MHUUC and the targeted WSC under the parent Program have achieved in managing social risk and in advancing CE measure have been very positive and greatly sets a foundation for cross fertilization between the 3 WSCs of the parent Program and the new 3 WSCs under the AF. The addenda of the ESSA including the analysis of the capacity of the new WSCs, the areas for improvement of the performance of the WSCs of the parent Program as well as the developments that took place on the macro level in relation to land issues helped in putting together different measures and performance blocks in

the AF design to help in ensuring the environmental and social risk are diligently managed and to help in deepening the report related to citizens engagement and gender mainstreaming in all the 6 targeted WSCs under the Program.

Recommendations:

Measures to fulfilled before negotiations:

A retroactive review for any land plots that might have been secured for the AF investments in the 3 new WSCs is conducted. against the principles of the SOP among other factors (e.g. technical requirements). Any land plot that may result in generating any serious risk on the Program implementation and reputational risk should be excluded and/or alternative should be found. Audit results should be shared and discussed with the Bank along with a time-bound action plan with corrective actions where applicable. The list of the proposed projects should be revised based on the results of the audit.

Measures to be included as DLI

DLI 6 was achieved in the parent project and a new DLI for the signing of an inter-ministerial MOU for the implementation of an updated land SOP was added in the AF.

Measures to be included in DLIs verification

The Verification Protocol of DLI1 should include a requirement that an ESIA has been prepared for the cluster that includes the subject house connections, EEAA approvals were obtained prior to construction and contractors commitments according to ESMPs are included in construction documents. Also, the verification protocol should ensure exclusion of ineligible investments (from the environmental and social perspective) as recommended in the ESSA Addenda. This will be applied for the parent Program and the AF.

The verification protocol of DLI5 should include preparation of a Strategic Environmental and Social Assessment (SESA) as part of The National Water and Sanitation Strategy to include so that SESA recommendations will inform the sector action plans

Measures to be included in the POM

Design and implement a comprehensive capacity development and awareness raising program including cross fertilization and a peer to peer learning process to allow the 3 new WSCs to benefit from the experience of the MHUUC and the 3 WSCs of the Parent Program in the field of environmental and social management (including land related issues as well as CE and gender aspects). The capacity building program should be offered to the PMU, WSCs, LCCs and other relevant stakeholders to ensure that the recommendations are attained on timely and quality fashion.

The performance indicators of WSCs should include improving environmental management of sanitation facilities including establishment and updating of Environmental Registers reflecting good waste

management practices (indicators to include adequate tracking of waste management practices and response to environmental complains such as odor control measures).

The performance indicators of WSCs should include improving OHS conditions within the sanitation assets including WWTPs, PSs and maintenance of networks. OHS departments of WSCs should carry out OHS audits (by WSC OHS staff of third party consultants) to ensure consistent improvement of OHS conditions across the WSCs (indicators to include number of OHS audits undertaken, number of addressed comments in the following audit and recording of incidents and near misses).

Strengthening EWRA capacity to include environmental and social capacity building to add environmental and citizen engagement indicators to their M&E activities (environmental indicators to be added to the M&E system, state of the sector reports, and APAs as indicated above)

Citizen Engagement and Social Assessment Systems to be institutionalized in the targeted WSCs. This would be achieved through the preparation of Community Engagement Guidelines to be updated to strengthen the quality and ensure that critical issues related to the SIA (like community health and safety, labor protection, land, labor influx and GRM requirements are well covered and that systems are in place to integrate them in the bidding documents) are in place along with all the other aspects related to CE and gender. This should be completed in 3 months of the AF effectiveness

The POM of the entire Program, the parent and the AF, will be updated by the effectiveness of the AF to include the above measures.

Measures to be included in the PAP

Ensure the appropriate number and qualifications of staffing is assigned for the environmental and social management (including land related issues as well as CE and gender aspects) on the level of the 3 new WSCs under the AF. (within the original PAP)

Set monitoring system for the ESMPs and operationalize in all the WSCs of the Program. The monitoring system should include conducting certain audits (by PMU/PIUs or by a third party consultant) to make sure that ESMP measures are implemented on ground (within the original PAP)

OHS measures during construction should be strengthened through adopting an OHS plan for each construction site that includes risk assessment, mitigation, communication, training, emergency response and incident reporting. Those OHS plans should be supervised by qualified H&S experts at each construction site. Such requirements should be included in the construction contracts and the contracts with the supervising engineers. (New measure – this would be included in an updated PAP that includes both the parent Program and the AF)

Develop a plan to operationalize a system for enhancing accountability and information sharing in the Program , through: 1) Strengthening the role of the Local Community Committees (LCC), 2) Introduce, pilot and scale up community monitoring and beneficiary feedback, 3) Develop and operationalize the WSC-level information sharing and disclosure protocol: Set systems for disclosing the project fact sheets, GRM systems, CRC results, etc. on the level of the 6 WSCs. (New measure and more information about

the scope of the PAP are included in the ESSA addenda - this would be included in an updated PAP that includes both the parent Program and the AF)

Improve social inclusion in the Program (gender mainstreaming). This should include: 1) Increase representation of women in community committees (new and existing) formed for the Program, 2) Create and operationalize female forums, 3) Women representation to be attained in the staffing of the PIUs, 4) Strengthen the role of women in consultations and GRM.

Additional recommendations

Women in utilities: Based on the assessment done under the ESSA addenda, the following are some additional possible recommendations for improvement: 1) Revisit the HR policy, promotion procedures and relevant guidelines to include specific criteria for selecting the top management positions and assure that women and men have equal opportunities to reach management positions in the WSCs. 2) Improve the Current HR databases to generate reports, e.g., on training disaggregated by gender and career trajectories by gender, 3) Review and revise advertisement for employment opportunities, and address any discriminatory sections. Consider inclusion of explicit non-discrimination policy/language, 4) Establish training in gender mainstreaming and advocacy as an ongoing process in the WSCs. This should include orientation session about gender for some staff members, and 5) Explore possible programs targeting young staff members, e.g., through mentorship opportunities or internship programs, to provide valuable work experience to recent engineering graduates.

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1 Introduction

1.1 Background

The National Rural Sanitation Program (NRSP) was launched in 2014 with the goal of providing access to piped sewerage systems with adequate wastewater treatment for the rural population by 2037 and a development objective is to “accelerate access to rural sanitation services and to ensure sustainable service delivery”. The Government recognizes the urgency of addressing the country's sanitation challenges and, through its NRSP, aims to provide universal access (more than 45 million beneficiaries) to rural sanitation services and to reinforce a series of performance improvement measures at the Water Sanitation Company (WSC) level. The WSC improvements will be supported by national initiatives to address persistent sector challenges, such as low-cost recovery due to low tariffs and low collection efficiency (currently 67 percent, on average, for the three WSCs supported under SRSSP). Under the NRSP, the GoE plans to provide improved access to sanitation services in 4,000 unserved villages and over 27,000 satellite villages. The initial focus of the NRSP is to cover 769 ‘polluting’ villages in seven governorates that discharge untreated wastewater into surface watercourses that end up at the El Salam Canal and the Rosetta Branch Canal.

The Bank-financed Sustainable Rural Sanitation Services Program for Results (SRSSP) was effective on December 2015 to support the NRSP in 3 governorates. The financial instrument for the SRSSP is the PforR which disburse against achievement of results rather than financing inputs, and the disbursement is a done upon the achievement of a number of Disbursement Linked Indicators (DLIs). The Program Development Objectives (PDO) of the SRSSP is to strengthen institutions for increasing access and improving rural sanitation services in the three governorates of Beheira, Dakahliya, and Sharkiya in Egypt aiming at connecting 167,000 households to a working sanitation system in addition to strengthen the capacity of the sanitation sector both on the level of the 3 Water and Sanitation Companies (WSCs) and on the national level. The Program established the first 5,000 rural household sanitation connections in February 2018, and more than 67,000 design packages have been finalized and the tendering process is underway to select the contractors. These activities have been complemented by achievement of key sector reform initiatives: annual transfers of performance-based grants from MHUUC to the WSCs; preparation, approval, and the start of implementation of a new national tariff for water and sanitation services; and approval of standard operating procedures for land acquisition under NRSP. A Program Management Unit (PMU) within MHUUC has also been established.

The SRSSP is preparing an Additional Finance (AF) to help finance the expenditures associated with i) scaling up the Program to three additional governorates (Gharbiya, Menoufiya and Damietta) and their respective Water and Sanitation Companies (WSCs); ii) extending access to sanitation services to an additional 183,333 households; iii) further strengthening the sector's institutions, especially the Egyptian Water Regulatory Agency (EWRA), and policy framework; and iv) introducing an Investment Project Financing (IPF) component for Technical Assistance on strategic sector issues. The AF will extend the Program closing date by 18 months to December 30, 2023. There are no significant changes to the original government program.

1.2 Objectives of the ESSA Addenda

An Environmental and Social System Assessment (ESSA), has been prepared by the Bank team for the parent Program according to the requirements of the Bank's Policy for PforR financing for adequately managing the environmental and social effects of the program. The ESSA aimed at reviewing the capacity of existing government systems to plan and implement effective measures for environmental and social impact management and to determine if any measures would be required to strengthen them. The specific objectives of the ESSA were to:

- Identify potential environmental and social benefits, risks, and impacts applicable to the program interventions.
- Review the policy and legal framework related to the management of environmental and social impacts of the program interventions.
- Assess the institutional capacity of the environmental and social management system within the program system.
- Assess the program's system performance with respect to the core principals of the PforR instrument and identify gaps.
- Describe actions to be taken to fill the gaps that will input to the PAP
- Describe the consultation process for the preparation and implementation of the program.

This document is an Addenda for the ESSA and is aiming at addressing the environmental and social related to the AF. In doing so, this addenda has:

- Assessed the progress so far in the implementation measures recommended in the ESSA
- Identified the risks, impacts and benefits in light of the boundary extensions of Program
- Identified relevant legislative and procedural changes since the preparation of the ESSA in 2015
- Identified the systems, procedures and capacities of the AF WSCs in managing the environmental and social risks
- Recommended measures to further strengthen the environmental and social system

1.3 Methodology of the ESSA Addenda

The preparation of the Addenda involved a series of interviews, field visits and consultation activities that targeted a wide range of stakeholders related to the sanitation sector. In addition to the consultation with the WSCs — which took place in Cairo and in the concerned governorates — a number of consultations were arranged with local stakeholders including community members, in the villages where the AF is going to be implemented and in villages that were previously engaged in sanitation projects.

Environmental assessment for parent and phase 2 companies was conducted via semi-structured interviews with representatives from the relevant departments (Annex 5 includes the list of attendees of the meetings held). The interviews covered key topics including:

- Sampling frequency for effluent and influent.
- Laboratories equipment and capacity
- Effluent quality exceedance history
- Governmental monitoring and inspection
- Existing training programme
- Solid waste management
- Sludge Management
- Occupational Health and Safety:
- ESIA Preparation
- Environmental Register preparation
- Contractors/tender evaluation criteria

The discussions and responses were recorded during the sessions and confirmed with participants at the end of each session. A number of documents was also spot-checked in order to validate the interviews' findings.

For the parent companies, the environmental team has conducted site visits to the sites where construction has started. Two sites were selected: the construction site for the main pump station of Gezerat Motaweh and a nearby site where gravity sewers are being installed (at a distance of approximately 2 km from the main pump station site). Information gathering and evidence collection during the site visits were based on semi-structured interviews with the contractor's and the supervision consultant's team. The findings were documented and were complemented by photo evidence where possible.

The Bank social team conducted a rapid social assessment that took place in August-September 2017, the team has been engaged since then in intense rounds of consultations sessions and workshops with concerned departments and related stakeholders that helped in the preparation of this ESSA. These consultation activities covered the 6 SRSSP governorates: the 3 governorates for the parent Program (Dakahliya, Sharkiya and Beheira), and the 3 new governorates of the AF (Damietta, Gharbiya and Menofiya).

In Cairo a workshop was held for the social and CMS team from the three WSCs for the parent Program to discuss their progress and understand the main challenges and lessons learned for applying the CE and GRM related systems and guidelines. At the WSCs level, meetings were held with chairmen, RSUs, and environmental and social management counterparts as follows:

- WSCs Chairmen;
- The Public Relations and the Awareness Raising Department;
- Citizen/Community Engagement Department;
- Customer Service Department;
- Customer Services Centers;
- The Properties Department;

- The Citizens' Service and Hotline Department;
- Selected women from the AF WSCs;
- Sanitation Sector;

Total of around 42 staff from the AF WSCs were consulted during the rapid social assessment and more than 85 from the six WSCs during the preparation of ESSA in January and February visits. Discussions and information collected about:

- The social and citizen engagements current practices and system, resources, and mechanisms for acquiring land, community engagement, handling grievance and complaints, and women in utilities for the AF WSCs;
- Capacities of the 3 new WSCs and institutional setup for social and citizen engagement;
- Previous experience of the WSCs from implementing projects of international funding agencies (ISSIP and ISSIP2 World Bank projects in Gharbiya and Menoufya, and IWSP EU project in Damietta);
- The progress of CE and social related issues since the effectiveness of the SRSSP as described in the Legal Covenant and PIAP;
- Gender in utilities and related HR policy and procedures; and
- The shortfalls in the existing systems.

Consultation activities were also extended to a number of field visits to villages that were selected by the new WSCs to be served by the SRSSP to assess their readiness and willingness to participate in this new phase of SRSSP, as well as to understand their perspectives about current social systems implemented by the three companies. A total number of 27 villagers were consulted during these visits - Annex 3 includes some photo log of the consultations.

Table 1: Summary of meetings, FGD and consultations sessions with stakeholders

Date	Purpose and Description	Targeted participants of consultation	Participants (number)	# of Women	Location(s)
August 24, 2017	Consultation for the social pre-assessment preparation with Gharbiya	WSC	16	4	WSC
September 13, 2017	Consultation for the social pre-assessment preparation with Damietta	WSC	14	6	WSC
September 14, 2017	Consultation for the social pre-assessment preparation with Menoufya	WSC	12	5	WSC
February	Consultation for the	WSC	25	6	WSC

14- 15, 2018	ESSA preparation with Menoufya				
	Focus group Discussion with Women in Menoufya	WSC	9	9	WSC
	Consultation for the ESSA preparation with local communities in Menoufya	Village-level stakeholders, including local communities and women	9	3	Tala – Bemem village
February 27, 2018	Consultation for the ESSA preparation with Gharbiya	WSC	15	6	WSC
	Focus group Discussion with Women in Gharbiya	WSC selected women	10	10	WSC
March 1, 2018	Consultation for the ESSA preparation with Damietta	WSC	24	12	WSC
	Focus group Discussion with Women in Damietta	WSC selected women	12	12	WSC
	Consultation for the ESSA preparation with local communities in Damietta	Village-level stakeholders, including local communities and women	13	4	Abou Greda Village
	Consultation for the ESSA preparation with local communities in Damietta	Village-level stakeholders, including local communities and women	15	6	El-Azamza Village

Further consultations are planned, with different stakeholders in the 3 new WSCs, by appraisal of the AF.

2 Program Description

The PDO Program is now to strengthen institutions and policies for increasing access and improving rural sanitation services in the Governorates of Beheira, Dakahliya, Sharkiya, Gharbiya, Damietta, and Menoufiya in the Arab Republic of Egypt.

This AF will build on the success of the original Program and will scale up to include the three additional NRSP governorates Damietta, Gharbiya, and Menoufiya. The DLIs that will be retained with revised targets include (i) DLI 1, on the establishment and functioning of new HH connections; (ii) DLI 2, on the Annual Transfer of the Performance-based Capital Grants; and (iii) DLI 3 on the Annual Performance Assessment for WSCs and WSCs' achievement of APA weighted index scores. DLIs 4 and 6 on the preparation of the new national tariff structure and on the approval of the standard operating procedures for land acquisition, respectively, were fully achieved under the original Program and no further disbursements are planned. DLI 5 was partially achieved, as the PMU was established but the National Water and Sanitation Sector Strategy is still under development. In addition to the proposed changes, two new DLIs are also being proposed as part of the AF.

As the sector decentralizes and moves towards greater financing sustainability, it will be important to strengthen the Egypt Water Regulatory Agency's (EWRA) ability to efficiently regulate the WSCs. At present, ERWA lacks quality monitoring and evaluation capacity and has limited capacity to execute its mandate. Proposed DLI 7 includes a number of actions to support EWRA in addressing these challenges, specifically to i) establish and operationalize a unified monitoring and evaluation (M&E) system for tracking WSC performance, including procedures for data collection, incorporating consideration of how to ensure quality of data and ii) publication of annual reports on the performance of the 25 WSCs. These actions will help support ERWA through the larger sector reforms and help to ensure a smooth decentralization process.

The existing tariff structured, approved in 2015 (DLI 4), needs to be updated in light of recent inflation and devaluation that have affected the financial sustainability of the sector. Under the parent Program, the tariff structured was updated, and the GoE increased the national water supply tariff by 25 percent in 2015 and again by 50 percent in 2017. Sewerage fees, which are calculated as a surcharge over the water tariff, increased to 63 percent (from 57 percent). These increases show GoE's commitment to pursuing cost recovery through the tariff. To support long-term financial sustainability in the sector, under the AF, a DLI will be added for the development and approval of a financial model for developing tariff structures, based on the dual principles of cost recovery and affordability (including special consideration for pro-poor policies, subsidy targeting and other similar financing measures). The model will be applicable for all 25 governorates whose WSCs are under the HCWW (new DLI 8). A new DLI is being proposed here, because the focus has shifted from approving a new tariff (DLI 4) to approving a new model for developing future tariffs.

The current DLI 5 includes the preparation of a National Water and Sanitation Sector Strategy (NWSSS). An additional DLR 5.4 has been added here with the development of an action plan and timelines to for

implementing the NWSSS. As reflected in the restructuring of the Parent Program, under DLR 5.2, analytical studies will be undertaken to inform the NWSSS. The analytical studies will cover a range of relevant topics, including, but not limited to: institutional arrangements, legislation and regulation, capital and operational financing, strategic environmental and social assessments (including a focus on mitigation and adaptation for climate change impacts), private sector engagement in the sector, and capacity needs within the sector. The following table presents the DLIs for the parent Program and the additional finance.

Table 2: DLIs for parent Program and AF

Current/Proposed DLIs	Comment
DLI 1: Establishment and functioning of at least 350,333 new House hold (HH) connections to working sanitation systems in villages and satellites of which at least 10% of the connections are in satellites.	Revised to reflect updated target number of household connections (167,000 for the parent Program and 183,333 for the AF)
DLI 2: Annual transfer of Performance-based Capital Grants (PBCG) by MHUUC to eligible WSCs pursuant to the provisions of paragraph 6 of Section I.C of Schedule 2 to this Agreement [i.e., the SRSSP Loan Agreement]	Revised to include 3 new WSCs with updated schedule (reflecting AF implementation period)
DLI 3: Design and implementation of the Annual Performance Assessment (APA) system for the WSCs, and WSCs achievement of the required APA weighted index scores in accordance with the Program Operations Manual.	Revised to include 3 new WSCs reflecting AF implementation period and to extend the APA for an additional year in the original three WSCs
DLI 4: Preparation and approval of a new national tariff structure for water supply and sanitation services by MHUUC to allow for sustainable cost recovery.	Completed
DLI 5: Establishment of PMU and approval of a National Water and Sanitation Sector Strategy by MHUUC.	Revised to develop an action plan and timeline for the National Water and Sanitation Sector Strategy
DLI 6: Approval of Standard Operating Procedures for land acquisition under NRSP by MHUUC.	Completed A new DLI for the signing of an inter-ministerial MOU for the implementation of an updated land SOP.

Current/Proposed DLIs	Comment
DLI 7: Strengthen the national regulator's, Egyptian Water Regulatory Agency (EWRA), capacity, role, and responsibilities	New
DLI 8: Development and approval of a financial model for improved cost recovery in WSCs taking into consideration financial, economic, efficiency and affordability aspects	New

The original Program benefitted from TA support from Water and Sanitation Program (WSP) and from the second Integrated Sewerage and Sanitation Infrastructure Project (ISSIP2). Since both are closed or closing, an Investment Project Financing (IPF) component (US\$25 million) for Technical Assistance is necessary to provide high quality strategic advice and support to Government. TA under the IPF will ensure high quality outputs and consultants and a greater role for Bank technical inputs, which are important for the key areas of the proposed IPF activities. This component will support i) TA for issues of strategic importance, including the sector strategy and tariff review; ii) capacity building to the implementing entities; iii) consultants to support the PMU and EWRA in carrying out their mandates; iv) the IVA; and v) strategic studies, as necessary.

The infrastructure works for the new household connections (DLI 1) of the AF will be limited to the villages that are located within the catchment areas of Al Salam Canal and Rosetta Branch. The 3 WSCs of the AF have defined the boundaries of the AF infrastructure investments as presented in the following tables.

Table 3: Boundaries of the Program infrastructure investments in Gharbiya Governorate

No	Name of City / Village	Overall population (target year)	Treatment Plant				
			Name of treatment plant	Treatment plant status	Design capacity (1000m ³ /Day)	Actual Capacity (1000m ³ /Day)	Treatment plant required extensions (1000m ³ /day)
1	Kafr Al Shorafa Al Sharqy	7499	Shony	Existing and Assimilating	6	3	
2	Al Karsa	10680					
3	Daqran	6926	Kafr Al Zaiat	Existing and Assimilating	78	54	
4	Kafr Al Sahel	6024	Fesha Selim	Existing and needs expansions of 7000m ³ /Day	3	2	7
5	Kafr Khedr	11977					
6	Kafr Masoud	7094					
7	Kafr Al Sheikh Selim	25216					
8	Al Hadad	8833	Basioun	Existing and needs expansions of 20000m ³ /Day	20	16	20
9	Shafa W Qroun	13459					
10	Kafr Soliman	7140					
11	Heset Abar	5082					
12	Kafr Noseir	3863					
13	Kafr Al Arab	3920					
14	Kafr Al Hawashem	5243	Dalbshan	Implementation Underway	10		
15	Kafr Yaqoub	21957					
16	Kafr Al Baga	6137					
17	Mansoriat Al Frastaq	11412					
18	Kafr Hashad	12032					
19	Kafr Shmakh	6263					
20	Menshiat Soliman	14148					
21	Kafr Akhsha	10856	Akwa Al Hesa	Implementation Underway (nopwasd)	8		
22	Kafr Al Ashqar	3900					
23	Abu Al Ghar	12914					
24	Al Talbia	4005					
25	Shobra Rais	11848					
26	Qasr Baghda	19053					
27	Adshay	7580					

Table 4: Boundaries of the Program infrastructure investments in Menofiya Governorate

No	Name of City / Village	Overall population (target year)	Treatment Plant				
			Name of treatment plant	Treatment plant status	Design capacity (1000m ³ /Day)	Actual Capacity (1000m ³ /Day)	Treatment plant required extensions (1000m ³ /day)
1	Bohat Shatanouf	20,247	TALIA	Existing	10	4	5
2	Kar Abu Raqaba	4,216	Sabk alahad	Existing	10	6	5
3	Kar Qoras	12,528					
4	Qoras	12,961					
5	Manial Gewaida	7,325					
6	Shoshay	11,688					
7	Manial Dowaib	6,529	Shama W Tahway	Existing	10	6	0
8	Labisha	5,516					
9	Menshait Grais	4,884	Zawit Razeen	Existing	20	Delivered	
11	Manshiat Al Rafaey	1,382	Ganzour	Existing	10	6	
12	Kafr Ganzour	4,070					
13	Sarsamous	5,161	Al May (Shebeen Al Kom)	Existing 60 (Expansions Underway 30)	60	65	60
14	Kafr Sarsamous	2,305					
15	Dakma	6,346					
16	Kar Dekmak	3,147	Ashmoun	Existing	20	10	5
17	Abu Raqaba	13,637					
18	Kafr Al Sid	1,640	Samadoun	Existing	10	3	5
19	Abu Awaly	10,136					
20	Al Angab	6,635					
21	Kar Al Ghareeb	3,704					
22	Barasheem	3,986					
23	Kom Aiad	2,566					
24	Magria	18,037					

Table 5: Boundaries of the Program infrastructure investments in Damietta Governorate

No	Name of City / Village	Overall population (target year)	Treatment Plant				
			Name of treatment plant	Treatment plant status	Design capacity (1000m ³ /Day)	Actual Capacity (1000m ³ /Day)	Treatment plant required extensions (1000m ³ / day)
1	Taftesh Al Saro	25,000	Al Naseria	Existing and expansions proposed	2	1.75	13
2	Menshait Karam W Razouq	18,200					
3	Hagaga	16,800					
4	Al Arbain	10,500					
5	Abu Greda	8,200	Al Rahamna	Existing and expansions proposed	3	2.75	5
6	Al Azazma	5,120					
7	Ezbet Al Genday Village	5,000					
8	Al Tarha	6,000	Farskour	Existing and expansions proposed	21	11.2	11
9	Kafir Al Ghawabeen	8,200					
10	Al Khalifia	4,000					
11	Ezbet Ghorab W Al Salakhana (Affiliated to Rawda Village)	9,900					
12	Ezbet Al Shouna W Al Sonbaty (Affiliated to Al Sero Village)	6,600	Al Sero	Existing and expansions proposed	6	4.5	5
			Meet Al Kholy	Existing and expansions proposed	2	2.5	3

3 Impacts, Risks and Benefits of the AF

3.1 Screening of the AF interventions

The planned interventions of the A, as described in previous tables, have been screened for their eligibility to be financed under the PforR instrument. Except for the cluster served by Al May (Shebin El Kom/Menofiya) WWTP, all other activities are believed to be eligible for PforR finance and none of them are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people. This assessment is based on the following:

- The sanitation investments within the boundaries of the AF (illustrated in tables in the previous chapter) are relatively small scale, and are not likely to cause significant adverse impacts. The investments are limited to sanitation networks (household's connections, gravity sewers, pump stations and force mains) that will be either connected to existing WWTP (that may need capacity expansion) or a new WWTP that will be constructed to achieve DLI1. All the new WWTPs and expansions of existing ones are relatively small scale and do not exceed the maximum capacity of the WWTPs under the parent Program (less than 30,000 m³/d)
- All sanitation investments are within developed populated areas, and none of these investments will have impacts on natural habitats or sensitive environments
- The impacts of such investments are not expected to be diverse nor unprecedented. Section 4.1 of the ESSA provides analysis on this for the parent Program investments, which also applies to the AF.
- There is one existing WWTP in Kafr Al Zaiat cluster (Gharbiya Governorate) that has a design capacity of 78,000 m³/day and is currently receiving about 54,000 m³/day. The WWTP will not require any expansion for receiving discharges from the Program villages. The AF house connections will be in Daqran village with a maximum population on the target year of about 7,000 capita, which would be less than 1% of the treatment capacity of the WWTP. Therefore, the investment in sewerage networks in this cluster (Daqran village) would not be expected to have any significant impacts.

The investments in the clusters to be served by Al May WWTP in Menofya Governorate will be excluded from the PforR as the WWTP has a design capacity of 60,000 m³/day and will require an expansion of another 60,000. Such relatively large WWTP could be associated with significant impacts in terms of scale.

3.2 Environmental

The overall environmental impacts of the sanitation interventions are positive as they will lead to connecting Program beneficiaries to a working sanitation system that adequately treats sewage before discharging it to the environment. This was the conclusion of the ESSA and is also valid for the AF since the context in the 3 new WSCs is similar to the WSCs of the parent Program, as the current discharge of untreated sewage causes significant environmental and health impacts in the whole Nile Delta region. The sanitation interventions will also improve the resilience to climate change as they will help draining

precipitation during surge storms, especially that the northern Delta region suffered from heavy storms and rainfalls in fall of 2015 that led to severe health and access impacts, and this has highlighted the importance of rural sanitation to safeguard against such events in the future.

The different risks and impacts identified in the ESSA for the parent Program interventions are also relevant to the AF. The main risks/impacts are related to the handling of sludge and solid wastes separated at WWTPs and PSs, risks of discharging non-compliant effluent, risks of handling hazardous substances, risks of sewers blockage or leakage during operation, risks on structural integrity of buildings, and risks of improper handling of chance finds. All those risks are applicable to the new governorates of the AF as the context is very similar to the governorates of the parent Program. On top of that, the Occupational Health and Safety (OHS) risks, especially during construction, have emerged as substantial risks after experiencing a number of OHS incidents during construction of sanitation networks in the country including some incidents that occurred on the Bank financed IPF ISSIP2. The construction of sanitation infrastructure involves risky activities (deep trenches, confined spaces, scaffolding, work on heights ... etc.) that needs following adequate OHS measures for minimizing the risks on the workers and the neighboring communities. This has been addressed in the Addenda recommendations.

The capacities of the 3 new WSCs are very close to the capacities of the 3 WSCs of the parent Program by the time of preparing the ESSA. The main capacity gaps identified in the ESSA also applies to the new WSCs, including lack of experience in preparing or reviewing Environmental and Social Impacts Assessments (ESIAs), supervising environmental management of construction sites and WSC assets and supervising OHS aspects. However, the improvement achieved in building the capacity of WSCs of the parent Program led by the MHUUC (as will be further elaborated later) is expected to give high momentum to building the capacity of the new WSCs for addressing those gaps.

During the assessment of the AF, the 3 WSCs were visited and, as indicated in the ESSA, environmental management is carried out by the Quality Sector (addressing effluent quality aspects), Health and Safety (H&E) Sector (for OHS aspects), and Operation and Maintenance (O&M) Sector (addressing environmental aspects of WWTPs and PSs). During the assessment visits, all teams (of different departments/sectors) in the three WSCs were found to be very motivated to participate in the Program, despite the additional load which they might overtake, and they were found to have good/very good technical and managerial capacity. Some of the new companies (namely Menoufiya and Gharbiya) have gained some experience about the Bank's environmental assessment requirements, and Damietta WSC has worked with the IWSP (EU funded Project), so all three have good basis for building their capacity to manage environmental issues. In conclusion, the capacity risk of the new WSCs is believed to be manageable benefiting from improvements in the parent Program and recommendations of this Addenda.

3.3 Social

As illustrated in details, under section 4.4 of the ESSA, the implementation of the Program will result in many benefits and positive impacts on the targeted communities, including but not limited to eliminating the negative health and social impacts of the current unhygienic sewage systems that the targeted rural communities in the three Governorates are suffering from, providing the sanitation service which is very highly demanded by the poor rural communities of the targeted Governorates, help those communities

to attain economic saving on the household level as well as health and public hygiene awareness benefits. The implementation of the Program will bring special benefits for women and children who are the most negatively affected categories from the current situation. The analysis conducted under the ESSA addenda revealed that the AF will result in very similar benefits and positive social impacts like the parent Program. This returns to the fact that the nature of the targeted communities, the implementing agency as well as the planned intervention are all of very similar nature. Likewise, most of the identified social risks for the parent Program, as illustrated in details in the ESSA section 4.4.2, still apply for the projects under the AF.

The level of capacity of the 3 new WSCs under the AF falls also under the risks that could be encountered during the implementation of the AF. The overall capacity of the 3 new WSCs in managing social aspects and social risk are very close to the capacity of the 3 WSCs under the parent Program at the stage before the commencement of the Program. However, the analysis and the observations showed that the three WSCs have been/are engaged in either previous Bank or other financing institutes programs and this is suggesting reasonable a relatively better level of knowledge and familiarity about the good international practices related to social aspects. With regard to experience in managing land related issues and according to the information observed in the field and confirmed by the PMU and the WSCs, the situation varies from one WSCs to the other under the AF with Damietta WSC being the most involved in obtaining land through community and individual donations for benefit of the sanitation investment. Gharbiya has been also involved in few cases including a case of willing buyer willing seller. However, Menoufya is the least involved in land acquisition with NOPWASD and the LGUs heavily playing that role in the Governorate. In very general terms, the procedures in dealing with land donation is not done in a systematic manner and further work needs to be done on the level of the 3 new WSCs to align with the developed SOP in the 3 new WSCs.

With regard to the capacity of the new WSCs on preparing social assessments as part of the ESIA, this is also a role that has been relatively limited in the past. The HCWW contracts an external consultant or firm to prepare the ESIA with minimum involvement from the WSCs. Involvement in the ESIA preparation and capacity building on monitoring the implementation of the Social Management Plan (SMP) during the construction phase are key areas for capacity development for the WSCs.

Regarding to the GRM, the three WSCs have the Hotline Department which is in charge of receiving complaints formally at the level of the WSCs. The Department technically reports to the Director of Public Awareness, Hotline and Customers' Service at the HCWW level. The Call Centers are sufficiently staffed and are operating in 3 shifts in order to guarantee 24/7 availability to and access by citizens. Customer Service Centers (CSC) is the official mechanism at the markaz level that allows customers direct interaction with the teams of the WSCs and the branches.

With the exception of Menoufya WSCs, the project-level Grievance Redress Mechanism (GRM) for handling communities' grievances during planning, implementing and constructing of the sanitation projects is not existent. In the meantime, the various GRM channels are found to be fragmented in the three WSCs and need to be streamlined and address the needs of those living in the villages and remote areas where access to current uptake channels is limited. The existing system needs to be strengthened to make it more responsive and approachable for all sections of the population. Capacity building for the GRM teams in the three WSCs will be very important for operating the suggested improvements.

Annex 1 includes Summary of the Department in charge of citizen engagement in the new WSCs

It is worth noting that the Government managed to attain significant outcome for improving the management of the social risks and strengthening citizen engagement as part of the parent Program. Some of the attained outcomes are related to the three WSCs targeted by the parent Program (e.g. project level GRM, community engagement guidelines, Social Impact Assessment (SIA) system) and other outcomes are meant to apply to the sector on the national level (e.g. the Complaints Management System (CMS) improvements and the Land Standards Operational Procedures). As elaborated in more details in the addenda of the ESSA, outcomes will benefit the design of the new three WSCs under the AF.

4 Key Changes in the Environmental and Social System

4.1 Environmental

The ESSA of the parent Program assessed the environmental national system in terms of policies, legislation and standards in addition to the institutional capacity of different parties for effectively implementing those laws and regulations. The ESSA assessed the following aspects of the environmental system relevant to the Program:

- Environmental assessment
- Effluent standards
- Handling of Sludge
- Management of sewerage networks
- Handling of septage
- Handling of hazardous substances
- Solid waste management
- Air quality
- Noise
- Health & safety
- Natural habitats
- Cultural heritage

The ESSA concluded that the local legislations, policies, and guidelines sufficiently address the environmental and social issues associated with the program, but there were some gaps related to complying with those standards and integrating them in the procedures of the assigned bodies. The ESSA identified certain measures for bridging those gaps and the government has achieved good progress on filling those gaps as later indicated in the following chapter. Few changes occurred to the environmental system since the preparation of the original ESSA as indicated below.

4.1.1 Changes to the Environmental Assessment System

The ESSA described different laws, regulations and guidelines regulating environmental assessment of sanitation projects and the roles of different stakeholders. The conclusion was that the system was robust, and the main gap was the weak capacity of the WSCs in preparing environmental assessment instruments as this role was assigned to NOWASD in the past. For filling this gap, it was recommended to build the capacity of WSCs for carrying out this work.

The ESSA assessment of the environmental system still applies for AF except for the classification of sanitation projects that has been modified by Decree 75/2017 and the new environmental assessment classification adopted by Ministry of Environment (MoE). The new system included a new Category (Scoped B added to the original A, B and C categories – C is the highest risk). The new classification for wastewater treatment facilities (treatment and network) is shown in Table below. Under the old system,

all sanitation facilities were classified in the highest assessment category “category C”, while the new system brings some facilities down to Categories B, scoped B and even A.

Table 6: New Classification of Sanitation Facilities in the Egyptian System

Category (A)	Category (B)	Scoped EIA	Category (C)
– Compact units for sewage treatment with capacity up to 100 m ³ /day	– Dredging (Canal-banks) within one province / Metal bridge construction – sewage pumping station – Sewage treatment plants and complementary networks (capacity up to 20,000 m ³ /day) – Compact Sewage treatment units with capacity > 100 m ³ /day	– Sewage treatment plants and complementary networks (capacity >20,000 m ³ /day up to 150,000 m ³ /day)	– Sewage treatment plants and complementary networks (capacity > 150,000 m ³ /day)

The change of the classification system was accompanied with introducing certain fees to be paid when submitting EIA instruments to cover the review costs of Egyptian environmental Affairs Agency (EEAA). The fees are ranging from L.E 500 to L.E. 55,000 according to the classification of the project.

It is worth noting that the ESSA indicated that having all WWTPs classified at the highest category (as it was in the old system) was not consistent with the definition of the non-eligible activities for PforR financing¹. It was then explained that relatively small WWTPs in non-sensitive locations do not normally fall under this definition. Accordingly, the new classification in Egypt takes a step towards differentiating between large and small WWTPs in their Environmental Assessment classification.

The introduction of the new category (Scoped B) was not associated with a modification to the Environmental Impact Assessment (EIA) Guidelines of 2009, which was assessed in the original ESSA as compatible with WB environmental assessment requirements. Therefore, Scoped B EAs will still follow the 2009 Guidelines requirements for Category B projects, and the only change will be that the fees for submitting EIAs where Scoped B fees are higher.

4.1.2 Effluent Standards

The effluent standards mentioned in the ESSA, Law 48/1982, remains unchanged. The WWTPs within the scope of the AF are generally compliant with the effluent standards except in few cases where operational problems occur. As mentioned in the ESSA for the original WSCs, each WWTP in the new WSCs has a laboratory that prepares a daily report about effluent quality measuring main physical, chemical and biological parameters. It is worth noting that the verification protocol of DLI 1, for the parent Program as well as the AF, defines “working sanitation system” as connecting house connections to a WWTP that meets the requirements of Law 48/1982.

¹ Activities that are judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people

4.1.3 Handling of Sludge

The sludge management regulations, Decree 44/2000, indicated in the ESSA remains unchanged. The Decree requires that dried sludge that will be used in agriculture should be within certain chemical and biological standards. The gap mentioned in the ESSA about the WSCs do not having the capacity to comply with these requirements is also applicable to the 3 new WSCs, as the sludge is usually sold to farmers without performing lab analysis to ensure that it qualifies as an organic fertilizer.

4.1.4 Management of Sewerage Networks

The system described in the ESSA remains unchanged. Law 93/1962 is regulating the eligible connections to the sewerage system to protect the network from high-load discharges. The protection of sewerage systems from blocking and overflowing is managed through complying with the engineering codes in the design of the network and the adequate and timely maintenance. It is worth noting that the parent Program has adopted a system to improve the management of sewerage networks as part of the KPIs for DLI 3 as number of blockages in the network is measured as an improvement indicator.

4.1.5 Handling of Septage

Handling of septage is one of the gaps in the new governorates of the AF as it was for the parent Program. The Law 48/1982 does not allow for septage disposal in waterways but this could not be effectively enforced as areas not covered by a sanitation service rely on evacuating their septage by small scale contractors who discharge the septage to a canal or a drain of convenience to them. This has been recognized in the ESSA and remain unchanged for the new governorates. However, the Program, and AF, interventions are expected to address this issue by covering those areas with a “working sanitation system”. Also, the Program interventions will include handling of satellite septage as part of DLI 1 (10% of DLI 1 will be in satellites) which will introduce a model for feasibly handling septage in an environmentally sound manner.

4.1.6 Handling of Hazardous Substances

This system remains unchanged from the ESSA. Handling of hazardous materials is governed by Law 4/1994 and the handling of chlorine gas bottles is also guided by the engineering Code of WWTPs. The establishing and updating of Environmental Register, including keeping records of hazardous substances and their handling procedures as required by Law 4/1994, is a weakness that was identified in the parent Program and is also a weakness in the 3 new WSCs. There has been a good progress in addressing this weakness for the WSCs of the parent Program, as indicated later in the following Chapter, and this improvement is expected to be done with a higher pace for the new WSCs benefiting from the momentum.

4.1.7 Solid Waste Management

The disposal of solid waste generated in PSs and WWTPs should follow the requirements of Law 4/1994 and Law 38/1967 which are unchanged since the preparation of the ESSA. The compliance with such laws was a gap identified by the ESSA, and the parent Program achieved good improvement on this aspect by

activation of the Environmental Register system in which waste handling procedures are tracked including the disposal location ensuring that it is a licensed location. This gap is also identified for the 3 new WSCs, however, it was noted that some WWTPs in those WSCs usually make sure that generated solid waste is sent to licensed landfills.

4.1.8 Health and Safety

The health and safety law, Law 12/2003, indicated in the ESSA is still effective without change. Also, the gaps identified in the ESSA, low capacity of Health and Safety (H&S) Departments and low compliance of construction contractors, are applicable to the new WSCs. As mentioned earlier, the OHS risks are rated higher than the ESSA (was moderate in the ESSA and became substantial in the Addenda) and, hence, more focus has been directed in the recommendations to minimize those risks.

4.1.9 Cultural Heritage

The system for protecting cultural heritage (Law 117/1983) and the procedures taken by different entities, was found adequate in the ESSA, and that remains unchanged for the new governorates.

4.2 Social

4.2.1 Background about the Social Legislative Aspects related to the Program and the AF

As illustrated in detail in the Environmental and Social Systems Assessment (ESSA) which was prepared in July 2015, the country system in Egypt entails number of legislations and procedures related to land acquisition. Section 3.1.13 of the ESSA on "Land Tenure and Related Laws to Land Expropriation in Egypt" specifies in detail the below:

- There are three main forms of land ownership in Egypt: state land, private land, and waqf land (land held as a trust/endowment for religious or charitable purposes). Article 33 of the 2014 Constitution provides that "the State shall protect ownership with its three types: the public, the private, and the cooperative." According to the Constitution (Article 63), "all types of involuntary relocation using force or excessive violence is banned and whoever violating this Article will be brought to court."
- Law 10/1990 concerning the expropriation of ownership for public interest was issued to regulate the cases where private land is needed for public interest projects. The term 'public interest' in the context of expropriation has been defined in Article 2 of Law 10/1990. Water supply and sewage projects are among the projects identified by this Article. This Law (10/1990) has described the expropriation procedures starting with a declaration of public interest pursuant to a Presidential Decree accompanied with a memorandum on the required project and a complete plan for the project and its buildings. The decree and the accompanying memorandum must be published in the official

gazette. A copy for the public is placed in the main offices of the concerned Local Government Units (LGUs). A number of operational steps take place afterwards until the land is acquired.

- At the central level, the governmental agency in charge of the implementation of the expropriation acts issued for public interest is the Egyptian General Authority for Land Survey (ESA), except for projects handled by other entities pursuant to a law to be issued in this respect. As mentioned above, the ESA is charged with the formation of the expropriation and compensation committees. Usually, the executing body could be other ministries or the governorates. This executing agency would be responsible for paying the compensation to affected groups through the ESA or under its supervision, offering alternative resettlement options, and implementing the resettlement project. At the local level, several local departments and directorates should be involved in the resettlement program depending on the type of program to be implemented and the nature of land ownership.
- The ESSA also highlighted the fact that the national requirements for the social assessment comes under the environmental guidelines, that the requirements are generally weak and that the common practice used to overlook the social aspects of the ESAs.

4.2.2 Key Legislative and Procedural Changes in the Country System in relation to Land Acquisition

During the course of time between preparing the ESSA in July 2015 and preparing this addenda as part of the AF in March 2018, number of developments took place on the level of how land is being handled on the national level in Egypt and also on how land is being acquired for the sanitation projects under the SRSSP and the NRSP. The following sections of the addenda, present briefly those key developments:

4.2.2.1 Progress in Dealing with the Illegal Uses on State-owned Land

Since the January 25 Revolution in 2011, the size of illegal seizures and encroachments over State-owned land in Egypt has grown significantly and reached to alarming volumes. The figures in this regard vary from one source to the another. As per a Statement from the Ministry of Agriculture and Land Reclamation (MALR), the size of encroachments on state owned land in Egypt was mentioned to reach 22,503 feddans, since the January 25, 2011 until December 3, 2017². This represents 45,168 cases of encroachers, from which 34,507 encroachment cases are on the Nile right of way. In the meantime, some media sources have been communicating even larger figures of encroachments. This massive encroachment is widely perceived by the Government and communicated to the public as a negative sign that happened during time of turbulence in the country when the control of the State was weak. It is also widely perceived to be a sign of unfairness because the encroached land should be utilized in national projects that would be beneficial to the public rather than being left to individuals to benefit from. The government started to

² <http://www.agri2day.com/2017/12/11/%D8%A3%D8%AE%D8%B7%D8%B1-%D8%AA%D9%82%D8%B1%D9%8A%D8%B1-%D8%B9%D9%86-%D8%A7%D9%84%D8%AA%D8%B9%D8%AF%D9%8A%D8%A7%D8%AA-%D8%B9%D9%84%D9%8A-%D8%A7%D9%85%D9%84%D8%A7%D9%83-%D8%A7%D9%84%D8%AF%D9%88%D9%84/>

act together to restore the land and the response of the Government started to materialize with the Presidential formulation of the Central Higher Committee for restoring state owned land in February 18, 2016. According to the Presidential decrees (Decree 378, Year 2016 and Decree 75, Year 2016), the Committee formulation and mandates were stipulated including clear clauses on the mandatory enforcement of all the recommendations of the Committee by all the concerned entities³. The Committee is headed by the Assistant of the President for the National and Strategic Projects and includes the Minister of Local Development, representatives of the Ministries of Justice, Defense and Interior, representatives of the General Intelligence, the Administrative Control and the Public Funds Investigation departments within the Ministry of Interior, the Notaries Union of Egypt and the ESA. The Central Higher Committee is tasked with retrieving seized state-owned lands as well as drafting reports on the factors that led to their seizure to propose solutions that aim at preventing future cases.

The land that has been encroached had various types of utilizations. For instance, some plots were used in cultivation, others were used for construction purposes or for investment projects. In some cases, the scale of encroachment was massive (hundreds of feddans). Land that is illegally encroached was sold or rented out, in some cases, to individuals through contracts creating another layer of illegal users who in many cases were deceived in the transaction process. In other cases, the land was not actually fully utilized but rather a concrete skeleton or a fence was just erected as a physical evidence for presence with the objective of keeping the land for future use.

As part of the Government efforts and the recommendation of the Central Higher Committee to deal with this wide and serious challenge, Law 144, 2017 “Rules and Procedures of Disposition of State Property” was issued on July 22, 2017 with the aim of regulating encroachments that took place on state-owned lands. As per the articles of this Law, the process of restoring/retrieving seizures of state-owned land has been decentralized, in some cases, with more mandates and accountability given to the Governors. In addition to the Central Higher Committee, each Governorate has now a Committee headed by the Governor and representatives from the concerned authorities. Law 144, 2017 allows the illegal user to follow one of two paths: 1) to file a legalization request to maintain the land seizure under legal and systematic conditions or 2) to hand over the state-owned land to the Government within three months (renewable for one term subject to the Prime Minister’s approval) from the date of the official disclosure of the Regulations of the Law in the Egyptian Gazette which took place in December 14, 2017⁴. The Regulations imply in Article 1 and 3 that legalization opportunities could be offered to those individuals who are “serious and committed” to continue their active use of land. This was intended for the users who are for instance cultivating the land, committed to paying the agreed upon duties to the State, etc. High-level instructions were given to the Governors that no inhibited structures nor cultivated land plots should be removed, evacuated, or demolished and that such cases should be given priority in legalization. The legalization assessment is done on technical and legal basis. Certain cases are not eligible for

³ <http://www.estrdad.gov.eg/PresidentDecision378.aspx>

⁴ <http://www.almasryalyoum.com/news/details/1232486>

legalization (e.g. cases cultivating with absence of reliable and sustainable source of water for irrigation, cases on land that belongs to the military, cases on land that is allocated for national projects⁵, etc.). In the meantime, and as per Article 5 of law 144/2017 illegal users may file a complaint against the Committee's decision, within 15 days from the date of announcing the decision on the status of their application for legalization, and the Committee should respond to the complaint within 15 days. Regarding those who will hand over the land plots that they are encroaching during the three months period, the Public Prosecution shall suspend the penalties (Article 10, Law 144/2017).

In the meantime, Article 9 of Law 144/2017 stipulates that in the cases where the Governors are heading the committees in their Governorates, a percentage of 20% of the collected funds shall be allocated for any national projects developed inside the territories of these Governorates. The decentralized mandates to the Governors, coupled by firm high-level instructions as well as incentive system resulted in very active engagement in removal of violations in the Governorates every day. Despite the Government intension to avoid any confrontations with or negative implications on citizens and despite the high-level instructions to avoid inhibited structures and/or cultivated land plots, the capacity of the actors involved in the implementation is a real challenge. Based on the information shared through various media platforms and field observations, there is no evidence that the social dimension has been systematically taken into consideration in the real acts on the ground, and accordingly it is difficult now to exclude the possibility that certain categories of affected individuals turned worse off as a result of this National Campaign.

The Government has been trying to improve the information sharing process. The website of the Central Higher Committee has a lot of useful information about the legalization requirements, activities of the Committee, related talk-shows, summary of meetings, FAQs, etc.⁶ The reporting is generally focusing on the results of the activities and is very poor when it comes to the details about how the cases were handled and if there are any implications or impacts on the individuals or families who are subject to the evacuation or the legalization process.

The above illustration suggests that the various plots of lands that are going to be acquired as part of the Program AF might have encountered similar incidents of removal of encroachments as part of the state-owned restoration National Campaign. This is attributed to the fact that the three targeted Governorates have not been any exception from the overall challenge that the country is encountering in relation to large spread of illegal encroachments. The exact figures about the size of encroachments in each of the targeted Governorate vary by source. However, it is quite known that the problem is prevailing across Governorates, although, it might be of less severity in the Delta Governorates that do not have desert adjacent. Even if removing the encroachers probably might have taken place sometime before the effectiveness of the AF, the legacy risk is still applicable since some of the removed encroachment might have resulted in negative social implications that have not been mitigated as part of the national campaign

⁵ It should be noted that the "national projects" are not clearly defined and, in most of the cases, all the projects that are currently underway in Egypt are somehow defined as national projects.

⁶ <http://www.estrdad.gov.eg/>

and under Law 144/2017. While this probably has no direct relation to the Program, the fact that some of negative social implication could have been generated from this act may bring legacy risk and reputational risk to the Program. Despite the fact that one of the key deliverables that the Government has successfully completed under the SRSSP is the Land Acquisition Standards Operations Procedures (SOP) (more details are included under section 5.6.2 below), the challenge here concerns national trends to deal with a huge challenge that the Government encountered. Those national trends are very likely stronger than the application of the SOP, particularly in the three new Governorates targeted by the AF since they are not yet fully enforcing the SOP. In the meantime, it is important to note that the SOP does not specifically discuss how to handle this new emerging issue of restoring state-owned land. The current national practices in this regard are challenging the spirit of the SOP in handling illegal users through compensation or development assistance. There is also a risk that the sections of the SOP that deal with the negative social impacts of illegal users could be somehow perceived as conflicting with the system and practices in the country and/or encouraging this type of illegal encroachments, claims and complaints.

4.2.2.2 Progress in Amending Law 10 on Land Expropriation for Public Interest Projects

There have been recently some discussions and developments on the amendments of Law 10/1990 which is the main Law in Egypt that governs the expropriation of ownership for public interest. This Law (10) was enacted to enable land acquisition for public investment projects under eminent domain principles. Under a Technical Assistance Program that the Bank worked with the Government of Egypt in, a Diagnostic Analysis for the land acquisition in Egypt showed that Law 10 has some shortcomings in its formulation and application. These shortcomings are affecting and slowing down the implementation of national projects. Certain applications of the Law also result in negative impacts on landowners and right holders due to the tendency to underestimate the value of the affected assets.

Therefore, the Law 10 amendments were formulated by a Technical Committee (formed for the purpose of the TA) composed of various related entities representing 10 different governmental organizations to ensure that the application of the Law brings fair compensation to the affected persons from the land expropriation, speed up the process of land expropriation and make it more sensitive to the subsequent social impacts. These amendments have been approved by the Parliament on February 12, 2017⁷, but the Parliament quorum on the Law amendments (since the approval of two third of the members is a requirement for the final approval of this type of law which is classified as complementary to the Constitution) was not obtained yet.

The amendments proposed are consistent with Article 35 of the Constitution which stipulates that “private properties shall be protected, and the right to inheritance thereto is secured. It is not permissible to impose guardianship thereon except in the cases defined by law and by virtue of a court judgment. Expropriation shall be allowed only in the public interest and for its benefits, and against fair compensation to be paid in advance according to the law”. The amendments discuss the compensation process and value, the process for notifying affected persons and the relevant community members

⁷ <https://www.elwatannews.com/news/details/3057697>

regarding the location of the expropriation and the date of conducting the census survey on the affected properties, as well as the process of temporary displacement. The suggested amendments should increase transparency of the process and prevent opportunistic squatters' occupation by disclosing a cut-off date.

5 Progress in the Implementation of the Environment and Social Procedures in the Parent Program

5.1 Organizational Set-up for managing the environmental and social issues

5.1.1 Environmental issues

The ESSA recommended assigning an environmental specialist for the 3 PIUs whom will be supported by an experienced environmental specialist at the PMU level. These required specialists were assigned by the Program effectiveness and started leading the environmental requirements of the Program as recommended in the ESSA. Each of the PIUs assigned an environmental specialist who has previous environmental experience especially in QC of effluent quality and process management, and some of the PIU environmental specialists have good previous experience on the environmental standards of the Bank (Beheira and Sharkiya were/are implementing ISSIP Project financed by the Bank). The PMU recruited 2 environmental specialists: one with more than 10 years' experience (as required by the ESSA) and the other is a relatively junior specialist to gain experience and to maintain institutional continuity within the PMU. Although the ESSA measures were not explicitly captured in the PAP of the parent Program, the government counterparts (PMU and 3 PIUs) were highly committed to implement all the ESSA recommendations and included them in the Program Operation Manual (POM). The environmental staff of the PMU/PIUs took the lead in preparing ESIA's for the investments and in liaising with different departments of the WSCs (Operation, Quality and H&S) to ensure adequate implementation of different ESSA measures.

Since the effectiveness of the parent Program there has been many capacity building activities to the Program counterparts. The Bank team has appointed a consultant to provide on-job-training for the PMU/PIUs to bring them on track at an early stage of the Program and giving more priority to environmental requirements that are on the critical path (such as timely preparation of ESIA's) so that the system will be improved gradually according to the need. The Bank team also organized a number of capacity building workshops (in Egypt and abroad) that focused on activating the national environmental system (more details about this are in the following sections). As the Program implementation progressed, the PMU took over the capacity building of relevant departments of the WSCs on different aspects, such as preparation of Environmental Registers (as required by the Law) and improving OHS conditions within the WSC assets.

The PMU/PIUs have also benefited from the recruitment of the PMCF and ISCs in supporting the preparation of ESIA's and supervising contractors respectively.

5.1.2 Social issues

To ensure efficient implementation for the social aspects under the parent Program including diligent management for social risk and citizen engagement requirements, the parent Program legal covenant as well as the recommendations of the ESSA stipulated the need for hiring qualified staff on both the central

and the local level to deal with the various social requirements of the Program. MHUUC has staffed the Program Management Unit (PMU) on the level of the Ministry with a qualified senior social specialist and the Program Implementation Units (PIUs) on the level of the WSCs also hired social officers to fulfill all the social risk management and citizen engagement tasks.

5.1.2.1 A Step Towards Institutionalization of Citizen Engagement within the Sector

As indicated in the PAD and the ESSA of the parent Program, the departments in charge of managing social related issues were historically fragmented at the level of the WSCs, as well as at the HCWW. Since 2016, after launching the SRSSP and with support from the HCWW, MHUUC and the Bank team, more attention and resources were allocated to departments focusing on social issues. The MHUUC and the three WSCs of the parent Program recognized the importance of Citizen Engagement (CE) activities and the need to enhance them. As a result, the organizational set up and inter-agency relations were enhanced. Since 2016, the progress could be summarized in the following:

The High-level Citizen Engagement Committee was established in 2016. Its role of the Committee is to recommend policies and strategic initiatives related to citizen engagement, receive and address unresolved project-related complaints and grievances, and monitor progress of grievance redress implementation. Resolution No. 608 of 2016, issued by the MHUUC, formally established the Committee (see Annex 2 for English translation). The committee is composed by representatives from the MHUUC, Ministry of Local Development, governors of the three governorates, and chaired by the Senior Undersecretary of the MHUUC, the Supervisor of the Minister's Office and the Head of the Program Management Unit (PMU), Legal representatives as well other representatives to be called for if/as needed. The inter-sectorial composition is to enhance coordination efforts and ensure efficiency if challenges arise during implementation at the different administrative levels (e.g. concerning land acquisition). It also outlines the functions of the Committee.

Establishment of the committee – which goes beyond the originally defined Program scope – reflects the level of commitment by the Government of Egypt to addressing citizen engagement and the grievance redress process, in particular. Both are seen as a means of strengthening public administration, improving public relations, and enhancing accountability and transparency.

5.1.2.2 Department in charge of Citizen Engagement

The MHUUC, HCWW and WSCs are collaborating to ensure that the required departments related to CE at the MHUUC/HCWW, WSCs, and branch/district levels are mobilized to work as one institution for planning, monitoring, and implementation of citizen engagement activities. The assigned social team in the WSCs involved in the Program is assisted, supported and guided by a whole range of other units/institutions, including, the MHUUC, Public Awareness department, Properties department, Legal department, Hotline and Citizens Services department, IT department, etc. This support was observed for instance in the development of the Citizen Engagement Guidelines which were developed with full cooperation of the Community Engagement, Awareness, Hotline, and Customer services departments within the WSCs, as each department is responsible for activities that target engaging the local communities within the department specific mandates. Their involvement in the process ensures that

they will have a clear role during preparation and implementation of the Program, and will guarantee the sustainability and institutionalization of these activities.

The support to the institutionalization of the citizen engagement initiatives within the WSCs also resulted in the establishment of a Community Engagement Department in all WSCs across the country. This decision took place when the top management of the HCWW realized the importance of creating such department, especially in the WSCs where there are ongoing projects/programs funded by the World Bank and UNICEF. The establishment of the department was done through Resolution No --. (Annex 3), issued in 2016 by the Chairman of the HCWW. The Resolution also outlines the roles and mandates of this Department. On July 18, 2016, the HCWW sent an official letter to the 25 WSCs to establish this Department within their current organizational structure, as well as to communicate the roles and responsibilities of this Department. Box 1 includes a summary of the roles and responsibilities. This Department will be technically reporting to the Department of Public Awareness, Hotline and Customers' Service at the HCWW level.

As a result of the Resolution, most of the 25 WSCs have established this unit. Currently, there are 13 staff members employed in these departments in Dakahliya, Beheira and Sharkiya WSCs. The Community Engagement Departments within the new WSCs under the AF liaise with Non-Governmental Organizations (NGOs) and grassroots organizations on diverse issues (including land related issues) and complement the Awareness/Public Relations departments. Both departments use a communication strategy that targets public leaders (such as the head of the village, religious leaders and/or women leaders) in communities. Both land donation and Grievance Redress Mechanism (GRM) are also handled by these units. The establishment of these units will encourage the WSCs, especially those who are responsible of construction projects to engage with communities earlier in the project cycle to proactively address the projects/construction relate risks such as delays in land acquisition, community members blocking construction works, and unwillingness to pay connection fees.

In parallel, through the same Resolution, an equivalent unit was established in the HCWW, under the General Department of Public Awareness, Hotline and Customers' Service. The HCWW unit is responsible for technical supervision and monitoring all Community Engagement Departments in the 25 WSCs.

By integrating the Citizen Engagement departments into the larger institutional framework, social issues are better prioritized and the sustainability of these departments improve.

Box 1: Community Engagement Department's mandate and terms of reference

For water and sanitation services, the summary of the role and responsibilities for the Community Engagement Department is as follows:

- Mobilize local community members and active Community Development Associations (CDAs) to engage and support project activities;
- Support the land acquisition process and facilitate the community donation process;
- Support on assisting interested communities to submit a request for assistance for decentralized systems and to assess the likelihood of the project's success in a given community;
- Sensitize communities on the benefits of rural sanitation infrastructures that are implemented by projects and adopt improved hygiene practices;
- Contribute to the development of a project-level GRM and implementation of it to allow community members to file complaints if needed;
- Harmonize the proposed GRM with the current hotline in the WSCs and HCWW;
- Facilitate communication between local communities, NGOs and WSCs;
- Coordinate community development/communication activities at the field level;
- Conduct social participatory planning meetings covering technical and financial issues to enhance awareness;
- Assist in organizing and managing village level meetings and consultations;
- List and evaluate the NGOs and CDAs involved with the WSCs and select the most active ones to coordinate with them during the implementation of the program;
- Coordinate activities with selected NGOs, prepare and sign related agreements and protocols;
- Prepare required reports and submit to related entities.

5.2 Progress in Implementing the Environmental and Social Assessment System

As mentioned earlier, environmental and social planning for the rural sanitation sector, including preparing the ESIA, used to be the responsibility of NOPWASD as it used to be mandated with the capital investments. With the introduction of the parent Program and as part of the reform of the sector, the responsibility of the capital investments and the implementation of the sanitation projects have been shifted to the 3 WSCs under the SRSSP. The capacity within the WSCs for carrying out or administering the preparation of the ESIA by consultants used to be one of the challenges that have been identified as part of the ESSA. In the governorates where the ISSIP 1 and ISSIP 2 were implemented (Sharkiya and Beheira under the Parent Project and Gharbiya and Menoufya under the AF), the preparation of the ESIA was headed by the HCWW and the involvement of the WSCs was mainly during the implementation and follow-up of the Environmental and Social Management Plan (ESMP) measures.

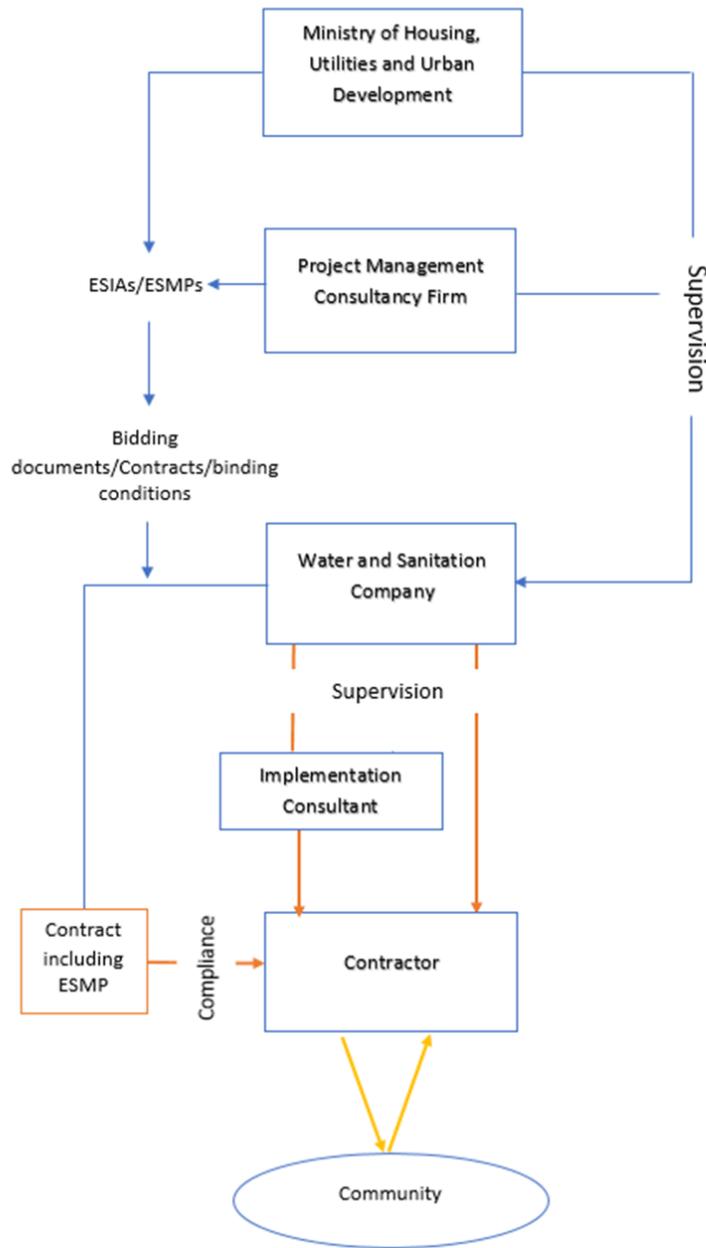
The Program has achieved obvious progress in integrating the ESIA system in the planning process of the sanitation investments. ESIA, as required by the national system and as stipulated in the various Program documents (including the POM) are generally being prepared on timely fashion and submitted to the EEAA for approvals prior to the commencement of civil works on the ground. The ESMP as part of the ESIA is included in bidding documents after obtaining EEAA approval and in the contractors' contracts.

Consultations are done at various stages of the ESIA preparation and, in several cases, the consultations results influenced decisions related to the project design (e.g. the case of Berigat in Beheira). The WSCs are maintaining close monitoring for the implementation of the ESIA and summary of the monitoring results are submitted to the Bank as part of the biannual report.

A chart of accountabilities in relation to the supervision cycle has been developed (as illustrated in the figure below) with the MHUUC and WSCs during one of the workshops. The chart indicates that the preparation of the ESMP is the responsibility of the PMU/PMCF as well as making sure that mitigation measures for each of the identified impacts are captured properly in the ESMP and are included in the bidding documents and then interpreted into contractual obligations. In the meantime, the supervision of the contractor is the sole responsibility of the WSCs with support as needed from the Implementation Supervision Consultants (ISCs) and the ultimate accountability falls on the side of the implementing WSCs. In the meantime, it was observed in the locations, where construction under the parent Program started, that the LCCs, spontaneously started to play a role in the process of monitoring the contractors and their compliance to various measures (e.g. health and safety of the community, timeline of implementation, quality of the work, etc.). The LCCs are playing an important role in linking the views of the communities in relation to the contractor's performance to the WSCs. However, this community monitoring role is not yet done systematically.

Figure 1: ESMP Roles and Responsibilities

ESMPs Roles and Responsibilities



The quality of the ESIA's have significantly improved since the effectiveness of the Program. The Bank team has carried out a spot check, in August 2017, for a sample of the prepared ESIA's for the Program interventions. This spot check took the form of desk review of some of the ESIA's and joining a number of consultations, by the Bank team, as observers. This process revealed the following strengths and improvements:

- The environmental assessment process has included meaningful analysis of alternatives, and has led, in one of the reviewed projects, to changing the design of effluent discharge due to

environmental considerations⁸. This was a clear demonstration of the benefits of carrying out environmental assessment at an early stage of planning, so that environmental mitigation measures could be accounted for in the cost/benefit analysis of different alternative.

- The reviewed environmental assessment instruments capture different environmental impacts and risks, both during construction and operation, and include correspondent mitigation measures. The mitigation measures include minimizing impacts on ambient air quality (including odors) and noise, handling procedures for sludge, minimizing impacts on soil and groundwater, handling procedures for solid and hazardous waste, handling of dewatering, protection of physical cultural resources and handling of chance finds, minimizing traffic congestions, minimizing health and safety risks and minimizing visual impacts
- Both the PMU and the PIUs under the parent Program are showing greatly growing interest and attention to the social aspects related to the project and to the measures to manage the social risk. Social aspects are becoming particularly a substantial part of ESIA's, including carrying out consultations with relevant stakeholders and affected persons. PMU and PIUs showed progress and commitment to handle the process of the public consultations very carefully and they are taking the comments of the Bank seriously.
- ESIA's prepared for the projects under the parent Program currently include important potential social risks that used to be overlooked in the past. This includes, but is not limited to, land related issues, risks related to child labor, life insurance of all the workers on the sites including both the workers with the main contractors and the sub-contractors, and the safety of the fragile structures including the weak housing units in villages. Explicit clauses against child labor are included in all contracts. The social and environmental officers of the WSCs are now responsible for supervising/monitoring the contractors' work through the ESMPs and the institutional responsibilities within the ESMPs are clearly stipulating those responsibilities. However, as there will be a number of project sites where construction works will be happening at the same time, it will be difficult for the social officers to keep up with the amount of work and accordingly additional human resources will need to be assigned.

Furthermore, the spot check revealed some areas that need further improvements in the ESA system, including:

- Improving the descriptive part of baseline environmental conditions so as to be more specific on-site conditions, rather than the regional conditions, and to identify and document any sensitivities and previous contamination on the project sites. For clusters that will be connected

⁸ In one of the projects, the cluster was located between two freshwater bodies without access to an agriculture drain. The preliminary plan was to provide advanced treatment and discharge the effluent to one of the freshwater bodies, but when the environmental assessment showed that for minimizing the environmental risks the cost of treatment will be very high and it would be cheaper to tunnel the treated effluent (under the normal treatment requirements) under one of the freshwater bodies to an agriculture drain the project design was changed accordingly

to existing WWTP, the baseline conditions should include an updated description of the performance of this WWTP as an associated facility.

- Despite of the meaningful analysis of alternatives, described above, the documentation of such process needs to be improved in the instrument. Also, the analysis of technology alternatives should be more adaptive to the project requirements and no need to include analysis of unneeded or unavailable technologies.
- Some of the WWTPs could not meet the buffer zone requirements of the Ministry of Health⁹ due to the high population density in the served villages. In such cases the PMU/PIUs are preparing a health impact assessment to ensure that no negative health impacts are envisaged for nearby communities. The required improvement is to ensure that those health impact assessments are integrated with the ESIA and their recommendations should be part of the ESMP
- Enhancing the social section of the ESIA that should comprise, but was not limited to, a need for a more focused baseline analysis to capture the specificities of the villages, including a simple stakeholder analysis, a more careful analysis for the impacts (e.g. potential damages for the housing units), examining the potential risks and tailor mitigation measures accordingly. The recommendations also included enhancement for the alternative sections to examine, among other alternatives, the land alternatives. It was also recommended that the process of acquiring land plots should be explicitly described in the ESIA. Moreover, the principles of the land SOP were suggested to be included in the “Laws, legislations and procedures” chapter.
- Consultations could be improved through: improving the timely notice and invitations of stakeholders, improving representation of women, ensuring that ESIA are disclosed on the WSCs websites, and documentation of the event by presenting how each specific comment was addressed in the ESIA and the reason for not addressing it if any of the comments has not been addressed. The outcome of consultations should not be general recommendations but rather potential measures to be addressed throughout the ESIA including the ESMPs.

It is expected the future ESIA will benefit from the above recommendations and the process will be further improved.

The social and environmental teams of the MHUUC and WSCs benefited from a training tailored to preparing and reviewing ESIA and monitoring ESMPs in January 2017. The event focused on discussing potential social and environmental negative impacts associated with land acquisition, occupational health and safety, community health and safety, temporary labor influx, sludge management, discharged wastewater and odor. Also, the environmental and social team of the PMU participated in a regional Mashreq Safeguards training organized by the Bank, which included environmental and social assessment and management of projects. Furthermore, a consultant was hired to provide hand holding and capacity building support to the MHUUC in preparing SIA. Guidelines for preparing the SIA have been prepared, yet they need further strengthening and enforcement in the application.

⁹ One of the MoH Decisions requires that a WWTP should be at least 500 meters from residential areas.

Improving the environmental and social management systems in the WSCs under the Parent Program has been a learning process that took a lot of time and effort. Despite the significant progress achieved, the capacity of the WSCs in monitoring the ESMPs in the field still needs further strengthening, as well as the size and qualification of the teams in charge.

5.3 Progress in the Environmental Management of Assets

The ESSA requirements for improving environmental management of assets included the following:

- Improving sludge management through conducting chemical/biological analysis on dried sludge to ensure it complies with the standards as an organic fertilizer before selling it to farmers. As this measure includes considerable costs and capacities to enable the WSC laboratories for conducting such analysis, the PMU/PIUs decided to outsource such analysis and to handle the sludge based on those analysis. This process has not started yet, as the focus (during an early stage of effectiveness) was to improve the environmental and social assessment system for pipeline investments. However, the PMU indicated in the latest meetings during the preparation of this Addenda that they will start this process in a progressive manner so that WWTPs that are expected to receive influent from new Program connections will be the first to implement this system before the new household connections starts operation, then other WWTPs within the Program boundaries will follow, and then this will be implemented across the 3 WSCs as it is a requirement by the national law. It is worth noting that the PMU approached a number of cement companies to investigate their interest in using dried sludge as an alternative fuel in the kilns and a good dialogue started about the desired moisture content of the sludge and how to reach this.
- Preparing and adopting O&M manual for each WWTP that includes requirements for QC of effluent (under normal and emergency conditions), reporting bypasses and adequate management of solid wastes. The PMU/PIUs will integrate those recommendations in the Environmental Register that will be prepared for each WWTP. This Environmental Register is a legal requirement by Law 4/1994, and the PMU/PIUs have distributed a template for this register and held training workshops to WWTP operators on updating those Environmental Registers in a consistent manner that will include the above ESSA recommendations. The PIUs will conduct frequent visits to WWTPs in their correspondent governorates to make sure that the environmental registers are up to date and reflecting good environmental practices.
- Maximize the environmental benefits of the Program by including PSs that are negatively discharging to drains¹⁰, without treatment, in the definition of DLI1. This has been done while developing the verification protocol and the POM. The case where negative discharging PS is connected to a working sanitation system¹¹ has not been met yet, however, it is expected that Dakahliya WSC will make benefit of this opportunity, as a low hanging fruit, and maximize their achievements on DLI 1. Simultaneously a significant environmental improvement will be achieved by protecting the receiving waters from high organic loads of untreated sewage.

¹⁰ It was indicated in the ESSA that some villages in Dakahliya were connected to PSs that are discharging the untreated sewage to drains. The ESSA recommendation was to have the households already connected to those PSs in DLI1 once those PSs were connected to a WWTP

¹¹ As indicated earlier, a working sanitation system should include sewage treatment to meet the law standards

- The minimization of clogging of private networks has been included as one of the KPIs under the Annual Performance Assessment (APA), which is part of the definition of DLI 3. This is expected to minimize flooding and clogging of sewers which is a considerable environmental benefit.

5.4 Progress in OHS Measures

Improving OHS aspects during construction and operation was one of the ESSA recommendations. During an early stage of the Program implementation a fatal accident occurred on the Bank financed IPF ISSIP2 where a worker died due to an OHS failure in one of the sanitation trenches. After this accident ISSIP2 has developed an improved OHS system for all its construction sites including risk assessment for each construction activity, mitigation measures for those risks, training requirements for workers, providing accredited OHS supervisors at each construction site, ensuring that workers are covered by an adequate insurance contract and documenting those procedures and keeping records of accidents and near misses. The PMU of the Program took advantage of this and included those requirements in the bidding documents of construction works and started implementing them in ongoing contracts. The Bank team visited some of the active construction sites in Sharkiya and Dakahliya during the preparation of this Addenda, and the OHS measures at those sites were found to be reasonable.

For the OHS measures of existing assets little improvement has been achieved so far. However, during the preparation of this Addenda, the PMU indicated that the staff of H&S department of WSCs will accompany the PIUs in the visits conducted to update the Environmental Registers and conduct an OHS review of the WWTPs and propose measures to minimize risks. This review will be an ongoing process so that OHS standards would be closely monitored.

5.5 Progress on Environmental Recommendations on the National Level

The ESSA recommended two main measures on the national level: 1) the new code for rural sanitation should account for shock loads considering the rural context, and 2) the PMU should be prepared for possible modifications of Law 48/1982 so as to keep WWTPs in compliance¹². Both recommendations will now be addressed in the new National Water Supply and Sanitation Strategy (NWSSS) under DLI 5. Along with the preparation of the NWSSS a Strategic Environmental and Social Assessment (SESA) will be prepared and will address the rural sanitation environmental aspects and the balance between having more stringent effluent standards and the expected strategic environmental benefits from applying those standards¹³.

5.6 Land Acquisition in the Program

5.6.1 Background

Similar to the Parent Program, this AF will also entail a need for acquiring land for the construction of PSs

¹² During the preparation of the ESSA there were some conversations that Law 48/1982 may be modified to be more stringent, so that would have affected the investments within the Program. However, this did not happen.

¹³ Sometimes more stringent standards do not result in better environmental results as if the bar is suddenly set too high the some WWTP operators will be less motivated, or capable, to improve their effluent quality

and WWTPs. As mentioned previously in the ESSA, priority is usually given to obtaining state-owned land as an avoidance strategy to prevent negative resettlement and/or livelihoods impacts on population. In case of unavailability of state-owned land, there are four other approaches to obtain the land for PSs and the WWTPs, including (a) voluntary land donation, (b) community contribution, which is a common approach for obtaining land for a PS, (c) willing buyer-willing seller and (d) acquiring land by using eminent domain. Each of those approaches have been examined carefully in the ESSA of the Parent Program including all the risk associated to each of those approaches (see sections 3.1.13. and 4.4.2. of the ESSA).

5.6.2 Land SOP as part of the Parent Program

To deal systematically with the risks related to land, the design of the Program included a DLI that was designed to tackle the land related issues and challenges. DLI 6 stipulated the Approval of Standard Operating Procedures (SOP) for Land Acquisition under NRSP by MHUUC. This DLI which has been fulfilled in the second year of implementation comes under result area 3 (see section 2.2.3 of the ESSA). The SOP aims to harmonize Egyptian requirements with international best practices and to include clear sequences for reviews and approvals as well as to improve the overall basis for implementation of investments in the sector overall. This DLI (6) has been timely fulfilled by the MHUUC, and the SOP for land acquisition has been approved through a Ministerial Decree No. 613/2017 that was issued on June 28, 2017 (Annex 4). The SOP is currently fully functioning in the three governorates of the Parent Program and is meant to help the WSCs in ensuring a more efficient and equitable process for securing land including enhanced consultation and engagement with impacted communities and more transparent steps in managing donation. The SOP focuses on the impacts and risks related to land acquisition, the legal framework, the criteria for selecting private land plots for pumping stations and treatment facilities including the key principles, roles and responsibilities and time schedule for acquiring land using different approaches. The SOP help in having streamlined and unified procedures among the WSCs involved in the implementation.

5.6.3 Progress in Land Acquisition as part of the Parent Program

In the meantime, and since the preparation of the ESSA in July 2015, MHUUC and WSCs have gained experience in handling land related issues. As of December 2017, about 84 plots of land from the 87 required land plots for PSs and WWTPs for the mother villages of the Parent Program were secured and 34 plots of land from the 35 required land plots for PSs of the satellite villages were secured. Under the Parent Program, the plots of land were secured either by applying the SOP for Land Acquisition or by applying the interim arrangements that were agreed upon until the SOP were finalized and fully functioning.

As part of the Program contributions to enhance the national system, the SOP is meant to be adopted on the national level for the sanitation sector. Such operating procedures should help in ensure timely implementation while also managing the potential social risks that may arise from the land acquisition process through following a transparent approach. Adopting the SOP by the Government is considered a major shift by moving from the legal and technical nature that used to frame the management of land related issues to a greater level of acknowledgment for the social dimension related to land acquisition. These are important advancements in shifting the existing status quo.

5.6.3.1 The Process of the Land SOP Preparation and the Interim Arrangement

Prior to the preparation of the land SOP, as per the DLI (6), and in the interim period, MHUUC transitionally and proactively agreed with the Bank upon interim arrangements for acquiring land to make sure that the process is following the principles of OP9.00 and to avoid any delays in the land acquisition until the SOP preparation is finalized. The interim arrangements included a land acquisition checklist/template which was developed, updated and validated during a workshop in May 2016 amongst the MHUUC, the WSCs and the Bank team. Since August 2016, the three WSCs started using the checklist on all land plots that have been acquired until the SOP was effective in June 2017.

The SOP preparation entailed a very engaging participatory process between the MHUUC and other relevant stakeholders, including the relevant WSCs staff and department (e.g. legal and properties department) as well as the concerned line ministries. As part of the process, the WSC of Dakahliya worked closely with the MHUUC to review and adopt the simplified business model that the former was trying to establish for the land acquisition. The legal team of the MHUUC reviewed the SOP and the legality of the forms and templates that are included in the SOP. After finalizing the draft SOP, MHUUC conducted consultations with all concerned entities to get their comments and approval.

In addition to the SOP, and for ensuring effective streamline of the procedures, MHUUC, as part of the Parent Program, will issue a Memorandum of Understanding (MoU) to relevant line ministers as well as concerned governorates and LGUs to mainstream the land acquisition process, and assign the relevant teams and build their capacities. The dialogue for the preparation of the MoU between the relevant ministries and entities in charge of provision of the land approvals has been initiated to ease the issuance of the MoU. This MoU will work as an umbrella agreement to set forth the cooperation among the various entities to ensure securing approvals on a fast track basis and work to prevent any potential delays in the process of land acquisition. The MoU stipulates any required measures to be taken (for example, establishing a higher committee or governorate-level committee) to ensure close coordination for timely delivery. Currently, the MoU has been prepared and consulted on with the concerned entities. MHUUC is in the process of sending it to the concerned ministries to obtain the final signatures.

The application of the SOP involved a learning process. It was agreed that a logbook will be created at each of the WSCs to record the issues that are encountered as part of the application of the SOP. The logbook approach which has been adopted after the Land SOP training in September 2017 should help the Program in keeping records of new practices, inconsistencies and potential challenges that could emerge during its implementation. A proposal would be to share the records on monthly basis with MHUUC. Those would be checked to understand if the SOP is covering them and take accordingly decisions whether the SOP needs to be updated or not. MHUUC should decide on a proposed protocol for that and share with the Bank before including it in the updated SOP.

5.6.4 Practices related to the SOP Application

Given the multi organizational nature of dealing with land related issues, number of positive collaborative practices have been followed by MHUUC and the WSCs to ensure that the process of obtaining land is done in the smoothest way possible. Among the important practices:

- Beyond the close collaboration between the MHUUC and the WSCs, the former established a Steering Committee at the ministerial level that is mandated with, among other mandates, handling land related issues.
- MHUUC and WSCs are maintaining very close collaboration with the three Governors of the governorates and their affiliates LGUs, being the key local authorities in charge of dealing with land issues in their Governorate/villages
- Land committees were formed with representation from the ministries of Health, Environment, Agriculture and Housing at the Governorate level to facilitate and accelerate the land acquisition approvals and process.
- Among the mandates of the Local Community Committees (LCCs) at the villages level, as elaborated in more details under section 5.7.3, is the coordination with the community members in regard to land donation issues, helping in the information sharing and ensuring that the process is following the transparency requirements as per the SOP. In number of cases, their role seemed fundamental to move the process of obtaining land forward including handling the contributions from the villagers and obtaining the needed approvals from the different Ministries.

In the meantime, the field observations showed that voluntary land donation and community contribution are the most commonly used approaches for securing land. To ensure compliance with the good practices related to the transparency of the process, the following key practices should be highlighted:

- There has always been obvious commitment from the MHUUC and the WSCs towards asserting the voluntary nature of the land donation process. This was also done by documenting clearly the land alternatives and ensuring that the donated land was not a single option that the Program had to acquire. WSCs also updated the donation contract to include a clause ensuring the voluntary nature of donation, and a clause to ensure the right of the donor to restore land in case the project is not implemented. Systems were also designed to ensure that every contributor to the value of the land is getting a receipt.
- Additionally, the MHUUC supported the WSCs in developing a land acquisition database, including key information related to land transactions, approaches followed (e.g. willing buyer willing seller), affected people, approvals, compensation offered, LCCs involved and consultations conducted.
- A poverty-sensitive focus was also observed in number of villages, where the poor households were exempted from their share in the land contribution and this was substituted by the better off families.
- Field visits showed that the WSCs' social officers were involved in all land processes that were managed by the community or by the LCCs. The WSCs kept excellent communication to exchange any issues related to the land donation or the land acquisition process with the Senior Social

Specialist of the MHUUC who is also heavily involved and is on top of the various cases.

- On disclosing information, in very general terms, information is being shared through various channels and tools as explained below in section on the Community Engagement.

5.6.5 Capacity Building Activities related to land and current level of capacity

Improving the systems and the practices related to land acquisition as part of the Parent Program entailed a very proactive hands-on training and capacity building process that the Bank initiated as a key means for managing the social risk related to land. The following is a summary of the key capacity building activities conducted in the Parent Program:

- As a first step in the development of the SOP, a one-day workshop training was conducted in May 2016 to agree on interim arrangements for land acquisition until the SOP was approved. During this workshop, best international practices and good principles of willing-buyer willing-seller and voluntary land donation procedures were shared with the MHUUC and the WSCs. A checklist was designed and validated by the three WSCs. This checklist was intended for the WSCs to apply on case by case of the land taking to ensure that the different approaches for acquiring land are done in a diligent manner and that proper documentation is in place.
- A consultant was hired to provide hand holding and capacity building support to the MHUUC and the WSCs in preparing the SOP, bringing the best national and international practices and helping the MHUUC to interpret those practices into steps in the SOP. The consultant also provided technical assistance for the preparation of the land SOP.
- After the completion of the SOP, a comprehensive 2 days training workshop was delivered in September 2017 to the MHUUC, WSCs and all the concerned entities to build the capacity of the participants on the principles outlined in the SOP and ensure that they will be applied while acquiring land using the various approaches.

As part of the implementation support provided by the Bank, the Bank team conducted a review for the land acquisition process as part of the Program on June 12-22, 2017. This review has been done with close involvement from MHUUC and the WSCs and was conducted as part of the hands-on and learning-by-doing activities to highlight the positive aspects, the lessons learnt and the rooms for improvements. The review entailed a combination of desktop review, field visits and interviews with various stakeholders including land donors. The overall objectives of this spot check exercise were to get an understanding on where the process stands in relation to the implementation of the country system and the various agreed upon measures (e.g. in POM, the interim land acquisition arrangements and the SOP) and provide general guidance and recommendation to enhance the land taking which were discussed with the MHUUC. The review findings are also informing the design of the AF.

Challenges and rooms for improvement: The above explained process during the last two years revealed clear commitment from the Government side to shift the land acquisition process to a more equitable, transparent and efficient process. The system now is well founded in the three WSCs of the Parent Program and is replicable in the other WSCs under the AF. On the other hand, the challenges and potential rooms for improvement below should be considered in the design of the measures related to land acquisition under the AF:

- Some inconsistencies in the information were observed under the Parent Program while reviewing the land acquisition process particularly for the land plots that have been secured before the land SOP effectiveness. Examples on this include “land seller” named as a “land donor”, community donation reflected in the contracts as individual donation, etc.
- Using the locally established committees: The LCCs are doing a very important role in engaging with the communities, facilitating the process of securing land and ensuring that the process has an organic nature and is community-driven. However, the role of the LCCs should not be substituting the role of the social officers of the WSCs since the latter is responsible for overseeing the whole process and ensuring its alignment with the Program’s principles. In few cases, it was observed that the WSCs are heavily relying on the formed LCCs and on community leaders with, sometimes, limited role from the WSCs in managing the land acquisition process. This may pose a potential risk since any future issues that the WSCs were not aware of may emerge. The principles and the good practices related to land donation and willing buyer willing seller might not be clear to the LCCs. The observed limitations in the role of the WSCs could be partially attributed to the limited number of staff in the WSCs compared to the large number of clusters and land plots involved.
- Land Valuation: In the cases where the land is obtained through the approach of the community donations, the valuation process of the land becomes critical to ensure that the share of each of the households is made on fair and objective basis since it may have implications on the households of the villages, particularly poor households.

Capacity building support on the application of the SOP will be needed to enable the new WSCs to follow the principles and the procedures of the SOP in acquiring land.

5.7 Progress in Community Engagement as part of the Parent Program

5.7.1 Introduction

Citizen engagement is a key element of the Program to incentivize participating WSCs to improve investment planning, operations and maintenance, and delivery of sanitation services. As such, the Program not only incentivizes putting in place several citizen engagement mechanisms through a compensation and reward mechanism, but it also uses a build-in system that requires the WSCs to improve the mechanisms over time based on direct beneficiary feedback. The following section briefly describes how citizen engagement and beneficiary feedback have been included in the Program’s design:

DLI3, which aims at strengthening the performance and institutional capacities of WSCs, includes four focus areas, one of which is citizen engagement. Under DLI3, an Annual Performance Assessments (APA) will be undertaken by HCWW and verified by an Independent Verification Agent (IVA). The proposed APA targets/areas include the following citizen engagement-related indicators:

- 1) Transparent *pro-poor citizen engagement and complaints handling mechanism* in place by the second year; and over 50% of the received complaints/grievances are responded to and processed by the fifth year. Beyond the introduction of a modern GRM, as required per the Legal Covenant,

the Program supports its full functionality following best international practices for water and sanitation utilities to enable program beneficiaries to voice complaints during the operation of the Program, particularly during the construction phase;

- 2) Baseline for *Citizen Report Card (CRC)* / citizen surveys established by the second year; and CRC /citizen surveys conducted by the fourth year. This mechanism is supposed to gather direct users feedback regarding their satisfaction with the provided sanitation services and their views about the WSCs’ responsiveness to citizens’ grievances. The CRC supports a service and accountability culture, rather than a “build and abandon” approach. ;
- 3) Procedural *guidelines for community engagement* are prepared by the first year; and progress report on the implementation of the community guidelines submitted by the third year;
- 4) Measures to expand *citizens’ access to information*; and
- 5) Measures to ensure community participation in decisions about sanitation systems models, technologies and operation and maintenance schemes.

The Table below shows the three Citizen Engagement KPIs included in the Performance Improvement Action Plan (PIAP) of the parent Program for the three WSCs, as well as baseline data and targets.

Table 7: Citizen Engagement KPIs for Beheira, Sharkiya and Dakahliya

KPI	Year	Beheira WSC	Sharkiya WSC	Dakahliya WSC
Resolution of complaints within 24 hours	FY14/15	53%	76%	43%
	FY15/16	53%	79%	82%
	FY16/17	68%	78%	82%
	FY17/18	68%	80%	82%
	FY18/19	69%	80%	83%
	FY19/20	70%	80%	84%
Number of Community services and participation entities captured by CMS that are established and sustained	FY14/15	19	8	8
	FY15/16	19	8	8
	FY16/17	19	8	8
	FY17/18	19	8	8
	FY18/19	23	15	18
	FY19/20	26	23	20
Quarterly community engagement reports verified by spot	FY14/15	n/a	n/a	n/a
	FY15/16	n/a	n/a	n/a
	FY16/17	n/a	n/a	n/a

checks on resolved	FY17/18	2	2	2
complaints	FY18/19	4	4	4
	FY19/20	4	4	4

5.7.2 Citizen Engagement Guidelines

Under SRSSP, there are a range of citizen engagement activities and approaches that are undertaken by different actors, ranging from consultation meetings to engaging local communities on the design and delivery of the sub-projects under the Program during different implementation stages. To ensure that community engagement approaches are well-tailored, effective and are able to lead to sustainable outcomes is an on-going challenge for implementers. Furthermore, program design requires careful consideration of community engagement efforts so as not to negatively influence local power relationships or reinforce existing inequalities.

SRSSP aims to streamline citizen engagement throughout the entire Program and across the sub-projects cycle, including preparation, implementation and evaluation. Community Engagement Guidelines which have been developed through formulation of a working group – composed of representatives of the MHUUC, HCWW and the relevant departments within the three WSCs – and supported by technical assistance and capacity building support from the Bank have also been developed with the participation of local communities. Different versions were tested in SRSSP related clusters and villages. Version 3 presents procedural steps which are implemented by the WSCs' employees to engage the local community in all implementation phases, including forming local community committees, raising their awareness, and defining their roles and relationships with the different parties such as WSCs and contractors.

The Community Engagement guidelines aim at providing a unified conceptual and methodological reference to the WSCs in all processes and actions related to community engagement, and set the guiding principles for the WSCs to engage with communities across the various stages of the program including hiring of the contractors for the construction works. The Community Engagement guideline presents a logical sequence of the executive procedures which serves as an efficient guide for those working in WSCs and for those communicating with citizens. Furthermore, the Community Engagement Guidelines contain all the procedures that make citizens active partners and obtain all their rights. It also transparently shows the varied outcomes and statistics. Though the Community Engagement guidelines were developed under the parent Program, the guidelines will need to be updated to incorporate lessons learned moving forward, especially as construction activities begin to increase.

In addition, the three WSCs developed, with support from the PMCF, a Community Awareness Manual for addressing sanitation issues in targeted communities. The PMCF has led the development through a series of workshops attended by all those in charge of and concerned with direct communication with citizens. The development took into consideration the ideas and opinions of local community committees' members, who will later conduct a final review with the team who developed the manual. Assessment forms were created to measure the change taking place in the community and

its concepts. The manual will be initially used in the three WSCs (Sharkiya, Beheira, Dakahliya) and after final modifications will be applied in all WSCs.

Information Dissemination, Public Disclosure, and Communication:

Since mid-2016, several communication and feedback channels and informational materials, including relevant Program documentation, have been developed, utilized and shared with targeted communities and other stakeholders. The three WSCs utilize their current channels to disseminate the information related to their activities. Their dissemination efforts vary by leveraging several different promotional materials including traditional as well as non-traditional communication channels. Among these are:

- **Fact Sheets:** These fact sheets include information about the SRSSP, target areas, villages' selection criteria, and implementation plans. The sheets have been disseminated widely through diverse means, including WSCs official websites, Facebook pages, posters on the WSCs building walls and messages to all employees in the WSCs' headquarters and branches. The fact sheets are updated every three months to reflect the Program's progress.
- **Disclosure Boards:** These boards are set up in Program villages to disseminate general information on construction, including timeline, contractor's name and GRM information, including various channels for complaint.
- **Posters and Brochures:** These materials include, beyond the Program information, telephone number/s to call for complaints and suggestions as well as names of WSCs focal points and contacts for complaints and suggestions.
- **WSCs' Websites:** All three companies have published program information on their official websites.
- **Facebook Page:** A Facebook page on community engagement, for disseminating Program information and reaching out to the related communities, has been created in the three WSCs.
- **Awareness Raising Campaigns:** WSCs have implemented public awareness activities in the villages that have construction works.

5.7.3 Local Community Committees

86 LCCs have been established in the Parent Program, 16 committees in the 16 clusters and 70 at the village level. These LCCs allow for effective communication between WSCs and citizens and help rebuild the trust between them. Formation of these committees was needed in order to facilitate two-way communication between residents in Program-impacted communities and WSCs, as the Parent Program targeted 155 villages with population around 83,3000 inhabitants. The WSCs made efforts to ensure that these committees have representation of vulnerable groups including women and youth. In addition, they also serve as an important medium to facilitate the land acquisition process, raising awareness and helping to get the approvals needed. In addition, these LCCs also act as an uptake channel for GRM, then communicate any local community problems to the WSCs. The committees are also very significant for facilitating the work, with contractors, in the field. Representations of local citizens who are participating in these committees reached 1,299 members with 21% female participation. The Table below has more details.

The LCCs meet on a regular basis: the frequency is based on the current phase in the project cycle, with committees being expected to meet more during intensive construction periods. For example, in the villages where construction has started (Geziret Metawea, El Berigat and Tokh Al Aqlam), there are regular meetings to facilitate and support the implementation phase. The committee meetings offer a space for deliberation and open discussion. They can notify WSCs about potential issues, questions or concerns, and help inform communities about Program-related updates.

Table 8: Table 3: Local Communities Committees at Clusters and Villages Levels:

Local Committees	Number of Clusters	Number of villages	Females	Males	Total	% of Females
Dakahliya	6	29 (of 53 under the Program)	113	412	525	21%
Sharkiya	8	33 (of 94 under the Program)	134	486	620	21%
Beheira	2	8 (of 8 under the Program)	31	123	154	20%
Total	16	70	278	1021	1299	21%

In the two villages where construction has begun, there has been organic interest from the LCCs in engaging with the contractors by following up on the quality and the progress of work. This naturally set the foundation for potential community monitoring work that needs to be done in a systematic manner to ensure this engagement supports the Program's broader objectives on encouraging citizen engagement, while balancing potential risks. The addenda recommendations below include measures to organize the community monitoring initiative by piloting it in one of the clusters of the parent Program where the construction commenced. This pilot would be in a small village where there is an existing active community committee. The specific location would be chosen based on PMU and WSC recommendations. In the meantime, and to ensure clarity about the roles for the community members and prevent unnecessary challenges between the contractors and the citizens, terms of reference or community charter model would need to be developed to specify the specific activities and communication mechanisms that the community committees should use. LCCS members would then need to receive training before signing a copy of the agreement. Any initial pilot would also require a systematic way of tracking progress and capturing lessons learned for potential future scale up of such activities.

5.7.4 Citizen Report Card

For the purposes of the Citizen Report Card (CRC), two workshops have been held with the WSCs: the first was led by an international consulting firm (Public Affairs Foundation, Bangalore, India) and the second was led by the PMCF. As part of the workshops a questionnaire was pre-tested and refined. This pre-tested questionnaire was used to develop a ToRs for hiring a consultant to undertake the CRC in the three governorates of the parent Program. At present, Government of Egypt is in the process of selecting a

consulting firm to undertake the CRC. Selection is projected to be completed by mid-April 2018. The baseline will then start in May, with an aim to have the baseline completed by the end of June 2018. Given some concerns surrounding the proposed sample frame for the CRC, the Bank will continue to provide technical assistance to strengthen the CRC process.

5.7.5 Gender Issues

Gender plays a key role in setting and shaping health and sanitation attitudes in the household, and therefore women must be at the center of concerns for any citizen engagement strategy to be successful. Therefore, community engagement strategies must address social inclusion as a cornerstone.

Under the parent Program, women were encouraged to be part of the decision-making processes during Program preparation and implementation. To date, out of 1,274 participants, 224 women attended consultation events in the three targeted governorates under the parent Program preparation. Women only account for 17.2 percent of attendees, which reflects a gap in women's engagement that will need to be addressed moving forward.

As noted above, and shown in the previous Table, women account for 21 percent of representatives in LCCs. These committees were typically formed by asking an existing community leader (often male) to nominate other members. Though committees were encouraged to include women and other potentially under-represented groups, no clear targets were set.

To address this important area for improvement, a series of recommendations are provided for increasing women's participation in the LCCs in section 6.7.

The results of the gender assessment conducted for the AF (in Damietta, Menoufya and Gharbiya) highlight ways to promote gender equality as a cross cutting theme within the Program.

In most of rural areas in Egypt, field observations show that poor sanitation results in restricted use of water for domestic activities and poor hygiene practices, which differentially impact women, who are often responsible for dealing with all the domestic labor responsibilities including, in the absence of reliable sanitation system, all the extra work needed to eliminate the frequent filling of septic tanks (e.g. carrying wastewater to streets/canal for discharge, washing dishes outside home, etc.).

Several meetings and focus group discussions were conducted with both men and women in the targeted communities as part of the preparation of this addenda for the AF. Those interviews aimed at capturing and considering the views and inputs of both groups and get ideas about the cultural challenges and the best ways to enhance the weak level of women participation. Those ideas are taken forward to be integrated in the design of the Program.

Based on meetings and focus groups conducted with women and men in the targeted areas, following are the main findings and their implications on the SRSSP:

- In addition to the lack of access to sanitation services, the targeted areas also suffer from environmental problems, including exposure to inadequately treated sewage/wastewater in open drains adjacent to the villages houses, high groundwater levels, and accumulation of solid waste.
- All community members mentioned that the most important sanitation problems are the collection/storage of wastewater and the wastewater treatment steps. Some families use cesspits/bayaras, and the others discharge raw wastewater onto the ground or into drains and canals directly, and some through illegal pipe networks. Because of the high water table and soil permeability bayaras are emptied frequently (3 to 5 times a month on average) by motorized vacuum trucks that discharge into the same water bodies.
- During conversations held with few women in the villages, the discussion revealed that the access to potable water is limited to few days per week in some areas, and non-potable water (used for laundry and cleaning, for example) is dosed carefully, to avoid overflow of septic tanks.
- Most of females and males met indicated that the decisions are taken largely by the husband at home, while few indicated that women take decisions. Husbands were depicted as the prime decision makers in terms of household.
- Regarding community consultations, discussion with members of LCCs and WSCs revealed that collective decision-making regarding community perspectives, priority of sub-projects and their design tend to be based on male perspectives and, in some cases, women are not given equal opportunity in community consultations.
- Women in targeted areas expressed interest to participate in the rural sanitation meetings, if it is near to their home, in appropriate location and during the day, and after getting their husbands' permission. There have been also proposals for the use of social media (e.g. Facebook) as an alternative form of communication for women in case they cannot participate in consultation.
- There is a strong expectation of people (both men and women) met that the Program will improve their health status, specifically with regard to reducing diseases incidence (e.g. Diarrhea). Most community members said that they suffer from diseases that they attribute to discharging sludge onto the fields (i.e. fecal contamination of crops). They linked this practice to many diseases, like skin diseases, diarrhea, kidney failure, and hepatitis. Most of them think that the accessibility to the sanitation services would reduce the number of visits to doctors or health units and reduce the number of diseases, especially those related to children.
- Proposed women's groups (women forum) to mobilize public involvement and assess community needs: Some women expressed interest in being part of an outreach program to

communicate to other women and family members information about the Program, identify household needs and obtain household support (e.g. through door to door visits).

- Most of men interviewed recognize the role of women as important stakeholders for this Program. Men have a role in encouraging women to be part of the decision-making during sub-projects preparation and implementation.
- Some women were not fully aware of the hotline “125” as a complaint mechanism. They expressed a preference, due to cultural norms and preferences, for face-to-face interactions for submitting complaints.

6.7.5.1 Women in the Utilities

Addressing gender issues, particularly women’s ability to find productive employment, is an increasing priority for the Government of Egypt – as evidenced by the President declaring 2017 the “Year of the Egyptian Woman,” and recent legal reforms to ensure women’s inheritance rights, among others. Despite the fact that SRSSP is not a gender specific Program, examining the gender dimension in the WSCs and working, as part of the Program, to strengthen it, will help in the inclusion angle of the Program and will have greater impact on women in the WSCs and targeted areas.

This assessment is essential to understand the current gender context in WSCs. The assessment was conducted via focus groups and interviews in the WSCs, as well as through collected information from WSCs about gender related statistics and Human Resources (HR) related policies to understand to what extent laws/policies are actually being implemented. In the Gharbiya, Damietta, and Menoufya WSCs, three focus groups with women from different positions, managerial levels and ages were conducted.

The 25 WSCs in Egypt have a unified HR bylaw that was based on Law No. 12 for the year 2003. The bylaw regulates the relationship between employers and employees in different governmental and private sector entities. No explicit gender or non-discrimination policy exists, but a review of current HR policies and procedures found that there are equal opportunities in employment, recruitment and selection process, training, promotion, salaries, annual increase, etc., apart from exceptions noted below. The bylaw outlines employment processes which are determined by the qualification, number of applications, the results of exams, and personal interview. There are also no explicit conditions that differentiate between men and women in relation to training, capacity-building, and promotion.

Generally speaking, the WSCs are using HR policies, recruitments and selection methods that help promote equality of opportunity and enhance the public perception of the authority as an employer. Moreover, promotion of the staff is based on a career path policy that was developed earlier by HCWW, then applied to the 25 WSCs. Following are other benefits for women as stipulated in Egyptian labor law and included in the WSCs HR bylaw:

- Maternity Leave: Female employees covered by social insurance are entitled to three months of paid maternity leave for each child and up to three children, provided if they have been

contributing to the social insurance for the past 10 months. Maternity benefits are paid at 75% of the last wage. Moreover, women employed in establishments with more than 50 employees are entitled to up to two years of unpaid childbearing leave per child as stipulated in the Labor Law.

- In the WSCs, women are also entitled to two and a half hours nursing breaks per day, or alternatively one combined hour-long break, for 24 months after the date of birth of each child, and a woman preserves all her rights and benefits upon return to workplace from maternity leave. Labor Law does not provide provisions for paternity leave.

Although the declared HR policies have no discrimination, the Focus Group Discussions (FGD) findings in the 3 WSCs showed that the female employees have a different point of views in application of the HR policies and procedures. Discussions revealed that there are some merits but there are also few gaps that could be addressed to enhance the HR policies of the WSCs. This most importantly could be summarized in the following:

- Some of the female employees in the WSCs actually stated that they do not feel any discrimination against them. Most of them mentioned that, the work condition and environment is very appropriate for them as the working hours suit women's responsibilities at home. They mentioned that they are willing to work more if/when required by their jobs. They are happy to be part of these companies and very proud of their contributions.
- According to some of the participants, men tend to prefer job opportunities in the private sector and other government sectors because of more attractive salaries and benefits, while women, being 'financially dependent', tend to favor the WSCs working hours, which are shorter and WSCs jobs offers greater job security.
- According to some of the interviewed employees, the general organizational culture is sometimes in favor of men, and women have to work harder in order to be recognized.
- It was also mentioned that in some cases, the attitude of senior management staff towards women, in general, is not ideal. Senior management is viewed as always giving the good opportunities in training to men, especially if the training is needed for promotion to top positions.
- Gaps also exist in applying the HR policy procedures. For example, in advertising for some positions, a provision is added that requires that the applicant have readiness to work in 3 shifts which is a condition that is difficult to be fulfilled by women.
- It was mentioned that some women leave very good positions with high salaries in the private sector and join the WSC because of the shorter working hours that suit women's responsibilities at home. The WSC culture focuses on retaining staff, both males and females.

They invested in onsite children’s day care to keep the children of their employee safe and secure.

- Most women acknowledge that women are harder workers than men. Women are seen as doing their work peacefully and always supporting their managers. Ladies in Gharbiya emphasized that generally women are much more active, do their tasks on time, and are more committed to the work. They agreed that women must work harder to prove themselves to have access to the higher positions.
- Some women raised a serious concern related to the fact that many men do not take them seriously in the workplace. Women stated that male colleagues cannot accept them as managers or supervisors, even if they have proven capacity in taking high level positions. This causes some women to minimize their responsibilities.
- There were also cases in which women were not asked to take learning opportunities or engage in projects outside the company because their managers assumed that they had too many family responsibilities. Two women in the focus group stated that their work required late working hours, travel, and work during holidays. They never complained about that, but many times, their male colleagues were asked, without prior consultation with the women, to exclude the women’s names from missions/training opportunities related to their jobs.
- Most of focus group participants agreed that they had had access to good training opportunities, especially those trainings linked to career progression. On average, most women attended from 5 to more than 25 training programs. However, the current training databases are not able to generate reports segregated by gender. Gathering data by gender could be an important early step in better understanding current opportunities for men compared to women.

Information was gathered from the WSCs, including, numbers of employees segregated by gender. This information was analyzed to find potential gaps. As shown in the below table, currently the six WSCs have 2,849 women employees (7.6%) out of 37,564 employees.

Table 9: Staffing, by gender, for the six WSCs

WSC	Male	Female	Total	% Female
Menoufya	5,234	645	5,879	11.0%
Gharbiya	5,564	426	5,990	7.1%
Damietta	2,901	409	3,310	12.4%
Dakahlia	7,525	389	7,914	4.9%
Sharkiya	5,858	530	6,388	8.3%
Beheira	7,633	450	8,083	5.6%
<i>Total</i>	34,715	2,849	37,564	7.6%

While the average number of women across the six WSCs remains disproportionate compared to men, it is worth noting that at the higher levels (i.e., head sector-general managers, seniors and first and second degree employees) women represent almost 15% of higher management level as indicated in the table below.

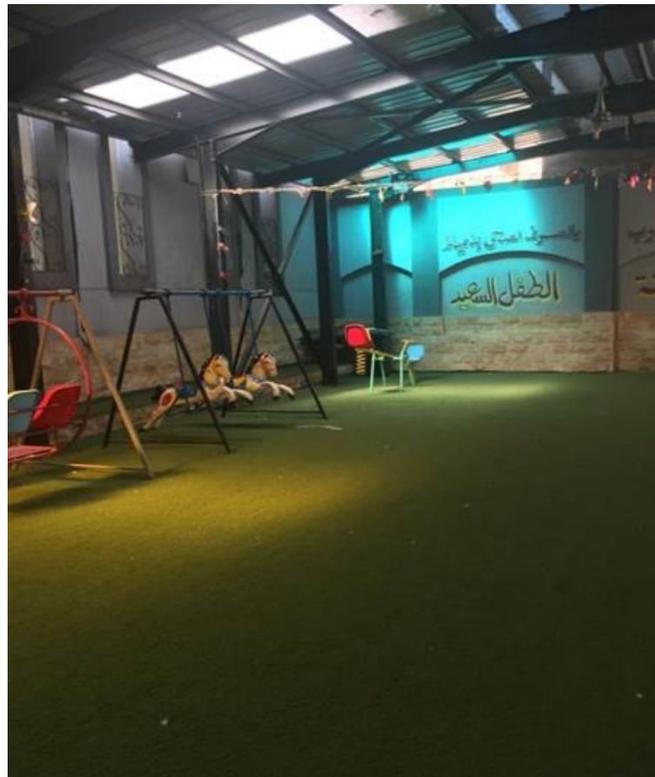


Figure 2: Nursery House in Damietta

However, women are represented in very few positions in the lower level positions (e.g., fourth, fifth and sixth degree employees). These positions are generally occupied by men. Women are mostly present in the headquarter and branches offices in administration departments, engineering or technical departments, or at the WWTPs. In Sharkiya women are the heads of 7 WWTPs out of 52 in the governorate, 6 out of 86 in Beheira, 0 out of 53 in Damietta, Gharbiya 5 out 59, Menoufya 0 out of 196, Dakahliya 0 out 241.

Discussions with top management in the WSCs revealed that, only men are employed in certain jobs such as water meter reading, invoice collection and maintenance. Women are not willing to engage in such jobs due to the nature of these jobs and due to cultural reasons. At these lower degree levels, some jobs are for unskilled employees (e.g., jobs for clearing the sewerage networks, cleaning buildings, security, and guards) and others required skilled employees (e.g., operation and maintenance technicians, drivers, lab technicians, and mechanics). As explained by WSCs employees

and managers, this low percentage of women to the total number of employees, is due to the nature of this industry in Egypt.

It should be mentioned that there are no women at the chairmen level. At present, in the 25 WSCs, chairmen positions are only occupied by men. Furthermore, there has not been any woman appointed to one of these positions since the chairman of Alexandria WSC.

Table 10: Staff profile by grade and gender, combined for the six WSCs

Grade	Male	Female	Total	% Female
Head Sector – General Manager	149	30	1,79	16.8%
Senior	716	187	9,03	20.7%
First Degree Employee	6,682	968	7,650	12.7%
Second Degree Employee	2,605	536	3,141	17.1%
Third Degree Employee	9,933	845	10,778	7.8%
Fourth Degree Employee	4,490	57	4,547	1.3%
Fifth Degree Employee	3,961	34	3,995	0.9%
Sixth Degree Employee	1,891	29	1,920	1.5%
Contract	4,288	163	4,451	3.7%
Total of Employees	34,715	2,849	37,564	7.6%

It was also observed that at the WSCs, all organizational assets, such as equipment, furniture, are equally accessible for both women and men. For example, there are dedicated women’s toilets on each floor. Discussion with Sharkiya Chairman indicates that the WSC is investigating the possibility of having child care services on site. This possibility is under ongoing discussion.

Discussions with the chairman of Damietta WSC pointed out a gap related to the current system for top management promotion. The three WSCs have a career path for promotion: staff can be promoted only if they pass the tests for each training program. This system is applicable for promoting staff equally up until the first degree (الدرجة الاولى), which is equal to the head of unit. For top management positions, (e.g., general manager, head of sector) no specific process or criteria for promotion exist; the selection for promotion depends on the manager of the department together with WSC chairman.

5.7.6 Procedures and Performance of the WSCs for Handling Complaints

One of the Legal Covenants requires that the MHUUC puts in place a GRM system. The Legal Covenant provides that the Borrower shall by June 30, 2016 establish a GRM “to handle complaints and grievances from Program beneficiaries or third parties relating to any aspects of the Program, including adverse social and environmental impacts and allegations of fraud and corruption”. Such mechanism shall, inter alia, contain procedures for recording the complaints and grievances, directing the complaints to the appropriate level for action, the review process, and provision of feedback to the complaint on the action taken based on best practice service standards.

Moreover, the Performance Improvement Action Plan (PIAP) includes a section where “the functionality of the GRM is verified through indicators that look at the percentage of the complaints that have been responded to and handled.” As a result of this emphasis of the GRM in the design of the Program, technical assistance from the Bank supported the MHUUC in developing and integrating new key performance indicators on citizen engagement in pursuit of DLI 3. The current KPI related to the GRM is “Percent of complaints resolved within 24 hours.” The KPI targets are shown in a previous table.

Best practices suggest that building on and enhancing existing systems – where feasible – is institutionally more sustainable than creating an entirely new system. For this reason, the first step carried out by the SRSSP was assessing the existing formal and informal GRM to help prioritize how to best strengthen grievance capacity. In addition to the ESSA, a diagnostic analysis was conducted at the early stage of SRSSP and a detailed GRM Action Plan, which served as a basis for achieving short, medium and long-term objectives, was developed to ensure compliance with the Legal Covenant and to meet the DLI 3 targets. The final Action Plan was discussed and validated in several meetings and workshops amongst MHUUC and WSCs staff, as well as with representatives from HCWW. Key recommendations to improve the existing GRM for the parent Program are found in section 6.2.2.7 of the ESSA and in the GRM Action Plan prepared in 2016. Therefore, in November 2016 (nine months since the effectiveness of the Program), the fulfilment of the Legal Covenant for the GRM was signed off and, since then, efforts have been focused on taking it forward for improving the Complaints Management System’ (CMS) quality.

The HCWW developed different categories of project-specific complaints to be incorporated into the existing CMS. Categories include complaints about land acquisition, contractors, delays, and other implementation issues. The system has also been made more accessible to management and staff on the ground to capture more complaints and inquiries. Recognizing that the project-level categories are not exhaustive, the list will help (1) citizens to articulate and present their demands more coherently and strategically and (2) government officials and front-line service providers to have a more systematic approach to addressing concerns that might arise during implementation of the sub-projects, which will enable them to respond more efficiently to requests. In addition, the CMS has been further enhanced through new categories for different sources of complaints, e.g., for those received via Facebook or WhatsApp messages.

Additional efforts have also been made to streamline the CMS expanding its installation in further locations. These locations include the MHUUC, WSCs branches, Customer Service Centers (CSCs) at the headquarters and at the branch (markaz) level. WSCs are linking the different uptake channels to the CMS and training their staff to use the new system. In addition, the WSCs have equipped their branches, CSC and departments with an adequate number of computers and other related equipment for better CMS functioning. The Table below indicates the numbers of complaints received by various uptake/channels, the number received through the WCS branches and captured by CMS has been increasing.

Currently, in the three WSCs of the Parent Program there are multiple channels to register complaints, and most of the complaints are now captured through the formal systems (e.g., walk-ins, phone calls, letters, fax, directly to technicians). The availability of different means and channels for citizens to complain and communicate their grievances is a good practice since it provides the opportunity for citizens to provide feedback and request better services in the way and at the level that best suits them.

In the three WSCs in addition to the hotline “125” the various uptake channels have been publicized to citizens in the three governorates, including: WhatsApp, Branch offices, community committees, Social Officers, WSC Websites, and CSCs. Communication activities also include information about how to reach the hotline from mobile devices using the area code, followed by “125” and then four zeros.

Staffing of the Hotline department in Dakahliya

Dakahliya recently hired more staff in the hotline department as the department has been extended to the branches. In each branch there is a hotline staff member to deal with complaints received through various uptake channels. In Dakahliya, the branches are automated and staff are able to register the complaints on a database that is linked with the WSC’s Hotline Center. Total number of hotline staff is 63 compared to only 11 who were working in 2015. A series of training programs are in place for building the new staff’s capacity.

Table 11: Summary of complaints received through different channels, split by WSC

WSCs	Year	Hotline	CSCs	Branches	Whats App	GOE Portal	Website	Social Spec.	Gov	Others	Total
Beheira	2015										
	2016										
	2017	23777		43900	3	17	29	2	6	8	67742
Sharkiya	2015	42216		500			0		25	1	42742
	2016	48922	1	1789	0	0	2		140	57	50911
	2017	44929	19	15291	32		9		256	56	60592
Dakahliya	2015	17337	15	419	0	0	7	0	4		17782
	2016	14821	128	6198	52		563		11	20	21741
	2017	21283	142	6257	68		258		188	255	28451

Development of a Project- level GRM guideline

The absence of Project-Level GRM mechanism was identified as one of the key shortfalls of the WSCs complaints system. Hence it does not cover issues related to sub-project planning, design, and construction (for example, issues related to potential construction damage to land or houses during a project, and issues associated with land acquisition). Moreover, all stakeholders and particularly front-line staff need to be fully equipped on how to respond and follow up on (project-level) complaints as well as manage the whole “GRM cycle”. Therefore, a GRM Operational Manual (OM) has been developed by the MHUUC, with capacity building support. The GRM OM detail all steps of the GRM cycle in a standardized manner for the staff handling complaints. The OM also facilitate the onboarding of new staff to ensure capacity is being transferred. As such, they include the hotline guidelines, which have been updated in participation with the WSCs and integrate project level categories, including complaints about land acquisition, contractors, delays, and other implementation issues which have been developed in an iterative process by the MHUUC and WB consultant. The GRM OM are being updated regularly to include any changes needed and improvements achieved. The WSCs have been implementing the OM, and it is expected to be fully utilized when construction is completed.

The Table below shows the number of complaints registered in the three WSCs in 2015, 2016, and 2017, with figures for each quarter. The total number of complaints captured in the CMS has increased in all three WSCs within the analyzed time frame. This increase is due to the improvements in the CMS in the three WSCs, and the success of the citizen engagement activities that happened in parallel (e.g., on disseminating Program information to communities). Beheira experienced the greatest increase in complainants from 26,197 in 2015 to 64,220 in 2017, an increase of 38,023 complainants (or 205 percent). In year 2017, Beheira made a great effort to install the new version of CMS in the 17 water branches and 4 wastewater branches and linked these branches with related departments in the WSCs. Moreover, Beheira also procured more computers and other equipment for most of their entities and departments.

The same table also shows the number of project-level complaints. Total complaints received by the end of 2017 is 232 in Beheira and 122 in Sharkiya. Citizens started to use this system in the last quarter of 2016 in Sharkiya and in the first quarter of 2017 in Beheira. During this period, it increased from 3 complaints to 122 complaints in Sharkiya, and from 2 complaints to 231 complaints in Beheira. In the three WSCs, the biggest share of complaints center on simple inquiries, mostly regarding the construction works start dates as well as on the request by excluded residents to be covered by the Program. The third biggest share of project-related complaints concerns the acceleration of the sub-projects implementation.

Table 12: Summary of Number of complaints received by quarter for each WSC

Number of Complaints	2015 Year					Year 2016					Year 2017				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Behiera															
Water	5600	5800	6820	7300	25520	6575	5845	7890	8874	29184	10717	15039	15785	14985	56526
Sanitation	4	3	239	431	677	126	276	156	288	846	328	1891	1293	3950	7462
Projects		0	0	0	0	0	0	0	0	0	2	116	0	114	232
Total	5604	5803	7059	7731	26197	6701	6121	8046	9162	30030	11047	17046	17078	19049	64220
Sharkiya															
Water		9165	13117	7497	29779	6671	10783	11079	7876	36409	6620	9350	11557	10853	38380
Sanitation		3642	4097	5224	12963	3872	3693	3739	3201	14505	3311	5090	6117	7594	22112
Projects		0	0	0	0	0	0	0	3	3	53	23	3	43	122
Total		12807	17214	12721	42742	10543	14476	14818	11080	50917	9984	14463	17677	18490	60614
Dakahliya															
Water	2763	2631	2741	2962	11097	3210	3846	3101	3779	13936	3875	4671	5538	5425	19509
Sanitation	1575	1490	1670	1950	6685	1318	1257	1125	1371	5071	1857	1620	2379	3110	8966
Projects	0	0	0	0	0	0	0	0	4	4	0	0	3	2	5
Total	4338	4121	4411	4912	17782	4528	5103	4226	5154	19011	5732	6291	7920	8537	28480

Development of a complaint appeals mechanism

The CMS diagnostic study identified the lack of information about any appeals process as one central gap. To address this gap, a complaint appeal mechanism (dispute resolution procedures) was designed by the MHUUC with the support from the Bank. The appeals mechanism reflects institutional roles and clear responsibilities. In case a complaint is not solved satisfactorily at the WSC level, complaints can systematically be escalated to higher levels.

The WSC has to prepare a file with the problem, explaining the reason for which the proposed solution has been refused and laying down a proposal for an alternative solution. The company also provides its view on the problem and the pre-suggested solution that was refused by the community illustrating the reason to refuse the solution presented by the community. Both are sent to the PMU which convenes the Inter-Ministerial Committee on Citizen Engagement, to review and decide upon the issue, based on revision of a sub-committee, if necessary. This solution is then presented to the concerned parties who are expected to adhere to it and report to the Inter-Ministerial Committee before the complaint can be officially closed. It is expected that the appeal mechanism will be tested during the up-coming period, as a result it might be revisited for improvement, if needed.

5.7.7 Capacity Building Activities related to Community Engagement and current level of Capacity

To carry out the progress indicted above under different sections by the WSCs under the parent Program, multiple capacity building and hand holding activities were implemented during the course of time from Program effectiveness until the date of preparing the addenda. The activities meant to The plan was developed based on the assessment of the training needs and includes communication, understanding community dynamics, and processes, negotiation skills, and empathizing with communities and their needs. The training plan covers an orientation program for the contractors for construction, and includes among others:

- Management of the grievance redress process; procedural training on receiving, registering, and sorting grievances; Awareness raising on the importance of the GRM for the success of the Program;
- Citizen Engagement:
- Citizens Report Card;
- Effective communication, consultation, and facilitation skills;
- Problem-solving and decision-making; and
- Monitoring, evaluating, documentation and reporting on the GRM activities

The capacity building also included the experience sharing between the social and environmental teams of the WSCs involved in Bank operations that was conducted in October 2016 on community engagement, the principles of GRM, the application of the ESMP, the principles of the different methods of securing land and 2 Mashreq Safeguards trainings held in May 2016 and May 2017 that were attended by the environmental and social team of the MHUUC. Mashreq workshops were also good opportunities for experience sharing among the government entities involved in Bank operations within the different country contexts in Middle-East countries.

The capacity building targeted all staff at various levels across sector. It primarily targeted the relevant staff from the MHUUC and the three WSCs of the parent Program. It also targeted all staff at the front-lines (such as # 125 hotline staff, customer service centers personnel and public awareness staff) as well as other stakeholder such as directors and other managers in WSCs, EWRA, HCWW and Construction Companies (CC)/Contractors and Implementation Supervision Consultants (ISCs) as relevant to the training topic so they are well abreast with the Program and the different requirements specifically the GRM.

For the new WSCs under the AF and given the limitation in the capacity as illustrated in the various sections across the document, similar capacity building activities and peer to peer learning (with the WSCs of the parent Program) are planned to allow the new WSCs to implement all the measures included in the recommendations of this addenda.

6 Recommendations

6.1 Recommendations related to Staffing and Capacity Strengthening on the level of WSCs

The conducted analysis under this addenda as well as the observations along the course of the last few years of implementation for the parent Program clearly revealed that the work load related to managing the environmental and social aspects including the ambitious reform dimension related to those aspects as well as citizen engagement require competent and qualified calibers to be able to manage the work load on a timely and quality fashion and deliver results. The following are the key recommendations related to the staffing of the WSCs:

- Ensure the appropriate number and qualifications of staffing is assigned for the environmental and social management (including land related issues as well as CE and gender aspects) on the level of the 3 new WSCs under the AF. This will be part of the covenants of the Legal Agreement
- Add staff to the PMU and the WSCs of the parent Program, as necessary, to fulfill any potential additional requirements. This should be included in the POM and the TA Component would support building the capacity of the PMU and PIUs to enable them to effectively achieve their E&S requirements
- Design and implement a comprehensive capacity development and awareness raising program including cross fertilization and a peer to peer learning process to allow the 3 new WSCs to benefit from the experience of the MHUUC and the 3 WSCs of the Parent Program in the field of environmental and social management (including land related issues as well as CE and gender aspects). The capacity building program should be offered to the PMU, WSCs, LCCs and other relevant stakeholders to ensure that the recommendations are attained on timely and quality fashion. This should be included in the POM

6.2 Recommendations related to Mainstreaming Environmental and Social Assessment and Management Process to Planning Cycle of Investments

- The Verification Protocol of DLI1 should include a requirement that an ESIA has been prepared for the cluster that includes the subject house connections, EEA approvals were obtained prior to construction and contractors commitments according to ESMPs are included in construction documents. Also, the verification protocol should ensure exclusion of ineligible investments (from the environmental and social perspective) as recommended in this Addenda. This will be applied for the parent Program and the AF.
- Set monitoring system for the ESMPs and operationalize in all the WSCs of the Program. The monitoring system should include conducting certain audits (by PMU/PIUs or by a third-party

consultant) to make sure that ESMP measures are implemented on ground. This will be part of the PAP and the operation of this system to be done by one year from AF effectiveness

- Citizen Engagement and Social Assessment Systems to be institutionalized in the targeted WSCs. This would be achieved through the preparation of Community Engagement Guidelines to be updated to strengthen the quality and ensure that critical issues related to the SIA (like community health and safety, labor protection, land, labor influx and GRM requirements are well covered and that systems are in place to integrate them in the bidding documents) are in place along with all the other aspects related to CE and gender.

Timeframe: guidelines to be completed in 3 months of the AF effectiveness and then implementation of the guidelines should be ongoing.

6.3 Recommendations related to Improve Environmental Management of Assets

- The performance indicators of WSCs should include improving environmental management of sanitation facilities including establishment and updating of Environmental Registers reflecting good waste management practices (indicators to include adequate tracking of waste management practices and response to environmental complains such as odor control measures). This will be part of the POM and could be added to the KPIs that are required for the PIAPs and APAs. The POM of the entire Program (parent and AF) will be updated by effectiveness of the AF and to include the recommendations of this addendum.

6.4 Recommendations related to Minimization of OHS Risks

- OHS measures during construction should be strengthened through adopting an OHS plan for each construction site that includes risk assessment mitigation, communication, training, emergency response and incident reporting. Those OHS plans should be supervised by a qualified H&S expert. Such requirements should be included in the construction contracts and the contracts with the supervising engineers. This will be part of the this would be included in an updated PAP that includes both the parent Program and the AF.
- The performance indicators of WSCs should include improving OHS conditions within the sanitation assets including WWTPs, PSs and maintenance of networks. OHS departments of WSCs should carry out OHS audits (by WSC OHS staff of third party consultants) to ensure consistent improvement of OHS conditions across the WSCs (indicators to include number of OHS audits undertaken, number of addressed comments in the following audit and recording of incidents and near misses). This will be part of the POM, of both the parent Program and AF, and could be added to the KPIs that are required for the PIAPs and APAs, and the TA component of the Program would support building the capacity of OHS Departments to conduct such audits.

6.5 Recommendations related to Improving Environmental and Social Management for the Sector on a Strategic Level

- Strengthening EWRA capacity to include environmental and social capacity building to add environmental and citizen engagement indicators to their M&E activities (environmental indicators to be added to the M&E system, state of the sector reports, and APAs as indicated above). This will be part of the POM. The TA provided by the Program will be supporting the capacity building of EWRA
- The National Water Supply and Sanitation Strategy to include preparation of a Strategic Environmental and Social Assessment (SESA) that will inform the sector action plans. This will be part of the verification protocol of DLI 5. The SESA preparation will be part of the TA provided by the Program.

6.6 Recommendations related to Managing land related issue

On the level of the new WSCs, MHUUC should carry out the following:

-
- A retroactive review for any land plots that might have been secured for the AF investments in the 3 new WSCs is conducted against the principles of the SOP among other factors (e.g. technical requirements). Any land plot that may result in generating any serious risk on the Program implementation and reputational risk should be excluded and/or alternative should be found. Audit results should be shared and discussed with the Bank along with a time-bound action plan with corrective actions where applicable. The list of the proposed projects should be revised based on the results of the audit. Any land plot that may result in generating any serious risk on the Program implementation and reputation should be excluded and/or alternative should be found.
- Share and discuss the results of the audit with the Bank along with a time-bound action plan with corrective actions (including the possibility of additional compensation for affected persons if applicable) to be implemented before the commencement of any civil work.
- The list of the proposed projects should be revised based on the results of the audit

Timeframe: should be completed before the negotiations of the AF

On the level of the whole Program (including the AF)

DLI 6 was achieved in the parent Program and a new DLI for the signing of an inter-ministerial MOU for the implementation of an updated land SOP was added in the AF.

- SOP to be reviewed to better set forth measures for the identified emerging changes and

emerging gaps in the application as mentioned above in section 4.2. and section 5.6.2.

- After reviewing the SOP and approving from the Bank, the SOP should be officially issued through a Ministerial Decree and should be operationalized on the level of all the WSCs in the Government program.
 - Signing the MoU among the various related entities to ensure that all the concerned entities are committed to certain timelines (as stipulated in the SOP).
 - Carry out the needed capacity building and training for all the WSCs related staff and other related departments to ensure that the principles of the SOP as well as the procedures and executive steps related to the SOP application are followed by the team of the WSCs in charge of land acquisition .
 - Implement a peer to peer learning process to allow the 3 new WSCs to benefit from the experience of the MHUUC and the 3 WSCs of the Parent Program in the application of land SOP.
- A legal covenant has been included in the Program Paper to cover the above scope.

Timeframe: should be completed before effectiveness

6.7 Recommendations related to Citizen Engagement and Gender

The level and nature of CE activities under the AF entail the introduction of new activities like strengthening the role of the community committees and introducing community monitoring which are all meant to deepen the CE dimension. Feedback of citizen will be also upscaled through the CRC to include the new 3 WSCs along with the ones in the parent Program. The below recommendations will be included in the PAP

Develop a plan to operationalize a system for enhancing accountability and information sharing in the Program:

1) Strengthening the role of the Local Community Committees (LCC)

- 1.1) Developing structured ToRs and community charters for the LCCs to help in reviewing the existing ones' functions and formulation and to be used in establishing the new ones. ToRs to be disseminate/share with the LCCs,
- 1.2) Restructuring the community committees (as needed) in the WSCs of the parent Program to ensure the formulation involves only the active member and eliminate the risk of elite capture,
- 1.3) Establish and functionalize LCCs on the level of all the clusters
- 1.4) Build the capacity of the formed LCCs to carry out the assigned responsibilities.

2) Introduce, pilot and scale up community monitoring and beneficiary feedback:

- 2.1) Develop plan for piloting community monitoring over construction in one of the Parent WSCs and implement a pilot. The proposed roles should be included in the developed of a TORs/community charter for the LCCs to create an agreement that clearly defines the scope of the role of the LCCs in

all functions including in community monitoring. Community monitoring to be scaled up and operationalized in various locations.

2.2) Citizen Report Cards: CRC survey baseline survey for the 6 WSCs completed (by the 1st year from the AF effectiveness), survey to be replicated 2nd and 3rd year with actions taken for strengthening the performance of the WSCs based on the survey results

3) Develop and operationalize the WSC-level information sharing and disclosure protocol: Set systems for disclosing the project fact sheets, GRM systems, CRC results, etc. on the level of the 6 WSCs

Timeframe: Ongoing

Improve social inclusion in the Program (gender mainstreaming)

To address the gaps related to gender as identified in the addenda, steps should be taken to promote special attention to encourage women's participation at early stage of the Program and across the different stages of the Program cycles. This comes as part of the focus on the necessity of social inclusion to attain equitable benefits from the Program and also aligns with the national strategy that focuses on enhancing the role of women and strengthening women participation. Recommendations include:

1) Increase representation of women in community committees (new and existing) formed for the Program,

2) Create and operationalize female forums on the Governorate level that would be helping in reaching out to the clusters level, Female forums will have a direct line of communication with the WSC (through the Citizen Engagement Department or other relevant entity) to ensure women's voices are incorporated into the project-related decisions.

3) Women representation to be attained in the staffing of the PIUs, particularly the staffing working on social risk management and CE to facilitate the process of women beneficiaries' engagement.

4) strengthen the role of women in consultations and GRM: Ensuring that both female and male are invited to attend all consultations events that will take place at the project life cycle level, hold consultations with women and men differently if required to discuss their needs and preferences, keep records of gender representation on consultations activities and track how the contribution of the communities (including women) to the consultation are influencing the projects design and implementation. Educate both men and women on the importance of women's participation in community activities/decision making for the Program. Revisit the GRM system to disaggregate complaints and compliments by gender.

Timeframe: Ongoing

Women in utilities:

Based on the assessment done under the ESSA addenda, the following are some additional possible recommendations for improvement: 1) Revisit the HR policy, promotion procedures and relevant

guidelines to include specific criteria for selecting the top management positions and assure that women and men have equal opportunities to reach management positions in the WSCs. 2) Improve the Current HR databases to generate reports, e.g., on training disaggregated by gender and career trajectories by gender, 3) Review and revise advertisement for employment opportunities, and address any discriminatory sections. Consider inclusion of explicit non-discrimination policy/language, 4) Establish training in gender mainstreaming and advocacy as an ongoing process in the WSCs. This should include orientation session about gender for some staff members, and 5) Explore possible programs targeting young staff members, e.g., through mentorship opportunities or internship programs, to provide valuable work experience to recent engineering graduates.

In the meantime, and to ensure that the operation is gender-tagged, additional indicator to track how the proposed AF will help close the identified gender gap related to women's access to employment and leadership in the water sector (specifically the WSCs) were added. Depending on availability of gender-disaggregated data on status of employees (general and supervisory/management level) in the WSC, the AF will work on the following indicator(s): "Number of recruits in the WSCs, of which (%) female" and/or "Number of employees in supervisory positions in the WSCs, of which (%) female."

Timeframe: Ongoing

Annex 1 - Summary of the Department in charge of CE in the new WSCs

In the three WSCs there are departments that are carrying out role and responsibilities related to social and citizens' engagement aspects as follows:

Community Engagement Department is recently established after the top management of the HCWW realized the importance of creating such department, especially in the companies that have project funded by IFIs. By engaging with communities earlier in the project, several problems could be avoided, including the delays in land acquisition, villages blocking construction, and unwillingness to pay connection fees. On July 18th, 2016 the HCWW sent an official letter to the 25 WWCs to establish a community engagement department within their available resources. This letter which was signed by the HCWW Chairman included a summary of the mandate of this department, clear instructions of the jobs and number of employee.

The General Department of Public Relations and Awareness is one of the main departments in charge of engaging with the customers through awareness raising campaigns, outreach activities and customer satisfaction surveys. This department technically reports to two different departments at the HCWW, to the Director of Public Awareness, Hotline and Customers' Service Department and also to the Public Relation Director.

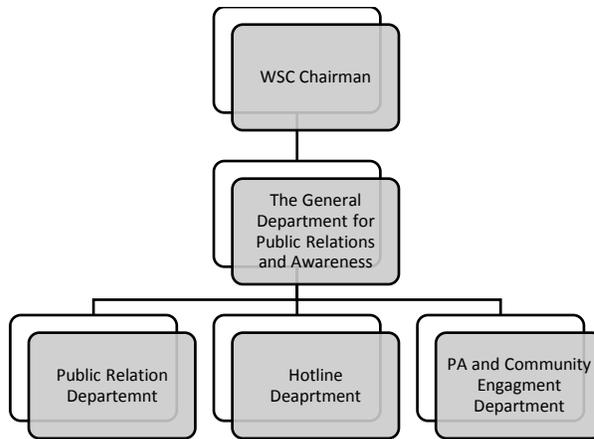
The Hotline Department is in charge of receiving complaints formally at the level of the WSCs. The Department technically reports to the Director of Public Awareness, Hotline and Customers' Service at the HCWW level. The Hotline Department is staffed with sufficient number of staff that are operating in 3 shifts in order to guarantee availability 24/7.

Customer Service Centers (CSC): An official mechanism at the markaz level that allow customers direct interaction with the teams of the WSCs and the Branches. Customer services center is technically reporting to the Director of the Commercial Sector at the WSC level.

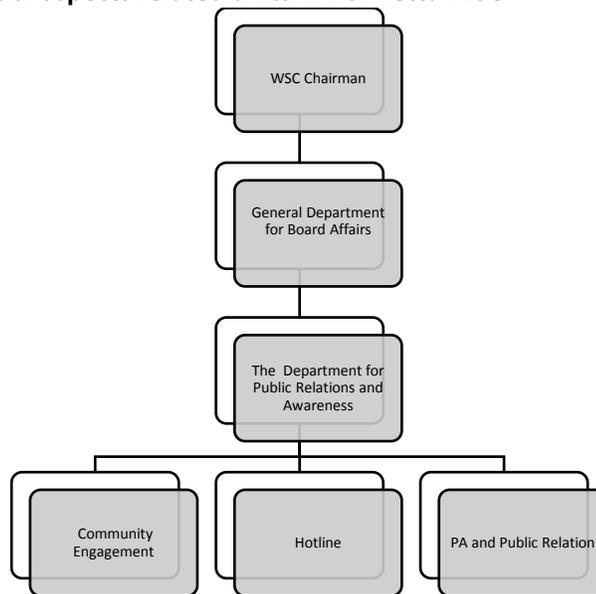
In the three WSCs customers can interact with related departments through WhatsApp and Facebook to provide their feedback on the services they received.

Below are the organigrams indicting the department in charge of community engagement in the three governorates. As the organigrams indicate, there are different institutional arrangements and reporting lines in each of the WSC. For example, in Gharbia, the General Department of Public Awareness and Public Relation reports directly to the Chairman (see Graph 1). While in Damietta the Department of Public Awareness and Public Relation under the General Department of Board Affairs

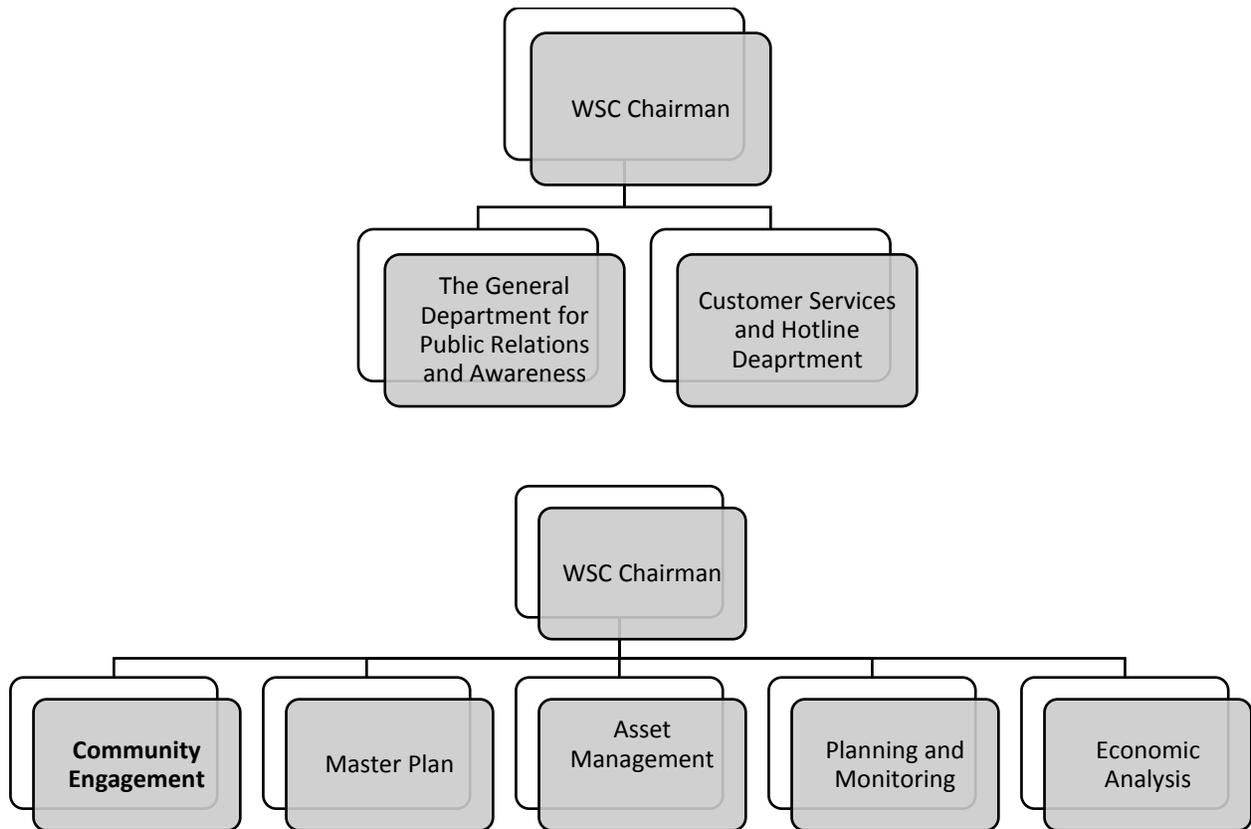
Graph 1: Organigram of social aspects related units in Gharbia WSC



Graph 2: Organigram of social aspects related units in Damietta WSC



Graph 3: Organigram of social aspects related units in Monofia WSC



As shown above, in Monofia, the Public Awareness/Public Relations and the Hotline and Customers' Service are two departments at the same level reporting to the Chairman. However, the Community Engagement Department is under the Planning Sector and the rationale for that is that the latter is in charge of the implementation of the all projects.

Table 1 show the staffing per function in the three governorates. Gharbia and Damietta have staff that covers Public Awareness, whereas Community Engagement Department not activated yet as they have one staff. Both WSCs do not have any activities or project required this position. Monofia is the only company that has staff for the Public Awareness and Community Engagement as they are currently implementing the ISSIP 2 project which required community engagement activities and applying social aspects, such as land acquisition process, consultation with communities, encourage community

involvement in the design and implementation of sanitation projects, and awareness raising, and handling grievance. 53 staff members are employed in the Hotline Department across the three WSC.

Table 1: Number of Staff in related Department			
	Gharbiya	Menofiya	Damietta
Public Awareness	3	4	6
Hotline	10	25	18
Community Engagement	0	4	1

Current implementation capacity of the three WSCs:

Monofia WSC is currently implementing the ISSIP 2 which has a social component address all citizen engagement and GRM aspects. Community Engagement department is recently established under the Project Management Division and staffed by a 4 full time employee. The CE staff members are capable to handle all aspects of social and citizen engagement but are lacking the related guidelines and well-established systems, as well as tools and equipment related to efficient work environment.

Monofia also had a previous experience related to CE. In 2010 they mobilized Bemem village in Tala district to contribute 4.8 million Egyptian pounds for establishing sanitation scheme includes, collection system, pump station, and house connections. The project was part of initiative manage by HCWW Chairman for encouraging community contribution in rural area and the only Menofiya was one of pioneer WSCs in implementing this initiative, however most of the staff involved in this project were engineers from project management department.

Gharbia: The Integrated Sanitation and Sewerage Infrastructure Project 1 (ISSIP) was implemented in Gharbia till the end of 2015. ISSIP 1 included a decentralized sanitation component and was piloted in smaller villages with 2 decentralized sanitation schemes to serve about 4000 inhabitants in 9 villages. In each decentralized project, a Community Development Association (CDA) was selected to act as an interface between the community and Water and Wastewater Company (WWC). The RSU were involved with local communities in development and applying the demand responsiveness and community management approaches which starts with assessment of the readiness of the villages to participate in the sanitation projects. This is to select the villages that would be served by the project in order to build their capacity to be involved in the life cycle of these projects including running and operating the decentralized schemes at the end. A public disclosure system as an accountability tool and the complaints redress mechanism were an integral part of the ISSIP 1. The current chairman of the WSC used to be the head of ISSIP 1 RSU and was heavily involved in all CE aspects.

Damietta has some activities related CE implemented by Public Awareness Department. It should be mentioned that Damietta Chairman has issued a decree for establishing the Community Engagement Department in November 2016. Overall ToRs were outlined to support the revolving fund program that is funded by UNICEF for the low-income households. As well as to coordinate with the funding agencies to enhance the institutional capacity and accountability mechanisms between authorities and beneficiary communities for better service delivery systems. However, discussion with related staff revealed that this department is not activated yet and will be established when the SRSSP starts.

Annex 2 – English Translation of Resolution No. 608 of 2016

Decree of Minister of Housing, Utilities & Urban Communities

No. (608) of 2016

The Minister of Housing, Utilities & Urban Communities, having perused

The Presidential Decree No. 164 of 1996 organizing the Ministry of Housing, Utilities & Urban Communities;

The Presidential Decree No. 449 of 2015 approving the loan agreement (*Sustainable Rural Sanitation Services Program*) signed between the government of the Arab Republic of Egypt and the International Bank for *Reconstruction and Development*, in Cairo on 4/10/2015;

The Ministerial Decree No. 154 of 2015 concerning the establishment of the Rural Sanitation Projects Program Management Unit in the Arab Republic of Egypt, as amended; and

Based on the recommendations presented by the Rural Sanitation Projects Program Management Unit,

Has decided

(Article 1)

A committee shall be formed and be chaired by Eng. Randa El-Menshawy, Senior Undersecretary of the Ministry of Housing, Utilities & Urban Communities, the Supervisor of the Minister's Office, and the Head of the Program Management Unit, and shall include the following members:

A representative of the Ministry of Housing, Utilities & Urban Communities

A representative of the Ministry of Local Development

A representative of the governorate concerned with the complaint

A technical member to be selected by the Minister of Housing, Utilities & Urban Communities

A legal member

The Committee shall handle citizen engagement within the context of the Sustainable Rural Sanitation Services Program (SRSSP) in accordance with the applicable laws, regulations and requirements.

(Article 2)

The Committee shall undertake the following functions:

Propose the policies and strategic initiatives related to citizen engagement, and in particular, receive and address complaints and grievances.

Verify that all regulatory instructions related to citizen engagement are observed by the affiliate companies and all the concerned entities.

Develop a proper environment that enables all beneficiaries of the sanitation services and those affected by the work of the various sanitation projects to voice their complaints in a proper framework.

Ensure that all beneficiaries of the sanitation services and those affected by the work of the various sanitation projects can obtain various information about the Program, in terms of information about the areas served by the Program, the criteria used to select the villages to be served, and methods of filing complaints.

Look into the complaints and grievances which the affiliate companies failed to settle and provide advice or assistance by referring them to the relevant competent administrative authorities.

Consider the grievances of beneficiaries and those affected who are unsatisfied with the solution or decision made by an affiliate company. The Committee shall irrevocably resolve the grievances within thirty days from the date of receipt of each grievance. The Committee's decisions shall be binding on all parties. The Committee shall follow up on the implementation of its decisions and it shall inform the complainants of its decisions.

Conduct annual reviews of the laws, rules, regulations, instructions and procedures related to citizen engagement, and receipt and addressing of complaints and grievances in order to streamline the procedures and make the system more transparent, as well as to increase confidence in the system. The Committee shall present its recommendations to the competent authorities.

(Article 3)

This decree shall enter into effect from the date of its issue and shall be implemented by the competent authorities, each in its own jurisdiction.

Minister of Housing, Utilities & Urban Communities

// Signed //

Dr. Eng. Mostafa Madbouli

Issued on: 12/10/2016

CC. to Dr. Sayed Ismail Ali

Technical Adviser of the Ministry of Housing, Utilities & Urban Communities

Annex 3 – Photo Log of the Consultations



Figure 3- Consultation with Menoufya Chairman and WSCs team



Figure 4 Pumping Station in Menoufya



Figure 5 FGD with Women in Menoufya Governorate



Figure 6 Selected community members from Tala, Bemem Village in Menoufya Governorate



Figure 7 Discussions with Damietta Chairman



Figure 6 FGD with Gharbiya WSC staff



Figure 8 FGD with selected women in Menoufyia



Figure 8 – Field visits to Abou Greda Village in Damietta Governorate



Figure 9 – Field visits to Abou Greda Village in Damietta Governorate



Figure 10 Damietta El-Azamza Village



Figure 11 – Visit to a PS construction site in Sharkiya



Figure 12 Visit to a network construction site in Sharkiya

Annex 4 - Ministerial Decree No. 613/2017


جمهورية مصر العربية
وزارة الإسكان والمرافق والمجمعات العمرانية
مكتبه الوزير
رقم البريدي ١١٢٢٩

تسريار
وزير الإسكان والمرافق والمجمعات العمرانية
رقم (٦١٣) لسنة ٢٠١٧

وزير الإسكان والمرافق والمجمعات العمرانية

بعد الاطلاع على قرار رئيس الجمهورية رقم ١٦٤ لسنة ١٩٩٦ بتنظيم وزارة الإسكان والمرافق والمجمعات العمرانية؛
وعلى قرار رئيس الجمهورية رقم ٤٤٩ لسنة ٢٠١٥ بالموافقة على اتفاق قرض (برنامج خدمات المصرف الصحي المستدامة بالمناطق الريفية) بين حكومة جمهورية مصر العربية والبنك الدولي لإعادة الإعمار والتنمية، الموقع في القاهرة بتاريخ ٢٠١٥/١٠/٤
وعلى قرار وزير الإسكان والمرافق والمجمعات العمرانية رقم ١٥٤ لسنة ٢٠١٥ بإنشاء وحدة إدارة برنامج مشروعات المصرف الصحي بجمهورية مصر العربية وتعديلاته
وبناء على ما عرض من وحدة إدارة برنامج مشروعات مصرف صحي للقرى.

تسريار
(المادة الأولى)

اعتماد دليل الإجراءات القياسية الموحدة للحصول على الأراضي (Land SOP) والتي قامت وحدة إدارة برنامج مشروعات المصرف الصحي بإعدادها بالتعاون مع شركات مياه الشرب والمصرف الصحي المنفذة للبرنامج وطبقاً لاشتراطات البرنامج القومي للمصرف الصحي في المناطق الريفية.

(المادة الثانية)

يعمل بهذا القرار اعتباراً من تاريخ صدوره، وعلى السادة المفتشين تنفيذه كل فيما يخصه.

وزير الإسكان والمرافق والمجمعات العمرانية
أ.د. مصطفى مهنوبي


صدر في: ٢٠١٧/٦/٢٨
٥١٤

صورة مرسلة للسيد الدكتور / سيد اسماعيل على
المستشار الفني لوزارة الإسكان والمرافق والمجمعات العمرانية
تحية طيبة وبعد ...
برجاء التفضل بالإحاطة والتتبع بما يلزم .
مع خالص تحياتي وتقديري ...

وكيل أول الوزارة
المشرف على مكتب الوزير
(م. رائدة علي المنشاوي)

٤١٣

Annex 5 - List of attendees (meetings held with parent and phase 2 companies)

Menoufia

Eng. Mohammed Naguib Saleh	Chairman
Eng. Helmi Ramsis Hanna	Projects General Manager
Chemist/Hekmat Ibrahim El Sheeer	Environmental Officer RSU - ISSIPII
Dr. Islam Sobhy Al Noomany	Director of Laboratory and Quality control Department
Chemist. Dorreya Khedr	Director of sanitary laboratories
Eng. Mohammed Abdel Wahab	Director of Occupational Health & Safety Department
Eng. Dina Gorwan	Member of ISSIP II unit
Mr. Adel el Meligui	Head of Commercial Division
Mrs. Dina Kamal	Member of ISSIP II unit

Gharbia

Name	Occupation
1. Chemist/Said Ahmed El-Dahi	Director of Quality & Environment
2. Chemist /Ahmed Mohamed EL-mallah	Chemist (Kafr El-Zayyat Sewage Lab)
3. Chemist/ Ahmed Abdelfattah Serri	Central Sanitary Lab Director
4. Chemist Eman El-Sayyed Mohamed	Chemist (Bassioun lab)
5. Chemist/Amir Abdelfattah	Environmental Officer
6. Chemist/ Hany Abdelmonem Abozeid	Chemist (Sanitary Lab)
7. Eng./ Ahmed Atef Kamel	Director of Planning & Development Dept.
8. Eng./Salah Yassin	Mega Unit Manager
9. Mr. Ahmed Sharaf	
10. Eng. Aya El Wattar	
11. Eng./Essam Selim Negm	Director of Occupational Health & Safety Dept.

Dakahlia

Name	Occupation
1. Al Moataz bellah barakat	PIU – Manager of projects implementation Unit
2. Ahmed Nashed	PIU – Social Officer
3. Ahmed Abdel Hadi Shalabi	PIU – Environmental Officer
4. Ahmed Sharaf	PMU – Ministry of Housing
5. Amr Helmi Mashlouk	PMCF – Dakahlia Regional Office
6. Aya El Wattar	PMU – Ministry of Housing
7. Ahmed Salah	PMU – Ministry of Housing
8.	
9.	

Beheira

Name	Occupation
1. Eng. Khaled Nasr	Chairman
2. Eng. Amer Kamal Abou Halawa	Head of sanitary Division and PIU Director
3. Eng. Abir Haggag	PIU
4. Eng. Yassin Mansour	Environmental Officer - PIU
5. Eng. Kamal Ahmed El Touny	Director of Sludge management – Sanitary Division
6. Eng. El sayed AbdelRahman El Kholi	Director of Laboratories Division
7. Eng. Ali Mahmoud Hussein	Director of Occupational Health & Safety
8. Eng. Aya El Wattar	PMU