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**Report No. 7526**

**PROJECT COMPLETION REPORT**

**ARAB REPUBLIC OF EGYPT**

**WATER SUPPLY AND SEWERAGE ENGINEERING PROJECT  
(LOAN 2352-EGT)**

**NOVEMBER 30, 1988**

Infrastructure Operations Division  
Country Department III  
Europe, Middle East and North Africa Regional Office

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## CURRENCY EQUIVALENTS

<u>Currency Unit</u>	Egyptian Pound (LE)
<u>Exchange Rates at Appraisal</u>	
Official Rate	US\$ 1 = LE 0.76 LE 1 = US\$ 1.43
Commercial Rate	US\$ 1 = LE 0.84
<u>Exchange Rate at Completion</u>	
Commercial Rate	US\$ 1 = LE 1.37 LE 1 = US\$ .73

## FISCAL YEAR

July 1 - June 30

## ABBREVIATIONS AND ACRONYMS

NOPWASD	National Organization for Potable Water and Sanitary Drainage
MOP	Ministry of Planning
PIU	Project Implementation Unit

Office of Director-General  
Operations Evaluation

November 30, 1988

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Pass-Through Audit Report on Arab Republic of Egypt  
Water Supply and Sewerage Engineering Project (Loan 2352-EGT)

Attached, for information, is a copy of a report entitled "Pass-Through Audit Report on Arab Republic of Egypt - Water Supply and Sewerage Engineering Project (Loan 2352-EGT)" prepared by the Europe, Middle East and North Africa Regional Office. Full evaluation of this project has not been made by the Operations Evaluation Department.

A handwritten signature in black ink, appearing to be 'P. H. H. H.', written in a cursive style.

Attachment

ARAB REPUBLIC OF EGYPTWATER SUPPLY AND SEWERAGE ENGINEERING PROJECT(IN DAQAHLIYA, DAMIETTA AND BEHEIRA)(LOAN 2352-EGT)PROJECT COMPLETION REPORTTable of Contents

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**ARAB REPUBLIC OF EGYPT**  
**WATER SUPPLY AND SEWERAGE ENGINEERING PROJECT**  
**(IN DAQALHIYA, DAMIETTA AND BEHEIRA)**  
**(LOAN 2352-EGT)**

**PROJECT COMPLETION REPORT**

**PREFACE**

1. This report reviews the preparation, implementation and achievements of the Water Supply and Sewerage Engineering Project (in Daqahliya, Damietta and Beheira), Egypt for which a loan of US\$ 4.0 was made to the Government. The project was implemented by the National Organization for Potable Water and Sanitary Drainage (NOPWASD). The loan was signed on February 25, 1984, became effective on August 1, 1984 and was closed on January 21, 1988.
2. The Project Completion Report was prepared by the Europe, Middle East and North Africa Regional Office on the basis of the review of the President's Report, the Loan Agreement and other reports related to the project implementation.
3. In accordance with the revised procedures for project performance audit reporting, this Project Completion Report was read by the Operations Evaluation Department (OED), but the project was not audited by OED staff. OED sent copies of the draft report to the Borrower for comments, however, none were received.

**ARAB REPUBLIC OF EGYPT**  
**WATER SUPPLY AND SEWERAGE ENGINEERING**  
**(IN DAQAHLIYA, DAMIETTA AND BEHEIRA)**  
**(LOAN 2352-EGT)**

**PROJECT COMPLETION REPORT**  
**BASIC DATA SHEET**

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**KEY PROJECT DATA**

<u>item</u>		<u>Appraisal Estimate</u>	<u>Actual</u>
Total Project Cost	(US\$ million)	5.27	2.00
Cost Underrun	(%)		53.1
Loan Amount	(US\$ million)	4.00	1.06
Disbursed	(US\$ million)	4.00	1.06
Cancelled	(US\$ million)	-	2.94
Repaid as of			
June 30, 1988	(US\$ million)	-	-
Date of Physical Completion		August 1986	January 88 <sup>1/</sup>
Proportion Completed by Target Date		100%	45%
Proportion of Time Overrun		-	60%

Cumulative Disbursements (US\$million):

FY1984	.20	-
FY1985	2.70	.01
FY1986	4.00	.47
FY1987		.89
FY1988		1.06

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1/ Engineering and Feasibility studies only.

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**OTHER PROJECT DATA**

<b>item</b>	<b>Appraisal Estimate</b>	<b>Actual</b>
<b>First Mention in Files</b>		<b>07/22/82</b>
<b>First Considered by Bank Mission as Engineering Loan</b>		<b>09/13/82</b>
<b>Negotiating Project in Cairo</b>		<b>08/31/83</b>
<b>Government Application</b>		<b>11/15/82</b>
<b>Board Approval</b>		<b>10/25/83</b>
<b>Loan Agreement Signing</b>		<b>02/24/84</b>
<b>Effectiveness</b>	<b>06/25/84</b>	<b>08/01/84</b>
<b>Closing Date</b>	<b>12/31/86</b>	<b>01/21/88</b>
<b>Executing Agency</b>	<b>National Organization for Potable Water and Sanitary Drainage (NOPWASD)</b>	

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**MISSION DATA**

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Item	Month/Year	No. of Days	No. of Persons	Man-days	Date of Report
1. Identification	09/82	12	2	24 <sup>a/</sup>	10/26/82
2. Preparation I	11/82	7	1	7	12/28/82
3. Preparation II	01/83	12	2	24 <sup>a/</sup>	03/07/83
4. Preappraisal	04/83	4	1	4	05/04/83
5. Appraisal	05/03	10	2	20	06/06/83
6. Negotiations	09/83	5	4	20	09/14/83
7. Supervision I	02/84	8	1	8 <sup>a/</sup>	03/02/84
8. Supervision II	08/84	10	2	20 <sup>a/</sup>	09/11/84
9. Supervision III	12/84	12	2	24 <sup>b/</sup>	12/18/84
10. Supervision IV	07/85	14	1	14	08/13/85
11. Supervision V	10/85	24	1	24 <sup>a/</sup>	12/05/85
12. Supervision VI	03/86	14	1	14 <sup>a/</sup>	04/08/86
13. Supervision VII	08/86	21	1	21 <sup>a/</sup>	08/05/86
14. Supervision VIII	03/87	16	2	32 <sup>a/</sup>	03/16/87
15. Supervision IX	11/87	15	1	15 <sup>a/</sup>	01/12/88

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a/ Mission combined with supervision of other water supply projects.

b/ Mission combined with supervision and preparation of other water supply projects.



**ARAB REPUBLIC OF EGYPT**  
**WATER SUPPLY AND SEWERAGE ENGINEERING PROJECT**  
**(IN DAQAHLIYA, DAMIETTA AND BEHEIRA)**  
**(LOAN 2352-EGT)**  
**PROJECT COMPLETION REPORT**  
**HIGHLIGHTS**

1. Loan 2352-EGT, originally approved in October 1983 for an amount of US\$4.00 million, of which US\$ 2.96 million was cancelled in 1988 (para 3.08) was made to the Government of Egypt to help finance a water supply and sewerage engineering project in three governorates in provincial Egypt.
2. In the early 1980's, water supply and sanitation services in the governorates of Daqahliya, Damietta and Beheira were deteriorating rapidly. A water supply improvement project was being implemented in Beheira with IDA financing (Credit 1156-EGT). The level and quality of services in the two other governorates were suffering but no adequate project preparation studies to address the situation were available. The engineering project was conceived to prepare such studies and to complement the Bank support to the institutional reform initiated under earlier projects. New institutions to take over the then scattered responsibilities in sector operations in the two governorates were expected to be created during project implementation; technical assistance to these institutions and to strengthen the institution of the third governorate was included in the project (para 2.03).
3. The project was only partly implemented and with serious delays. The implementing agency took about one year to complete the evaluation of consultants' submissions. Consultants' contract was signed nine months after decision of award; they mobilized more than 21 months after the appraisal estimated date (Para 3.04).
4. Investment projects for service improvements in the governorates were prepared and agreed upon; but they were not included in the National Investment Plan by the time the loan was closed. The Government decided to postpone preparation of detailed design for these projects and to request cancellation of the corresponding loan amount (para 3.08). Detailed design would be prepared by the Government local consultants and financed by the Government once the project is included in the Plan.
5. Consultants proposals for institutional set-up which were supported by the Bank, did not receive Government endorsement until late in the process and were still not implemented by the loan closing date. They are currently considered in Government's plans for sector organization at the local government level (Para 4.02).

6. Time estimated for employment of consultants and review of studies proved to be very tight; the complexities of Government decision making procedures had been grossly underestimated (Para 3.05). The Bank should have shown better understanding of the Governments views regarding the consultant's proposals on the institutional set-up. A pragmatic approach aiming at gradual changes along agreed objectives should have been undertaken (Para 4.05).

**ARAB REPUBLIC OF EGYPT**  
**WATER SUPPLY AND SEWERAGE ENGINEERING PROJECT**

**(IN DAQAHIYA, DAMIETTA AND BEHEIRA)**

**(LOAN 2352-EGT)**

**PROJECT COMPLETION REPORT**

**I. INTRODUCTION**

1.01 This completion Report reviews the preparation and implementation of a water supply engineering project in three governorates in provincial Egypt for which loan 2352-EGT was approved in October 1983. The loan was for US \$4.0 million of which an amount of US\$ 2,940,018.28 was cancelled in January 1988 at the Borrower's request.

1.02 Bank's group involvement in the water supply and sewerage sector in Egypt began in 1975 with the preparation of the Alexandria Water Supply project (Loan 1369-EGT) which was completed in 1986. An Engineering and Technical Assistance Credit (S-20) was approved in 1977. The studies prepared under this Credit led to the preparation in 1980 of two provincial water supply projects, one of which (Beheira Water Supply Project) is financed by IDA Credit 1156-EGT. Works under that Credit are under implementation and expected to be completed by the end of 1991.

**II. PROJECT PREPARATION AND APPRAISAL**

**Preparation and Appraisal**

2.01 The project was identified in July 1982 and appraised in May 1983. Following a request from the Egyptian Government to the Bank to help finance the construction of new sewerage collection and treatment facilities in nine secondary towns, it was realized that the feasibility of the proposed works was not studied and that relevant basic information was not available in order to prepare a sewerage improvement project in the proposed towns. It was therefore agreed with the Government to commission studies to prepare possible water supply and sewerage projects in the governorates where eight of the nine towns are located. Although the Government was more inclined to use funds available from bilateral financing under more favorable terms (interest rate) to finance new works, the Government sought Bank assistance in preparing the studies under an engineering loan. The understanding was that projects prepared under this loan would be financed through a blend of bank financing and other bilateral assistance. The project preparation was, in fact, inspired by the successful implementation of the earlier engineering Credit

S-20, from which one project was subsequently financed by the Kreditanstalt Fur Wiederaufbau (KfW) and a second project by IDA (Credit 1156-EGT, Para 1.02 above). The loan (2352-EGT) was negotiated in August 1983, approved in October 1983 and became effective in August 1984.

### Project objectives

2.02 The project objectives were to identify and assist in the preparation of suitable investment projects for the improvement of water supply and sanitation services in three Governorates of provincial Egypt and to strengthen the capacities of these governorates in the implementation and operation of such projects.

### Project Description

2.03 The project included technical assistance for the preparation of investment projects in the three governorates, and for the development of institutional set up for the provision of these services. It also provided a small amount of operational equipments (vehicles and office equipment). The project had three interrelated components:

- (i) preparation of engineering and feasibility studies for water supply and sanitation projects in the governorates of Daqahliya and Damietta and for sanitation projects in the Governorate of Beheira;
- (ii) development of institutional framework of the sector in the project area, and provision of technical assistance for the institutions to be established during project execution for that purpose; and
- (iii) development of engineering design and contract documents for priority projects identified under (i) above.

The loan was intended to finance 100% of foreign expenditures and 80% of local expenditures of consultants services and of purchase of equipments.

### Major Loan Covenants and Status of Implementation

2.04 The National Organization for Potable Water and Sanitary Drainage (NOPWASD) was made responsible for the project execution through a Project Implementation Unit (PIU). The following major covenants were set out in the Loan Agreement of February 24, 1984.

- (i) NOPWASD had to maintain the PIU with all staff and facilities to enable it to perform its responsibilities for the implementation of the project. (Section 3.02 (a))
- (ii) NOPWASD had to employ consultants acceptable to the Bank, under terms and conditions satisfactory to the Bank. (Section 3.02 (b)).

- (iii) NOPWASD had to furnish to the Bank quarterly progress reports to be prepared by the consultants within six weeks from the end of the period covered by it. (Section 3.03 (a)).
- (iv) NOPWASD had to exchange views with the Bank on the recommendations of the final report to be prepared by the consultants, before the implementation thereof (Section 3.03 (b)).
- (v) NOPWASD had to select in agreement with the Bank, the priority works for which the engineering design and contract documents were to be prepared under the project. (Section 3.03 (c)).

All the above covenants, except quarterly reporting (Para 3.12), were complied with.

### III. PROJECT IMPLEMENTATION AND COST

#### Loan Effectiveness and Project Start-up

**3.01** Only the Government's formal ratification of the Loan Agreement was required for loan effectiveness. The original deadline of June 25, 1984 for declaring loan effectiveness was extended to August 24, 1984 to provide the Government with additional time to complete the ratification process. The loan was declared effective on August 1, 1984.

**3.02** Meanwhile, the Government invited (on June 5, 1983) consultants wishing to be considered for carrying out the project studies to submit their particulars to NOPWASD. Terms of Reference for the studies were agreed during loan negotiations in August 1983. A list of ten consultants firms and consortia was proposed by NOPWASD to the Bank based on the evaluation of Consultants' submissions on October 19, 1983 (shortly before Board approval on October 25, 1983); final agreement on a short list of 7 consultant consortia was reached with NOPWASD in early November 1983. Subsequently, consultants were invited to submit proposals by early January 1984. A Consortium of foreign and local consultants was selected by the end of 1984. The contract was signed on September 29, 1985. It covered tasks under the first and second components of the project with the option of entering a subsequent contract for the third component (Para 2.03) based on the contract schedule of prices once the priority projects were agreed upon.

#### Project Execution

**3.03** It was originally foreseen that the project execution would start in March 1984. A period of about six weeks was allowed for completing the consultants' evaluation by NOPWASD. Actually NOPWASD took a full year to evaluate the proposals, and an additional nine months to obtain approval of relevant ministries before signing a contract in September 1985. Consequently, the consultants mobilized by the end of 1985 immediately after receiving the advance payments (condition of contract effectiveness), almost two years later than originally planned.

**3.04** Delays in project start-up were mainly due to lengthy process of evaluation of proposals and contract approval. The agreements on the short list of consultants and their conditions of employment took place as originally planned. Time originally allocated to complete evaluation and contract signing (four months) proved to be unrealistic. It underestimated the requirements of the Egyptian administrative procedures for contract award. Although it is quite apparent that these tasks took exceptionally longer than could be anticipated in normal conditions, contract negotiations were completed six months before NOPWASD could sign a contract. NOPWASD obtained a new special clearance for the contract from the Ministry of Planning (MOP) according to instructions from the Prime Minister (Para 3.08 below).

**3.05** Project execution ran into more serious problems after the consultants started submitting their reports on the project's studies. Original plans called for completing the engineering design of the selected project within 16 months from consultants mobilization. Actually, by the time the loan was closed, which occurred 24 months after actual mobilization, the first two project components were less than fully completed. Delays in review and agreement by NOPWASD on the consultants' proposed institutional set up and on the priority investment projects precluded progress on subsequent phases. (This was also exacerbated by delays in payments to the consultants). The project execution was also adversely affected by changes of the ministerial affiliation of NOPWASD and the high turnover at NOPWASD and PIU top management. Government budgetary constraints and abundant availability of bilateral grants and concessionary loans to the Government created a more difficult environment for decisions under the project.

**3.06** Consultants recommended the creation of a single water supply and sanitation company for each of the governorates. These recommendations did not win endorsement from NOPWASD and at least one of the concerned governorates until late in the process and after lengthy discussions. As a result, the water and sanitation agencies which were expected to be established under the project were not created; a significant aspect of the project i.e. consultants' assistance in establishing these agencies was not executed.

**3.07** The consultants' proposals on investment projects were more successful than the institutional ones. NOPWASD and the governorates agreed on the priority projects but only after long delays. The investment projects, including urgent works, were refined after discussions with NOPWASD and the Bank and served as a basis for defining the governorates investments in the sector through the year 2010.

**3.08** Since project appraisal, new approval from various government agencies to complete the follow on phase of the consultants contract had been added. The Government and NOPWASD decided, upon completing the final engineering report on the investment projects not to use the loan funds to finance the development of detailed engineering design and tender documents. The Bank approved the government request to cancel the unused funds (US\$ 2,940,018.28) as of January 21, 1988. The Government reached that decision in view of the fact that (i) the project was not included in the five year investment plan (FY 87-92) and therefore it was thought premature to invest on detailed design and tender documents; and (ii) the Prime Minister's instructions issued in April 1985 required that the use of foreign consultants be limited to areas for which there is no local expertise and that only

bilateral grants be used to finance such type of services. Since the Government considered to have the the local expertise to carry out detailed engineering studies, the chance to obtain a special clearance from the MOP to extend the existing consultant contract was nil.

### Consultants Selection

3.09 In selecting the consultants for the studies, NOPWASD followed the Bank's guidelines for the use of consultants. The selection of the foreign-led consultants consortium was approved by the Bank.

### Project Costs

3.10 Actual and estimated project costs are given in Annex 1. The actual project cost (excluding components that were not carried out under the project) amounted to about US\$2.00 million compared to US\$5.27 million estimated at appraisal with an underrun of about 72% of original cost estimates. However, and because of cancellation of the third component, actual costs registered about 31% cost underruns when original cost is adjusted to reflect the cancellation. This is shown in the table below.

	<u>US\$ million</u>
Total cost at Appraisal	5.27
Less Component 3 (cancelled)	(2.36)
Net comparative cost	2.91
Actual Cost	2.00
Underruns	31%

Cost underruns were due to the fact that the prices of the consultants' contract were less than estimated at appraisal.

### Disbursements

3.11 Actual and appraisal estimates of cumulative disbursements in US\$ million are compared below:

<u>FY</u>	<u>Appraisal Estimate</u>	<u>Actual</u>
1984	.20	
1985	2.70	.01
1986	4.00	.47
1987		.88
1988		1.06

Total disbursements amounted to US\$ 1,059,981.72 reflecting the cancelled amount at closing date. Disbursements were estimated to be fully made by the end of the project's third year. However, they started in the third year (Disbursements in FY 1985 were for the front end fee). To provide sufficient time for the completion of the first phase of the engineering studies and the institutional studies following the late start of the project execution, the closing date was extended by one year to December 31, 1987. It was closed on January 21, 1988.

### Reporting

3.12 No quarterly progress reports were submitted to the Bank during project execution; informal exchange of information with the consultants was established. NOPWASD and the consultant reviewed with the Bank the findings and conclusions of the studies. All the reports and documents related to the project were submitted to the Bank.

### Consultants Performance

3.13 The Consultants' performance was satisfactory. They performed under extremely difficult situation arising from a very slow review of the studies and delays in decision making regarding institutional or engineering options on the part of the Borrower. Although the consultants dialogue with the Borrower was affected by this situation, the professional quality of the consultants studies was maintained throughout the project execution. The consultants recommendation on the institutional arrangements encountered considerable opposition (Para 3.06); the consultants needed to explore alternative approaches on the subject for discussion with the Borrower.

## IV. PROJECT JUSTIFICATION

### Project Achievements

4.01 The project was conceived mainly to (i) formulate a package of investment projects in three governorates, (ii) initiate and strengthen institutional reforms in the water supply and sanitation sectors in these governorates and (iii) complete engineering design and contract documents for the selected priority projects. The first component was achieved albeit with very serious delays. NOPWASD's application to include the identified priority projects in the National Investment Plan was not approved by the MOP because of Government's budgetary restraints.

4.02 Success in achieving the second component of the project was limited. The Government's decision to accept the proposed set-up of a single water supply and sanitation institution for each governorate was taken late in the process. No legislation to implement this decision was issued by the time of loan closing and the envisaged consultants assistance to such institutions was no longer possible. One Governorate (Damietta), however, enacted the creation of a water company (along the same concept of the water company introduced earlier in the Beheira Governorate) well in advance before the consultants submitted their recommendations. This company did not benefit from the consultants' assistance in its take over of the water supply operations in the governorate as was originally planned. The situation in the third governorate remained unchanged with the responsibility for water supply and sanitation operations still scattered among various municipal departments. However, the discussion of the consultants' reports stirred the debate around how best to organize the sector, and the role of the National Water Organization and the local authorities in planning and operating water supply and sanitation services. The findings of the project studies are being used in the current Government plans for sector reorganization. Additionally, the fact that the project studies addressed institutional issues for sewerage operations simultaneously with the water supply issues was in itself a remarkable step in shedding the light on those subsector issues which were often neglected in the past.



**4.03** The third project component was completely dropped when the government decided not to use the loan proceeds for financing the preparation of the projects final design and contract documents (para 3.08). The detailed design and tender documents would be prepared by NOPWASD-selected local consultants once the projects are approved for inclusion in the National Investment Plan.

#### **Bank Performance**

**4.04** At the time the project was appraised, sewerage and water supply services in the Governorates of Damietta and Daqahliya were deteriorating; the sewerage services in Beheira where IDA is financing a large scale water supply rehabilitation and expansion program (credit 1156-EGT, Para 1.02) suffered as well. The preliminary information needed to formulate a project was lacking and no effort had been made at that time to study the situation. Overall, no plan was available to improve these services. In addition to the Bank, several bilateral financing agencies were ready to provide financing for new projects in the sector and the Government was in no way able to propose projects, as its plans for improvements were vaguely formulated with no basic data available. On the institutional side, NOPWASD, a still young organization (enacted in 1981) was in charge of the nationwide sector planning and construction of new projects. Operational responsibilities were delegated to the local authorities in the governorates but without specifying any form of institutional framework or central sector support for operation and maintenance. The engineering loan was thus conceived to address these issues, and an accelerated time-table to carry out the studies was established. The time allocated for employing consultants for the studies and for reviewing the studies proved very short. Time overruns were very serious setbacks in the project implementation. The time allocated in the project original plans to enact and initiate the establishment of new agencies under the project was also very short. It underestimated the complexities of the administrative decision making in Egypt.

**4.05** The project execution was supervised regularly. From the project start to completion, a total of nine supervision missions visited Egypt (often in combination with supervision or preparation of other projects in the sector). The missions maintained a good dialogue with both the National Organization (NOPWASD) and the local authorities in the governorates which were to be more directly benefiting from the project. The missions' advices and follow-up letters contributed to improving the quality of the studies particularly with regard to the selection of investment projects. However, the Bank insistence on supporting the consultants recommendations against the Borrower on the institutional set-up as the only viable solution (para 3.06) contributed to delays. A more realistic attitude and understanding of the Borrower's views, on the part of the Bank might have given better results. The Bank should have adopted a more pragmatic approach which recognizes that gradual improvements can be achieved along agreed long term objectives.

#### **The Borrower's Performance**

**4.06** NOPWASD's performance was less satisfactory than expected at appraisal. Its performance was seriously affected by high turnover at the senior management level: The chairman's position was filled by six persons over the period since the project was approved; changes at the top of the PIU also aggravated the situation (Para 3.05). NOPWASD management encountered

difficulties with the concerned governorates in making decisions on institutional options. However, NOPWASD staff were very actively involved in the studies. They performed satisfactorily when addressing technical issues but experienced more difficulties in understanding the institutional and financial issues. This caused significant delays in processing the institutional aspects of the project. The few special loan covenants (para 2.04) were all complied with except the submission of quarterly reports.

## V. CONCLUSIONS AND LESSONS LEARNED

**5.01** The project was implemented with serious delays; its achievements were mixed. A major component of the project (detailed design) was fully dropped out because government chose not to use the loan's funds to carry out that component. This took place during a period marked with severe budgetary constraints coupled with availability of bilateral grants and concessionary loans: the Government was less interested in borrowing from the Bank for project preparation. The priority works for which feasibility studies were prepared under this project were not yet inscribed in the National Investment Plan by the time the loan was closed. The institutional set up in the project area improved modestly. Contemplated technical assistance to newly established institutions was no longer possible because of long delays in taking decisions on the proposed sector organization.

**5.02** Time requirement for project start-up and implementation were underestimated during appraisal. Similarly, the project appraisal underestimated the complexities of the Egyptian decision making process in matters relating to contract award and decisions on engineering and institutional options. NOPWASD and the concerned Governorates were very slow in their review of the project studies and in making a decision regarding the studies' proposed alternatives. The Bank siding with the consultants on their recommendations on institutional set-up contributed to delays

**5.03** Two lessons were learned:

- (i) time estimates for project implementation, particularly tasks that involve decisions on complex institutional issues should be guided by more thorough analysis of the mechanisms of decision making; and
- (ii) the Bank should adopt a more pragmatic approach to complex institutional changes; gradual improvements could be achieved within agreed objectives.

**ARAB REPUBLIC OF EGYPT**  
**WATER SUPPLY AND SEWERAGE ENGINEERING PROJECT**  
**(LOAN 2352-EGT)**  
**PROJECT COMPLETION REPORT**

**PROJECT COST**

	<u>Appraisal</u> ----- (U.S. \$ Million) -----	<u>Actual</u> -----
Consultants' Fees		
Feasibility, Project Preparation, Organization and Management	1.70	1.53
Project Design	1.51	-
Administrative, other expenses and Travel	0.66	0.36
Miscellaneous Equipment (Vehicles and office Equipment)	0.19	0.10
Base Cost	<u>4.06</u>	<u>1.99</u>
Contingencies	1.20	-
Front End fee	<u>0.01</u>	<u>0.01</u>
Total	<u>5.27</u>	<u>2.00</u>
Total (LE million equivalent)	4.39	2.74
Rate of Exchange (Commercial) LE/US\$	1.20	0.73

**MAP SECTION**