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IMPACT OF WORLD BANK POLICY AND PROGRAMS ON THE BUILT ENVIRONMENT IN EGYPT



BANK INFORMATION CENTER
Amplifying Local Voices to Democratize Development

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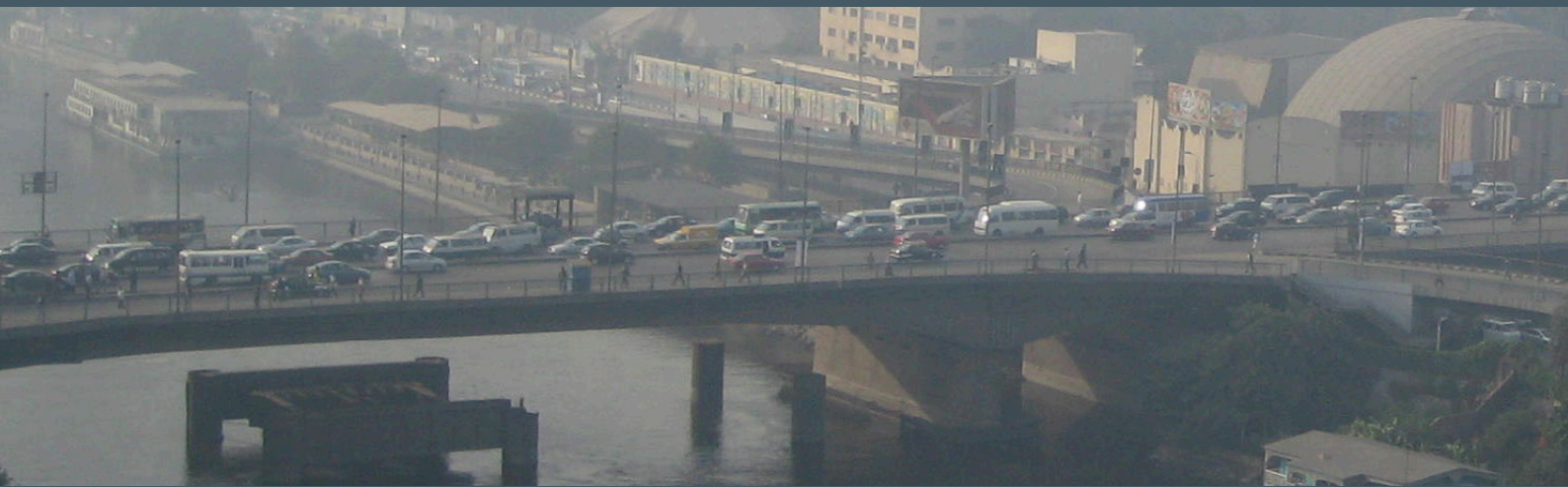
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IMPACT OF WORLD BANK POLICY AND PROGRAMS ON THE BUILT ENVIRONMENT IN EGYPT:

INTRODUCTION



The built environment in Egypt has long vexed the country's citizens who continue to face the challenges of accessing safe transportation, clean water, and affordable housing primarily through self-reliance in the absence of strong government support and programs. Despite billions of Egyptian pounds in infrastructure investment both at a national and international level, Egypt's cities, towns and villages continue to grow and function in much the same way they have over the last three decades, and all continue to face varying degrees of deprivation as well as hazards. Shortages in housing, municipal services and transport--the three main ingredients of functioning communities--continue for most Egyptians, while a minority is very well served. It is no surprise then that the main call of the January 25th Revolution was "Bread! Freedom! Social justice!"

1. INTRODUCTION

1.1 RATIONALE

The Government of Egypt (GoE) has had many partners in the development of Egypt's built environment. One significant partner has been the World Bank (or, the Bank) which has invested heavily in infrastructure projects in the energy, waste water, natural gas and transportation sectors, and more recently in affordable housing. These investments come along with the Bank's policy recommendations and technical assistance which have included championing private sector involvement and phasing out government subsidies, while taking the stance that government should be an "enabler" rather than a "provider" of such services.

Along with other international financial institutions (IFIs), the **World Bank** has helped shape built environment-related policy in Egypt over the last three decades. The World Bank is not a bank in the traditional sense. Rather, this multilateral institution aims to reduce poverty by providing over \$30 billion in assistance to developing and transition countries every year. The Bank's projects and policies affect the lives and livelihoods of billions of people worldwide. In Egypt, the Bank provides funding to specific projects through investment lending, supports policy reform through direct budget support, and also provides technical assistance training to the government in various areas.

Over the past three decades of its engagement in Egypt, the World Bank has invested billions of dollars into built environment-related projects through numerous loan programs. The Bank's current portfolio of built environment-related projects--which we have defined as covering affordable housing, electricity generation, sanitation, solid waste management, household natural gas connections and transport--

constitutes \$3,180 million, roughly 81 per cent of the total \$3,945 million portfolio of active WB projects in Egypt.¹ This long-term interest in Egypt puts the World Bank in a position to shoulder some of the responsibility for the state of the built environment in Egypt.²

In addition to the investment from the World Bank and other foreign and international institutions, the GoE itself has invested billions of Egyptian pounds (LE) into the built environment over the past few decades. To address urban expansion, between LE 60 billion and LE 500 billion have been spent on the New Cities program between 1977 and 2010, while LE 16 billion has been spent on low-income housing between 2005 and 2012.³

Despite this influx of funding into the built environment from at home and abroad, basic services have seen little improvement. Even though indicators show that there is near-universal connection to water, electricity, and solid waste management,⁴ these services still come up high in surveys of citizens' dissatisfaction.⁵ In a recent study on Cairo, Egypt's most urbanised



Original images by Bank Information Center field visits to Egypt

governorate and arguably its best served, the delivery of electricity and water is regularly interrupted, while garbage piles up uncollected.⁶ In terms of housing, 60 per cent of Greater Cairo's population live in self-built communities that receive very little government money,⁷ and there remains an annual shortage of approximately 220,000 affordable housing units nation-wide.⁸

Why has the large amount of foreign and national funding not succeeded in solving or substantially addressing the many built environment challenges faced by citizens of Egypt? Have the Bank's efforts played a positive role in promoting pro-citizen built environment policies and projects? This study will seek to explore answers to these questions through an overview of the World Bank's strategy toward Egypt and its investments in policy programs and

development projects. This overview will focus on three main sectors that directly impact the built environment: affordable housing; municipal services including electricity, sanitation, natural gas and waste collection; and transport.

INTRODUCTION

1.2 METHODOLOGY

This study will begin with an overview of the Bank's portfolio and strategy related to the built environment and a qualitative picture of how the implemented projects affect the quality of life of the targeted communities. This overview will focus on:

- Identifying WB built environment-related policy through the Bank's most recent Country Assistance Strategy (CAS) document
- Identifying WB built environment-related projects and programs and reviewing their implementation in comparison to the CAS⁹

The World Bank Group¹⁰ produces a number of policy studies that inform its projects in the country and or sector they operate in. The main document that guides the Bank's engagement with each country is the Country Assistance Strategy (CAS) that covers the medium term, usually three to five years. This document includes the estimated amount of money the Bank will commit to the country for the specified timeframe, as well as guidelines for the types of themes and sectors that WB programs and projects should address in that period. Because the Bank works based on the needs and demands of the borrowing government – its client -- the CAS should complement the country's own development plans, and references are made to government policy papers and studies.

Egypt's **2006-2009 CAS**, which was extended to cover Bank lending up until May 2012, is the main textual focus of this study.¹¹ The CAS includes a number of objectives and strategies on how to achieve them. This paper will highlight those objectives and strategies that have a direct impact on the built environment and will analyze the Bank's rationale for having selected those particular objectives and strategies. We will then identify built environment-related

programs in the Bank's active Egypt portfolio to produce an outline of how Bank investments have implemented the CAS objectives.

In order to compare the Bank's stated objectives in the CAS with the implementation of these objectives in the Bank's active portfolio, this study will paint a picture of how World Bank programs affect the way the residents of the cities, towns and villages of Egypt live. A series of data sets will highlight:

- **Local policies that the WB has relied on in making its policy decisions**
- **The level of participation of local communities in the shaping of the Bank's portfolio**
- **The World Bank's vision for a better built environment in Egypt**
- **To what extent built environment-related sectors have been privatized, and what effect this has had on services**

INTRODUCTION

1.3 LIMITATIONS

We recognize that this study is limited in its scope and analysis. Our review is based upon the documents which are available to the public, and the assessment of the World Bank's engagement with Egypt is based mainly on the Bank's main guiding document for engagement with Egypt which is available for analysis, the CAS.

This CAS covers a limited time period, and is affected by a variety of outside factors and contexts. The World Bank must follow the government's lead in developing strategies and projects, as the government is its client. In addition, the Bank depends on the government's ministries and institutions for implementation of its funded projects. The CAS does not represent the extent of the World Bank's policy or ideology on any given subject, and therefore a textual analysis of the CAS will produce only a limited view of these policies and visions for development.

In addition, clear and comprehensive indicators on the built environment in Egypt are not always available. The absence of reliable indicators and statistics related to the built environment has prevented more detailed analysis of certain aspects, including the following:

- There is no governorate-based services index that illustrates the level of basic services (electricity, water, solid waste management) that is available, and so there is no baseline to measure the effect of investments in certain sectors on the different regions and compare effectiveness at the regional level
- There is a similar absence of standardized data on the affordable housing needs at the governorate level
- Certain projects have a local effect that can be measured – connectivity to a service for example – while others cannot be pinpointed to a certain region or governorate – electricity generated is transferred by a unified grid; regional transportation affects more than one region, etc.

The absence of clear and reliable indicators also negatively affects the ability of citizens, international institutions, and the government to evaluate the development decisions of the past and to formulate plans for the future.



Brickyard Kiln Factory in Northern Egypt

A worker stacks bricks in Egypt, near the town of Mansoura City, about 210 kilometers north of Cairo.

Original image by
Nasser Nouri
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2. OVERVIEW OF WORLD BANK GROUP COUNTRY ASSISTANCE STRATEGY (CAS)

In 2005 the International Bank for Reconstruction and Development (IBRD) & International Finance Corporation (IFC) Country Assistance Strategy for the Arab Republic of Egypt for the Period FY06-FY09 was commissioned. This same CAS was then extended to cover the period from 2009-2012. The strategy was recently replaced by an Interim Strategy Note (ISN), which was approved in June 2012. This ISN will guide the Bank's engagement with Egypt for an 18-month period, and will be followed by the preparation of a new CAS that will span 3-4 years.

2.1 REFLECTING THE CLIENT GOVERNMENT'S POLICY

The World Bank acts in accordance with the policies and strategies of the government which it is lending, and considers the government its client. Therefore, the Bank's CAS and the development objectives that define its engagement with Egypt use the GoE's plans and goals as a starting point. At the same time, the Bank has its own set of development goals, including its mission: to help reduce poverty.

The 2006-2009 CAS was produced with "broad overlap between the thinking of the GoE and that of the Bank Group with regard to Egypt's key development challenges and reform agenda."¹² The CAS goes on to state that this reform agenda is acquired from "key development objectives and targets of the Government of Egypt [as] expressed in the Fifth Five Year Plan for Socio-Economic Development covering the years 2002-2007...in addition to policy

papers produced by the [then] governing party, the National Democratic Party (NDP)."¹³

Even though the government, and indeed the regime that the 2006-2009 CAS was produced in conjunction with was delegitimized with the 2011 January Revolution and the ruling NDP disbanded, all active World Bank projects that were approved before June, 2012 are directly related to the 2006-2009 CAS. The 2006-2009 CAS was developed in

Overview of World Bank Group Country Assistance Strategy (CAS)

collaboration with the previous regime and that regime's policies, and noted that this regime had maintained the "stability and continuity ... of Egypt's political system for several decades."¹⁴

In addition to being associated with the corruption and oppression of the Mubarak era, the policies of the NDP did not present a clear and cohesive vision of development for the built environment. In the absence of a comprehensive plan for the built environment, we see a lack of prioritization of the needs of the sector, with an over-emphasis on some sectors while other sectors receive little investment where there is great need.

While there is not a cohesive plan for the built environment, the CAS does mention several of the government's goals for the sector as laid out in what was its most recent five year plan. The main built environment-related development goals set out in the GoE's Fifth Five Year Plan that are mentioned by the CAS are:¹⁵

- **Enhance the provision of public services such as infrastructure, education, and macroeconomic stability**
- **Pursue equity through redesigning social policies to meet national welfare objectives in a more effective and efficient manner**
- **Strengthen the social safety net system so that more of the vulnerable are covered by it, and its effectiveness is enhanced through administrative decentralization, community-based approaches, and the use of NGOs**
- **Improve inter-regional equity in part through targeted investments in Upper Egypt**

The CAS states that the "WB will support the GoE over the next four years (FY06-09)."¹⁶ The World Bank's strategic objectives that correspond to those found in the GoE's Five Year Plan, meant to provide structure to this support, are defined in the CAS as: "facilitating private sector development, enhancing the provision of public services, and promoting equity."¹⁷

Landscape of unfinished construction in downtown Cairo

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OVERVIEW OF WORLD BANK GROUP COUNTRY ASSISTANCE STRATEGY (CAS)

2.2 CAS OBJECTIVES

The CAS proposes an “overarching objective of achieving growth with equity,” and identifies three intermediate strategic objectives based on discussions with the GoE and consultations with other stakeholders. These objectives are as follows:

- **Facilitating private sector development**
- **Enhancing the provision of selected public goods**
- **Promoting equity**

The following sections of this paper will discuss each of these objectives, and the strategies that the World Bank lays out in the CAS for how to achieve these objectives.

2.2.1 FACILITATING PRIVATE SECTOR DEVELOPMENT

The first objective identified by the CAS is “facilitating private sector development.” The CAS notes that public investment fell from around 15 per cent of GDP in 1998 to around 8 per cent in 2006 and posits that this “may have compromised the infrastructure base on which private sector investment relies.”¹⁸ In other words, decreasing government investment in infrastructure has hurt the existing private sector’s ability to operate and has made future private sector investment less likely. The CAS identifies that the GoE plans to make strategic infrastructure investments in areas such as electricity generation and transport, and proposes to expand the scope for the private sector in these infrastructure investments through a) privatization and public-private investment partnerships in infrastructure projects b) eliminating certain restrictions on private sector participation and c) redesigning subsidies. The Bank envisions that the increased role for the private sector will help address the shortcoming in the GoE’s investments in infrastructure.

Overview of World Bank Group Country Assistance Strategy (CAS)

The Bank's strategies for how this objective can be achieved are as follows:

- Developing a national Public Private Partnership (PPP) Strategy
- Removing impediments to the expansion of private investment in the area of access to land, focusing mainly on issues of allocation of land, state land management and property registration
- Facilitating private sector participation in public infrastructure projects through technical assistance as well as through lending
- Eliminating certain restrictions presently imposed on the private sector's participation in infrastructure projects
- Highlighting the need for rationalization of costs, prices and subsidies in various sectors
- Increasing private sector participation in water services and rationalizing its pricing with incentives for water reallocation and pollution control
- Completing analytical work on regional competitiveness and public-private partnerships in housing supply

The links between the Bank's active portfolio in Egypt and these strategies for achieving its "facilitating private sector development" objective are clear. Indeed, out of the \$3,180 million earmarked for built environment-related projects in the Bank's portfolio, over half that budget, \$1,639 million, is themed by the WB as "Infrastructure services for private sector development." (Fig. 1)^{19 20}

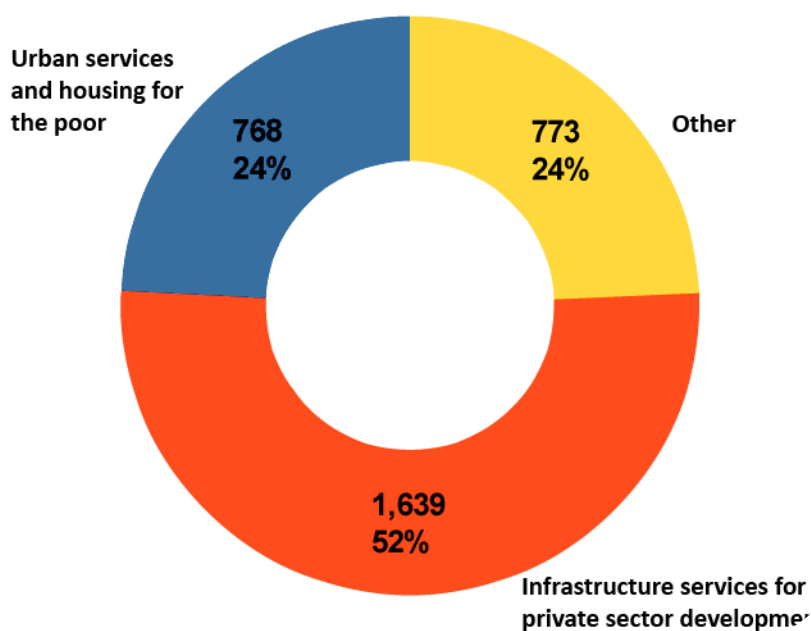


Fig. 1: WB built environment Investments by Theme (in millions of \$ US)

Additionally, of the 15 programs that affect the built environment in the World Bank's portfolio in Egypt, nine of them are linked to market liberalization and the reduction of subsidies. These nine programs are related to the housing, energy and air transport sectors. Four projects in the Bank's portfolio are linked to corporatization of the sector, and these projects are found in the sanitation and railway transport sectors. Three projects are linked to carbon trading, and are related to the solid waste management and local transportation sectors. The following sections of this paper will provide an overview of the projects in each sector that are linked to the Bank's objective of "facilitating private sector development."

OVERVIEW OF WORLD BANK GROUP COUNTRY ASSISTANCE STRATEGY (CAS) ON ENERGY

The World Bank has several initiatives in its active portfolio in Egypt's energy sector that are related to its objective of "facilitating private sector development."

The Bank has been part of the push to liberalize the energy sector through a number of structural adjustment programs and through technical assistance facilities such as the Energy Sector Management Assistance Program (ESMAP) and the Public-Private Infrastructure Advisory Facility (PPIAF).

The Bank's role in the push to liberalize the sector is also apparent in the CAS. The Bank's vision for electricity generation, as portrayed in the CAS, has been to involve the private sector in the construction and operation of power stations as independent power producers (IPP), that sell their energy to the Egyptian Electricity Holding Company (EEHC) which then sell the energy to the consumer. This process is seen as an intermediate step towards a more liberalized electricity market. One of the biggest aspects linked to this transition is a price adjustment program with a gradual removal of subsidies for all energy-using sectors, with an initial focus on energy-intensive industries. In terms of policy in this area, the Bank was involved with assisting the GoE in its creation of an "Energy Pricing Strategy," as well as a strategy for managing risk in the government's re-engagement with the private sector.²¹ Throughout the 2000s there was a regular annual increase of energy prices in Egypt by the government.²² The Bank noted that this was a "significant step" toward reducing energy subsidies.²³

The other aspect of the liberalization strategy has been privatizing the existing government-owned electricity network. As part of the GoE's electricity strategies in 2002, it was envisaged that up to 40% of existing generation and distribution assets would be privatized, although this was never accomplished. Part of the World Bank's Technical Assistance program for Egypt on exploring new PPP approaches involves reviewing this privatization strategy. According to Egyptian commercial companies' law #159, up to 100 per cent of these existing power plants and distribution stations could legally be privatized.²⁴

For household natural gas that is used mainly for cooking in almost all Egyptian households and to a lesser extent for water heating, the WB strategy has been to reduce subsidies spent on LPG canisters that 70 per cent of Egyptian households use, in favor of expanding the existing network of natural gas distribution lines. Natural gas is produced locally and thus is cheaper for the government.

ON WATER AND SANITATION

The Bank's active portfolio in Egypt also contains initiatives related to the water and sanitation sector. Bank documents note that the water sector underwent a number of reforms beginning in 2004, including utility corporatization and regulation.²⁵ The Bank supported these reforms through its funding of the \$120 million Integrated Sanitation and Sewerage Infrastructure project in 2011.²⁶ Presidential decree #135 of 2004 formed the **Holding Company for Water and Wastewater** (HCWW) to run the 16 largest water and wastewater utilities. Another agency, the Egyptian Water Regulatory Agency, was established by Presidential decree #136 of 2004 to monitor sector performance. This restructuring was aimed at achieving overall sector financial stability, and was in response to very low cost recovery in this sector that in 2003 saw a deficit of \$1300 million. Between 2004 and 2007, just three of the 16 companies either made a profit or were breaking even.²⁷

These reforms were essentially laying the groundwork for privatization of the sector, while water tariffs for households doubled in 2004 from LE 0.12 to LE 0.23 per cubic meter, leading to public dissatisfaction expressed in the form of protests.²⁸ In terms of governance, these reforms represented a step toward centralization, as companies run by the local municipalities were brought under the control of a central agency.

While the direct privatization of existing water treatment plants has not happened, there are already 2000 small, privately run water treatment plants, where government agencies have not been able to monitor them properly as evidenced by a number of health cases affecting hundreds.²⁹ It is also evident that some of the HCWW's own treatment plants do not conform to health standards.³⁰ This lack of regulation does not bode well for the community at large,

putting to question the government and its relevant agencies' ability to monitor the large, multinational private sector as it sets out to build two PPP water desalination plants.³¹

In the waste water treatment sector, a PPP plant is already operational in New Cairo³², while the construction of two more plants is under way in 6th October City and Abu Rawwash just outside of Cairo.³³

Studies by accountability organizations have found that privatization of water resources has neither benefited the world's poorest people, nor has it been economically viable, and the studies have called for the World Bank to cease all water privatization efforts and invest in more publicly accountable systems.³⁴ Indeed, the current state of drinking water provision in Egypt is inequitable, with a 35 per cent over-capacity in the production of drinking water, while a number of communities remain without water connections.³⁵ At the same time, water use in golf courses, green areas and swimming pools in private upper-class developments continues to be unregulated.³⁶ A continued focus on managing and regulating drinking water production, use and disposal by the Bank and the GoE will have a much larger and more positive impact on the quality of life of most Egyptians than efforts to liberalize the sector isolated from reforms related to management and regulation.

People bathing along the Nile River

Original image by
Bank Information Center



ON HOUSING

The World Bank's portfolio in Egypt includes work on liberalizing the housing sector through its Affordable Mortgage Finance Program. The World Bank sees the main challenge in the housing sector to be devising housing policies and strategies that result in affordable housing while at the same time addressing the distortions which prevent the housing market from functioning efficiently. These include the Old Rent law – i.e. rent control – and the small, underused mortgage sector. To address this, the Bank proposes institutional frameworks and incentive structures to enable an expanded private sector role in the financing and delivery of affordable housing, which would help to rationalize the subsidies provided to low-income groups, and ensure the continued development of a viable rental market to serve the needs of the lowest income groups.³⁷

This methodology has been applied in practice through the Bank's affordable mortgage finance project that has sought to transform the direct and indirect subsidies that go towards the national low income housing projects into mortgage loans for the middle and low income groups – between the 75th to 45th percentiles, where the subsidy is transparent and goes directly to the beneficiary.³⁸ Applicants would also go through a tightly monitored vetting system that is meant to be less corrupt than the old one, and the loans would be funded through sustainable fiscal sources, mainly the private sector, freeing up the existing cash subsidy to be targeted at the lower-income groups in the form of rental and site-and-services projects, and eventually phased out entirely.³⁹

The project document claims that private sector developers have successfully entered the moderate income housing market, but this claim is not reflected in the project's latest status report which counts only 5132 affordable loans being disbursed to date compared to the project's 2012 target of 35,000 beneficiaries (as of January 2013, the total loans dispersed equalled 7300).⁴⁰ Despite the program's dismal performance, the second tranche of \$100 million was disbursed in July 2012. The program includes a third and final tranche – also of \$100 Million – scheduled for disbursement in 2013, though according to the head of the **Guarantee and Subsidy Fund** (GSF), the local

partner agency responsible for the program, this payment will be deferred if the program has not met its target by that time.⁴¹

The introduction of mortgage law #148 of 2001 ignored the fact that housing was already quite unaffordable.⁴² The house price-to-income ratio in Egypt is 7:1 and up, slightly higher than in Tunisia, where it is 6:1, but almost double the level of most nations where the housing is liberalized like the OECD countries, especially the US and UK where it is 4:1.⁴³ And so, the mortgage law helped increase the commodification of the housing market by catering to private developers' over supply of expensive housing,^{44 45} through the lack of government regulation of the housing market, further eroding affordability for the majority of Egyptians.⁴⁶

Another problem with the affordable housing mortgage project is that it seeks to raise the borrowing limit stipulated in the mortgage law from 25 percent of income, to 40 percent, in an attempt to increase the buying power of beneficiaries. This is already five percent higher than "best practice" limit of 35 percent, and that may work in countries where medical care and education are largely covered by the state, and food prices are relatively stable. However in Egypt this would be pose disastrous consequences for families where currently only 18 percent of a very stretched income goes towards housing, while income rises have long trailed very high inflation rates.⁴⁷

The GoE's implementation of World Bank programs in the housing sector has thus far further aided the private sector instead of protecting those who ought to be the primary beneficiaries of these programs, namely the lower-middle and low-income groups, i.e. the poorest Egyptians, from an unregulated housing market which has been increasingly unaffordable year by year. It is also a shame that one main benefit of the program, more transparent subsidies, would be eaten up by the high rate of house price inflation⁴⁸, while the other benefit, a publicly accessible house price database, is yet to materialize.⁴⁹

ON SOLID WASTE MANAGEMENT

Solid waste management has long been a private sector service in Egypt, though it was initially a sector dominated by the informal private sector. The World Bank and other international organizations have played a role in formalizing the sector, with mixed results.

For decades, the informal Zabaleen collected and disposed of garbage in the major neighborhoods of Cairo, but by the end of the 1990s with World Bank and USAID support, large multinational corporations were given long term contracts to deal with the garbage

in Egypt's three largest cities, Cairo, Giza and Alexandria, as well as other smaller cities, thereby replacing the Zabaleen in some areas.⁵⁰

Since the formalization of this sector, waste collection fees have been controversially added to citizens' electricity bills thereby using the threat of cutting off power as a means to ensure payment for garbage collection.⁵¹ Meanwhile, the level of satisfaction with garbage collection has been much lower than before formalization of the sector.⁵²

ON TRANSPORT

Liberalization of the air and railway sector has been championed by the World Bank over the last two decades. This is evident in the Bank's portfolio in this sector, which includes major projects to modernize and liberalize the air and railway transport systems in Egypt. In addition, the Bank funded a project to modernize the taxi system in Cairo.

Under the Bank's direction, international air services in Egypt have been gradually liberalized; requirements for establishing an airline have been simplified and restrictions on landing of charter flights at Cairo International Airport were lifted in 2008 on the occasion of the opening of the new, Bank-financed, Terminal Building 3.⁵³

In the railway transport sector, the 2009 Bank-financed National Railways Restructuring Project has aimed boost the competitiveness of rail services⁵⁴ by raising government-controlled ticket prices in a bid to introduce a role for the private sector in railway activities. In addition, the project aimed to revamp railway signalling, safety features, and management practices.

The Bank also funded the 2010 Vehicle Scrapping and Recycling Program which sought to modernize the taxi fleet in Egypt.

Carbon finance was used for this program with the goal of improving air quality in the cities by persuading taxi drivers to trade in their older vehicles for newer, cleaner ones.⁵⁵ These newer vehicles are the white taxis now a common sight in Cairo streets. The taxi modernization program is a PPP program that includes three commercial banks, five vehicle companies (which assemble locally), an advertising firm, and an insurance agency as the private sector partners. This project has faced a number of challenges, the most significant being the pull-out of the advertising agency. These problems have resulted in higher instalment payments for the taxi owners, while maintenance costs at the approved dealers were much higher than what the taxi drivers were used to.⁵⁶ Overall, the project has benefited local and international vehicle producers and traders, boosting the private car market during a particularly slow period.

The Bank's support for programs focusing on liberalization and increased private sector control in all of these sectors is of course not a complete picture of its portfolio in Egypt, but it does show a tendency toward funding projects that further a specific ideology of what types of development and economic growth will have the greatest benefit for the country.

OVERVIEW OF WORLD BANK GROUP COUNTRY ASSISTANCE STRATEGY (CAS)

2.2 CAS OBJECTIVES

2.2.2 ENHANCING THE PROVISION OF SELECT PUBLIC GOODS

The second objective found in the CAS is “enhancing the provision of public goods.” Indeed, the provision of public goods and services to Egypt’s citizens is an area which could benefit a great deal from investment and improvement. However, the Bank’s prioritized areas of investment toward this objective to do always match the greatest areas of needs of Egypt’s citizens.

Investment in infrastructure, primarily power generation and water management, is the primary public good that the CAS identifies as a priority. The CAS prioritizes the expanded supply and improved efficiency of infrastructure services, and recommends the following strategies for achieving expanded supply and improved efficiency:

- Restructuring and streamlining of government bodies responsible for infrastructure
- Making some strategic infrastructure investments, in such areas as electricity generation and transport
- Helping to improve water management, increase electricity generation and improve transportation
- Integrating the approach to promote more efficient delivery of urban and rural infrastructure services, local economic development and regional competitiveness

Improved water resource management and air quality is also prioritized in the CAS, and the Bank lays out the following strategies for achieving this aim:

- Emphasis on sanitation services and water demand management
- Focus on governance of water agencies
- Harmonizing the environmental review and resettlement procedures followed by the Bank and by Egypt
- Strengthening the decision-making process in water quality, solid waste management, and rural water and sanitation sectors

This emphasis on infrastructure has been reflected in the Bank’s active portfolio with a large share of World Bank loans during this CAS--about 50 per cent--going toward power generation with transport coming in a distant second at 28 per cent, followed by sanitation, affordable housing, and natural gas (Fig. 2).

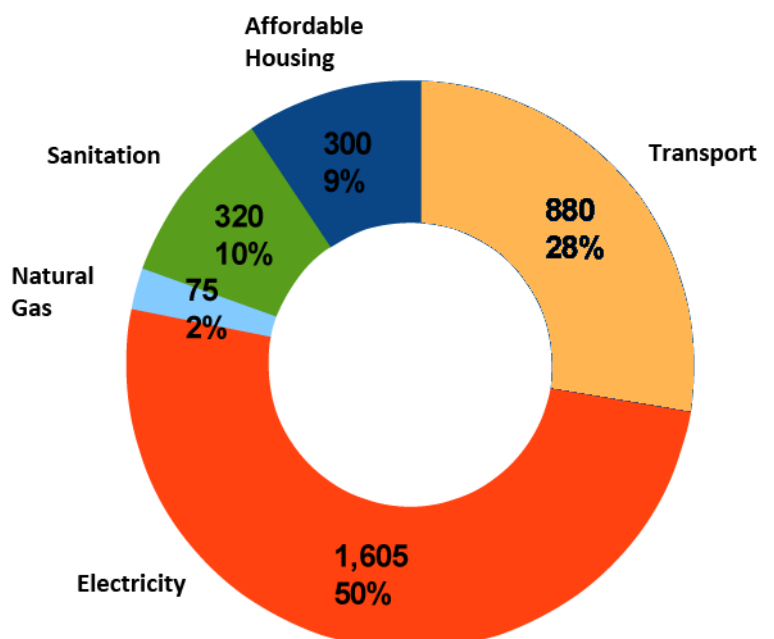


Fig. 2: WB Investments by Sector, in millions of US\$

Overview of World Bank Group Country Assistance Strategy (CAS)

When comparing World Bank investments to the needs and the state of the built environment (Fig. 3),⁵⁷ the ensuing picture reveals a disconnect between the Bank's investments and areas of need in the built environment sector (infrastructure services, housing, local transport), with a preference toward the industrial and trade sectors. For example, many of the investments supported by this CAS are heavy investments in the electricity sector which is a sector that already has near-universal coverage. While Egypt has indeed experienced rolling black-outs over the past few summers when demand peaks, this is not solely an issue of energy generation but rather a power management issue. The Bank's investments in transport are a near match to the needs that are apparent at a national level. Because regionally disaggregated statistics on transport needs are not available, it is possible that there could be a greater discrepancy between needs and investments if needs are in reality more local rather than national, since the investments in this sector by the Bank cover mainly national and international transport. Other sectors with much less coverage and higher levels of need expressed receive lower levels of investment.⁵⁸

As proposed pipeline projects are approved and become active, this disparity will only increase, with the share of electricity generation rising to 58 per cent of the total built environment-related budget.

The bias of the World Bank's investments towards the electricity sector, followed distantly by the regional transport sector are likely tied to the lack of a balanced and cohesive built environment policy for Egypt both on the side of the World Bank and on the side of the government. Instead, there is a tendency to focus investment on isolated projects in sectors that function independently of each other.

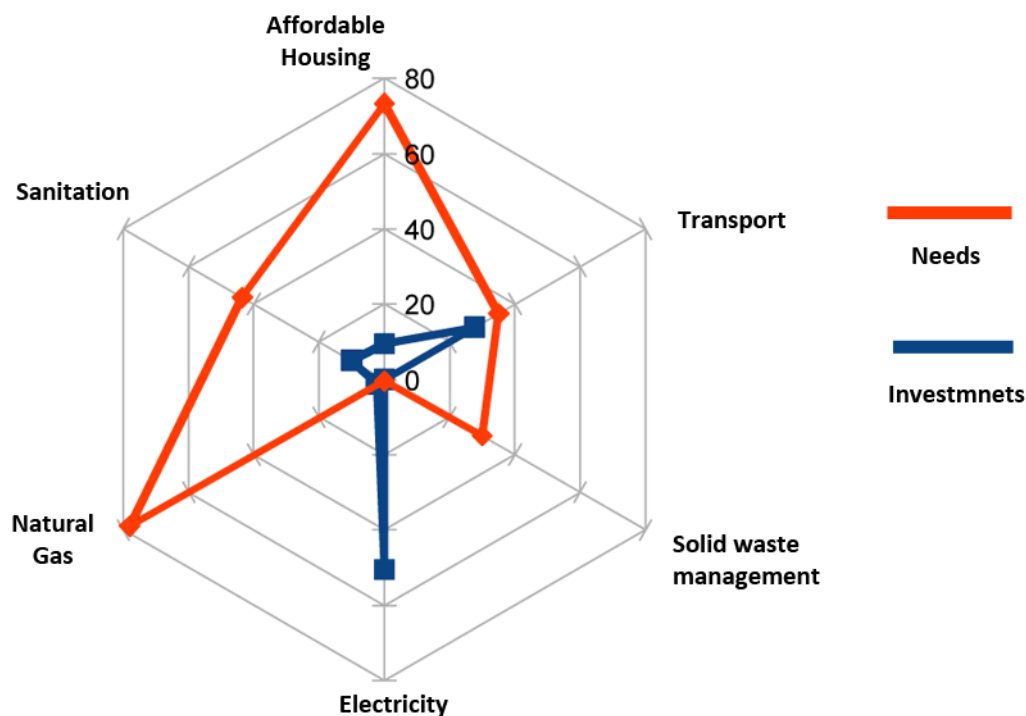


Fig. 3: Comparison between proportion of WB investments by sector and the needs of the sector

OVERVIEW OF WORLD BANK GROUP COUNTRY ASSISTANCE STRATEGY (CAS)

2.2 CAS OBJECTIVES

2.2.3 PROMOTING EQUITY

The World Bank's third objective outlined in the CAS is "promoting equity." The Bank's strategies for achieving this objective hinge mainly on decreasing interregional disparities. Decreasing the disparities in quality of life and economic growth between regions also involves devolving central governance. Hence this objective would also include the decentralization of public service delivery. The Bank's strategies for promoting equity through its projects and investments are outlined in the following two areas:

First, the Bank proposes to promote equity through strengthened accountability of public sector agencies. The Bank aims to raise the efficiency of government service providers and their accountability towards their clients through "greater information disclosure about service delivery targets and achievements" as well as decentralizing planning by "building the capacity to plan and prioritize investments at the local administration level."

The Bank also proposes to promote equity by way of reduced disparities between Lower and Upper Egypt. The CAS includes a number of recommendations for how to restructure government, especially in the way local government operates and listens to its constituents. These include:

- The need to better identify local priorities and use more flexible mechanisms to deliver public services
- Greater involvement of local administrations, community organizations and NGOs in the selection and delivery of public services
- Integrated Governorates projects with focus on: de-concentration of public services delivery, with more responsibility transferred to local administrations; involvement of civil society in planning and implementation; capacity-building of local officials and local council members in planning, implementation, monitoring and evaluation functions; using participatory approaches; and
- Investments in infrastructure and improved services to support governorate/district level plans and help Upper Egyptians take advantage of economic opportunities

The Bank's CAS recommendations on decentralization, including those contained in the proposed Integrated Governorates project fall far short of empowering local communities and civil society. Local administration officials and local government elections are notoriously fraudulent and not representative of their communities, so capacity building for increasing the participatory-style work will not succeed when these officials do not have the trust of those they represent.⁵⁹ Ultimately, the Bank's Upper Egypt Integrated Governorates Development project was never implemented.⁶⁰

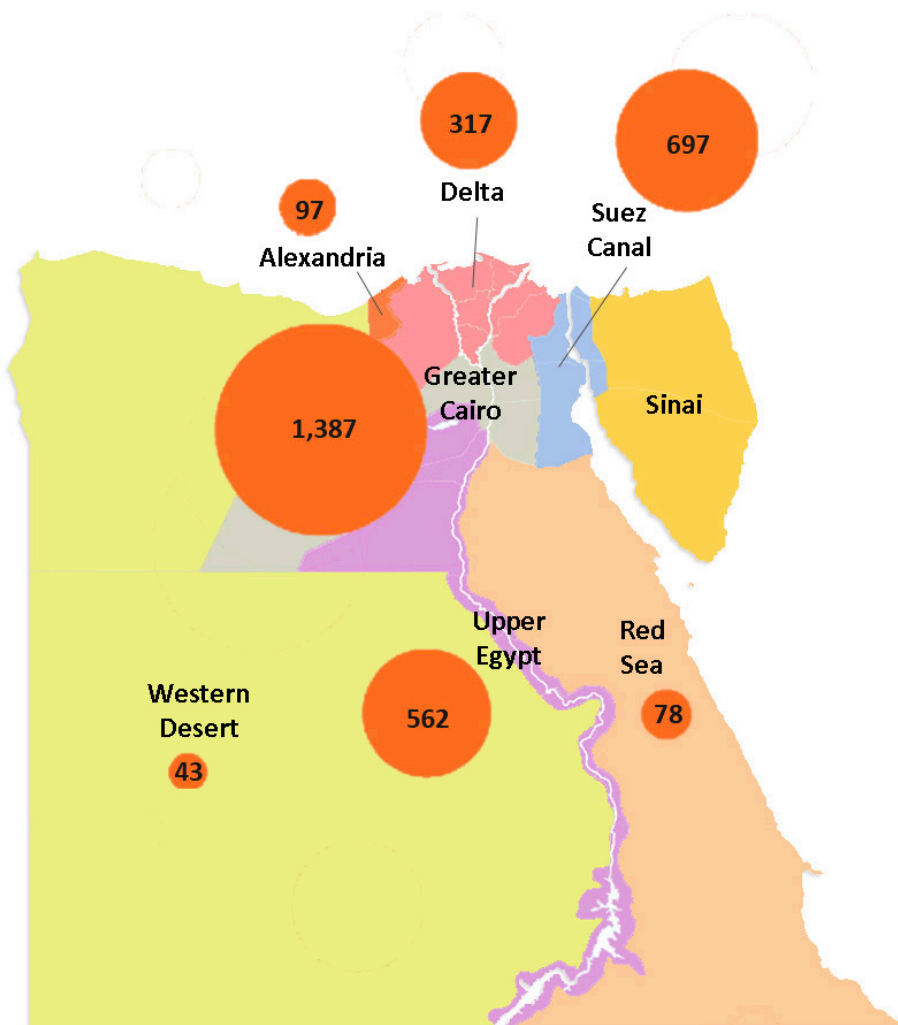
REGIONAL DISPARITIES

While “promoting equity” is one of the Bank’s primary objectives for its engagement with Egypt covered by the 2006-2009 CAS, the reality of the implementation of this CAS has seen many instances where equity could have been better promoted through the Bank’s policies and projects in Egypt. The following two sections will provide an analysis of how the implementation of the CAS fell short of promoting equity in its treatment of regional disparities and the poor.

While the Bank aimed toward a more even regional distribution of investment across Egypt’s governorates, the majority of funding remained concentrated in a few governorates that have historically received the bulk of investment attention from the GoE.

The CAS only specifically defines one region, Upper Egypt, which includes the governorates of Fayoum, BeniSueif, Menya, Assuit, Sohag, Qena, Luxor and Aswan.⁶¹ There are no other clear regional divisions used by the Bank in the CAS. This study has produced its own regional map of Egypt, adhering to the World Bank definition of Upper Egypt, and forming the other regions along traditional geographical features as well as governorate boundaries to enable the use of existing qualitative data and to show how the Bank’s investments are distributed.⁶²

In this map, World Bank project investments are distributed according to the governorates they were associated with in the project documents. If more than one governorate was mentioned without a specific breakdown of the investments between them, an equal distribution was assumed. According to this method, Upper Egypt, identified as a priority region in the CAS, comes out third in terms of the overall investment value, behind the Greater Cairo region and the Suez Canal region (Fig.4). This map also starkly illustrates that there are no World Bank programs related to the built environment in the Sinai region, while the western most governorates of Matruh and the New Valley receive only nominal investments.



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Fig. 4: WB investments by region, in \$ millions

Although most projects have a region-specific impact, this data set is purely illustrative since the electricity generation projects have a shared impact that is complicated to calculate as they are part of a unified transmission network that is not region-bound.

To further investigate the impact of these investments, the total project values were divided by the population of each region to give a per capita illustration (Fig. 5).⁶³ In this representation, Upper Egypt drops to fifth out of the eight regions in terms of investment per capita. Greater Cairo drops from first to fourth.

Family on a Cairo rooftop, taken from Azhar Park

Original image by Subnet 24
[CC BY-NC-ND 2.0]

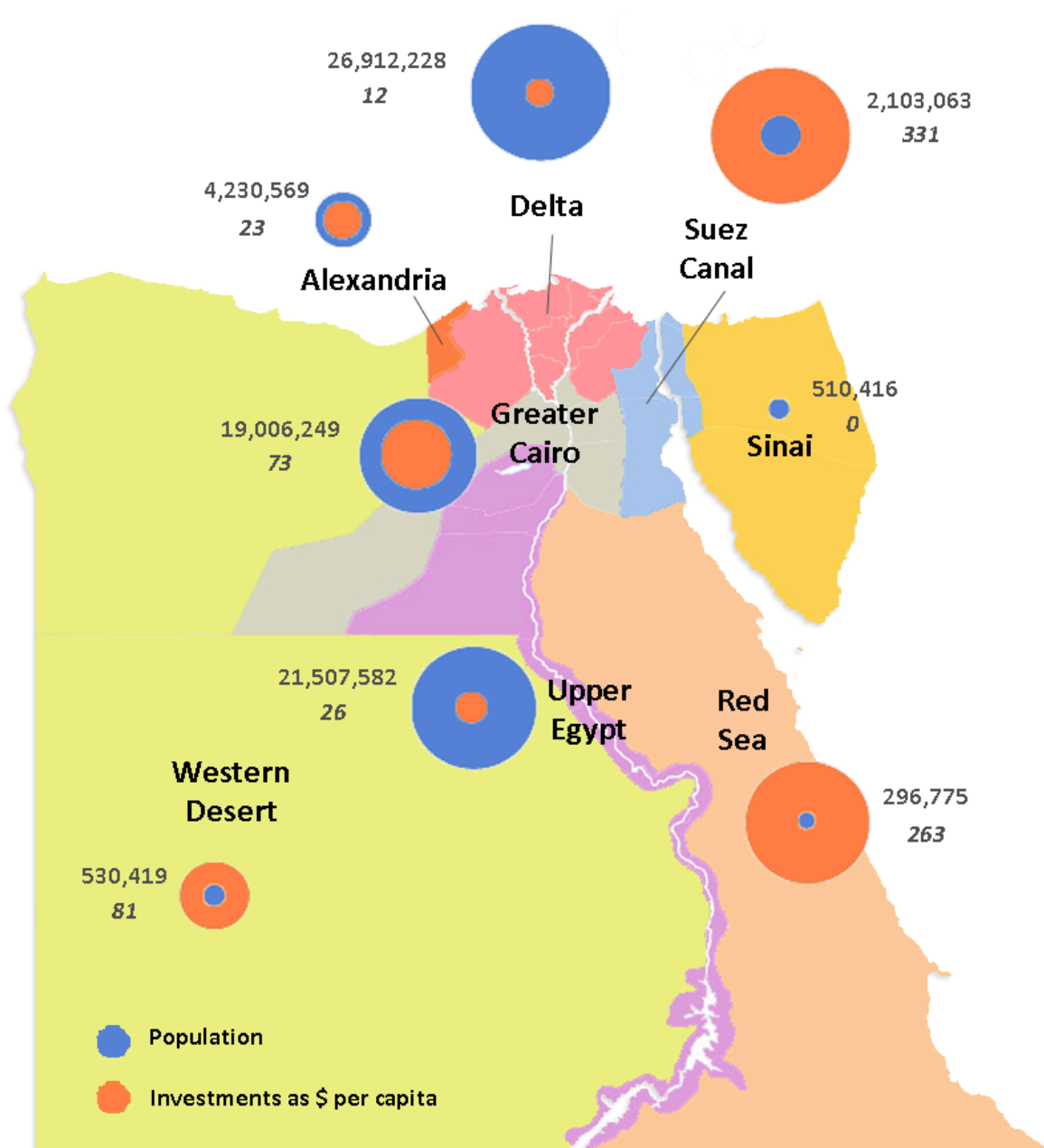


Fig. 5: WB Investments by Region, \$ Million Per Capita

Overview of World Bank Group Country Assistance Strategy (CAS)

A further map shows the breakdown of the projects according to sector, illustrating the types of investments each region receives (Fig. 6).

The bulk of power generation is based in Greater Cairo, followed by the Suez Canal region. In contrast, Greater Cairo and Upper Egypt receive nearly identical amounts of investment in transport, and are far ahead of the other three regions in terms of investment in transport projects. In terms of sanitation, the Delta receives double the investment that Upper Egypt does. The Natural Gas Connections project only covers Greater Cairo. In the housing sector, the value of the Affordable Mortgage Loan Program has been divided equally among the regions as there was no specific data to say how the housing that qualifies for the loan is distributed, with the exception of the Sinai which does not qualify for this project as individuals are not allowed to freely hold property. A post-project evaluation would draw a clearer picture of which regions most benefited from the Affordable Mortgage Loan project.

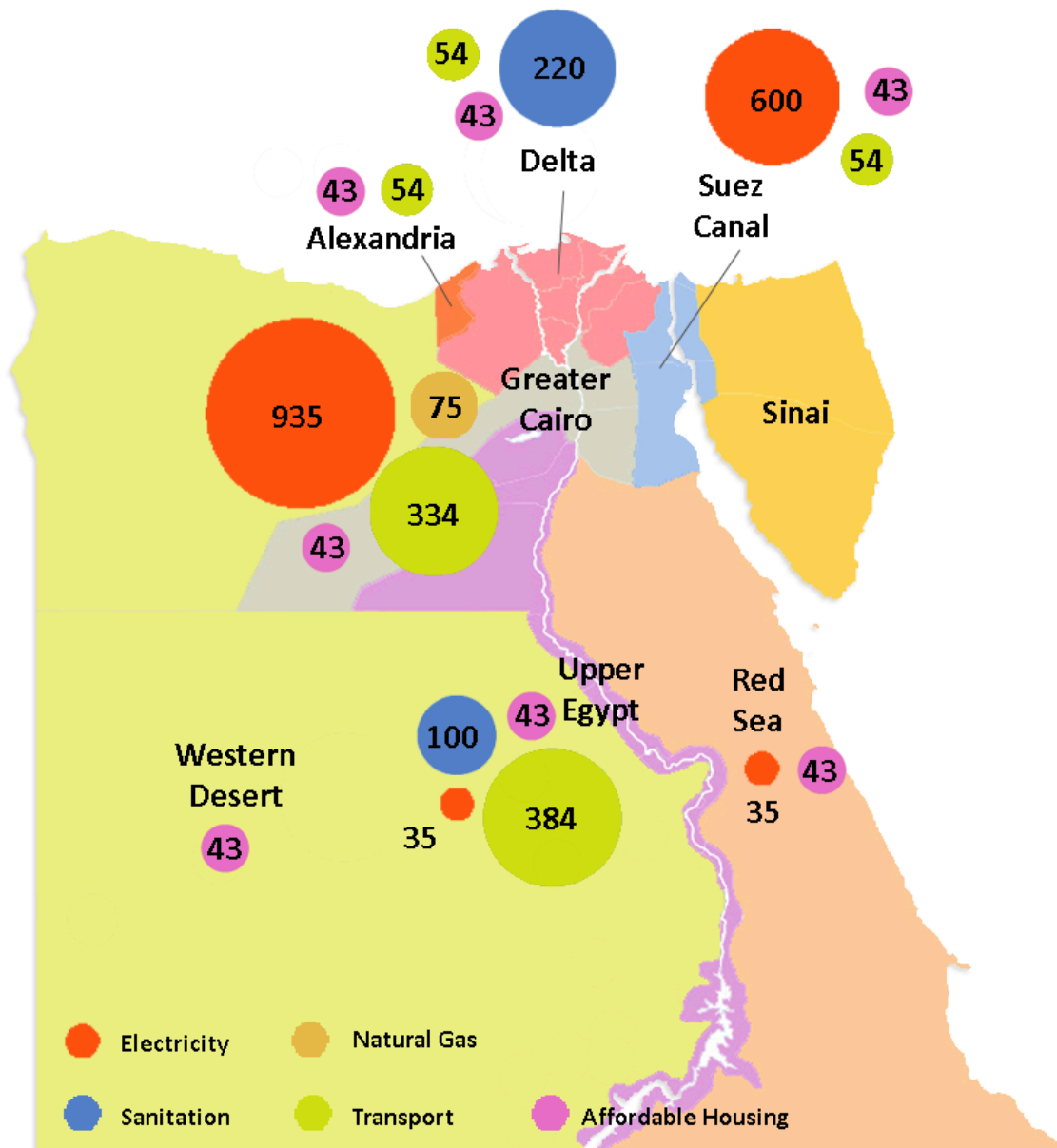


Fig. 6: Regional map of Egypt with WB investments by sector in \$ million

THE POOR

While helping to alleviate poverty is the World Bank's overarching mission as a development organization, this goal is not always as evident in the Bank's objectives and strategies found in the CAS and in the implementation of the CAS.

For example, projects designed to provide services to the poor did not make up a large percentage of the World Bank built environment projects when looked at by theme.⁶⁴ The themes "Urban services for the poor" and "Other urban services" made up only 22 per cent of the built environment related projects (Fig. 1).

The Bank is also unclear about who is defined as "poor" in its theme "urban services for the poor." For example, in the Affordable Mortgage Loan project, the target beneficiaries are the "middle and low income groups" – between the 75th to 45th percentile – and lower income groups are not catered for by this program.⁶⁵ Given that those percentiles are largely middle income, it

is unclear why the Bank classifies this project as being 54 per cent "urban services for the poor."

In addition, the Bank's heavy emphasis in the 2006-2009 CAS on private sector development shows a tendency toward a vision of poverty alleviation through growth. Encouraging private sector development and investment will increase the country's economic stability and success, and will have benefits like added jobs that will improve quality of life for some. However, private sector growth in and of itself is not enough to address the development needs of Egypt's citizens, especially the poor.

In addition to the lack of true focus on promoting equity in the 2006-2009 CAS, there were other shortcomings in the implementation of the CAS that are detailed in the following two sections on stakeholder participation and involuntary resettlement.

STAKEHOLDER PARTICIPATION

Stakeholder participation is one area in which the Bank's engagement with Egypt could have been much stronger. During stakeholder consultations surrounding the preparation of the CAS as well as for specific projects, there was a lack of representation of a broad group of stakeholders.

Most of the stakeholder consultations mentioned in CAS took place with central government agencies where "several meetings with key ministries" are mentioned, while local government was only consulted in one meeting that involved one governorate. This low level of representation is reflected in the documentation of consultations for all 14 built environment projects. The ministries or holding companies directly controlled by the ministries should not be considered the only "stakeholder," and the

Bank should not treat them as such. Instead, the stakeholders also need to include the targeted beneficiaries of a given project or at least those that represent those beneficiaries at the local level. The CAS does mention two workshops conducted with CSOs during preparation of the CAS, though there was no further detail in the CAS as to who these organisations represented and what suggestions were taken on board.⁶⁶

An example of the importance of conducting consultations at the local as well as more central level can be seen with the **ONYX Solid Waste Alexandria Project**, (funded by the Bank's Carbon Finance Unit) which processes solid waste from the city of Alexandria. Two land fill sites had to be chosen to contain the waste, as the initial choice within the borders of Alexandria Governorate, the **Burg Al Arab Landfill**, lay on the Alexandria

Overview of World Bank Group Country Assistance Strategy (CAS)

– Matruh road. This road serves holiday resorts whose owners were against the use of the landfill during the summer holiday season for fear of it affecting the mostly upper-class tourists and vacationers.^{67 68} Thus it was decided to use the Bug Al Arab landfill during the winter season and an alternative site, the **Hamam Landfill**, near the village of Al Bangar across the administrative border, and within the Matruh Governorate, for the summer season only.

The Matruh local council subsequently complained about the use of a site within their governorate to process waste from another governorate, Alexandria.⁶⁹ As recently as 2012, the local community of Al Hamam prevented garbage trucks from entering the site for a number of months because of the strong smell of garbage their village had to endure from the garbage trucks driving through it to get to the landfill.

The conflicts that exist in this project could definitely have been avoided had the local community been involved from the beginning; instead the project has been rife with power plays, security issues, and discontented communities.

As one newspaper put it, the smell resulting from garbage piling up in Alexandria due to interrupted service because of the blocked site in Al Hamam triggered an “environmental hazard” in the city of Alexandria.^{70 71} The article did not explain why the Burg Al Arab Landfill was also closed at the time, but mentioned that the prime minister was considering building an alternative road that circumnavigated the Al Hamam village, at a cost of LE 35 million. An article on May

31st, 2012 said that garbage trucks going to the Hamam Landfill were being organized into police-protected convoys to reach the site as “garbage had accumulated in the streets of Alexandria because thugs had forced truck drivers to pay protection money.”⁷²

According to the World Bank, there had been stakeholder consultations surrounding the project. However, out of the ten people who were involved in two closed meetings, three were from the Alexandria Governorate, four were from Onyx—the contracted solid waste management company—one was from the Ministry of Environmental Affairs and another represented an environmental NGO based in Alexandria.⁷³ As far as documentation goes, it does not appear that the local community of Al Hamam was consulted, nor was anyone from the Matruh Governorate. The conflicts that exist in this project might have been avoided had the local community been involved from the beginning; instead the project has been rife with power plays, security issues, and discontented communities.

While the Bank did not directly finance the construction of these landfills, and Bank representatives have stated in response to this study that consultations were not required at this time under Egyptian Law #4, the Bank did finance an associated facility to the project. It can be argued that under the existing definition of project area of influence, the Bank’s policies should have been applied to this project.



Participants at a BIC workshop in Egypt
Original image by Bank Information Center

INVOLUNTARY RESETTLEMENT

Involuntary resettlement, a major issue in large-scale development projects globally, has also occurred as a result of in the Bank's implementation of its 2006-2009 CAS. Half of the 14 built environment-related projects, totalling 63 per cent of the built environment portfolio by investment value, triggered the Bank's involuntary resettlement safeguard policy, indicating that there was a risk of people being displaced from their lands, homes, or livelihoods as a direct or indirect result of the project. It is not surprising that the policy was triggered in so many of these new infrastructure projects in the valley and delta given the high population densities and the limited publicly owned land. Preliminary resettlement studies, called Resettlement Policy Frameworks (RPFs) were commissioned by the World Bank in all of these cases, and where these RPFs indicated an actual need for resettlement, further detailed studies were commissioned. Both Bank operational safeguard policies and local Egyptian laws were followed in these cases, in particular Egyptian law No. 10 of 1990, Expropriation of Property for Public Benefit. This law only allows for the expropriation of

property in cases where there will be public benefit, which is defined as including roads, sanitary, electricity, and so on. At the same time, 47 per cent of the projects by project value that warranted RBFs were themed by the Bank as "Infrastructure services for private sector development." Because involuntary resettlement has enormous impacts on families and communities, it is especially important that the Bank and the government weigh the costs with the stated public benefit of the project, and give serious consideration to alternatives, when resettlement or economic displacement is a possibility.

The shortcomings evident in the Bank's implementation of the CAS are not only found in Egypt or in the Middle East and North Africa region, but are systemic issues found across the World Bank's portfolio and indeed in many development projects. These problems must be addressed in order for the Bank to be seen in countries where it works as fully committed to its mission to alleviate poverty.



Construction takes place on the World Bank-financed North Giza Power Project
Original image by Bank Information Center

3. CONCLUSION



Egypt's cities, towns and villages function in a manner that seems to baffle the experts, where almost every support and service mechanism suffers from an advanced degree of inefficiency and lack of planning, though despite this the communities continue to grow and function.

While the state seems to be the sole owner and regulator of most of the elements that shape the built environment, in reality ownership is divided between the state, the informal private sector and the formal private sector. Besides the infrastructure services, such as energy, water and waste-water, the other three components of the built environment: housing, transport and solid waste collection, are already for the most part liberalized, though this has not meant that they have performed any better than the public sector services.

In housing, for example, the majority of units are constructed by the informal private sector followed distantly by the formal private sector in a highly unregulated market that has seen affordability decline, even in the informal communities. Even public transport is not exactly public. Over the last three decades, the share of privately-run minibuses, which are crammed and represent the least safe mass transit option, has grown to account for more than half of the mass transit trips in Greater Cairo, while there has been a sharp decline in the use of public bus services and, an increase in the use of the metro, which is much more expensive to build and run. In the case of solid waste, which has traditionally been the domain of the informal Zabaleen, the formalization of this sector over the last decade has resulted in the introduction of multinational solid waste management firms,

bringing with it a sharp decline in citizen satisfaction with the service while garbage mounds have become a mainstay on streets in most neighbourhoods.

This situation of the built environment leaves great opportunities available for development of the sector, but the Bank's impact during its recent engagement has left much to be desired. In terms of the Bank's focus on developing the private sector and in using the PPP model, while the 2006-2009 CAS finds that the "GoE is conscious of the need to ensure resulting [privatisation] arrangements do not create private monopolies and that they are embedded within a regulatory and supervisory framework that protects the public interest," it is clear that there is a need for greater focus on regulation.

In terms of sectoral policy, the 2006-2009 CAS projects have not catered to the main deficiencies of the built environment. This can be partly attributed to the CAS relying almost solely on GoE policy papers sourced from the then ruling NDP and its executive,⁷⁴ policy the Bank acknowledged was “weak or counterproductive” in an urban sector report it commissioned in 2008.⁷⁵ Even though the CAS was designed prior to this report, and one could argue that the Bank did not see that these policies were weak until after it had designed its CAS, the Bank ought to have adapted its CAS accordingly, especially when it extended the CAS to cover the years 2009-2012. Nonetheless, the Bank continued to follow the government’s urban policy, which, according to the same World Bank report, “concentrated on new towns and desert development and ... largely ignored progressive urban growth in the Nile Valley.”⁷⁶

The lack of true representation and consultation of stakeholders was another area in which the 2006-2009 CAS was weak. “Stakeholder participation” in the CAS was largely limited to central government and private sector affiliates, rather than including a broader range of affected stakeholders. In order for a comprehensive built environment policy to be formulated, local community participation must be mainstreamed into both the policy development and project development frameworks. Until then, it is not likely that Bank projects will prioritize the interests of the communities they intend to serve.

A comprehensive built environment policy will also help balance regional disparities and promote the equitable distribution of services and investments, something that the 2006-2009 CAS largely failed to achieve and where investment remained highly centralized in the Greater Cairo region.

The home-grown systems that have kept the

Egyptian built environment humming over the last half of a century have gradually been replaced by supposedly more “efficient,” “economic,” or “cost effective” ones. However, the newly-introduced systems, most of them part of privatization programs, are suffering, along with the citizens they are meant to be serving.

Taking an in-depth look at the 2006-2009 CAS has demonstrated several areas in which the World Bank in coordination with the GoE failed to address the true needs of Egypt’s citizens in the built environment. In the coming 18 months of the Bank’s new interim strategy, there is a great opportunity for the World Bank to work with citizens and all stakeholders to help guide the new government as it develops a comprehensive plan for the built environment. This will in turn help to guide the Bank, GoE, and stakeholders in the development of a new, post-revolution CAS that will reflect the needs of the built environment and the Egyptian citizens who have kept it running for the past several decades. ■

Annex I:

List of World Bank projects included in the study

World Bank projects chosen for the study affected the housing, municipal services and transport sectors. They were projects that were identified as “Active” by the WB during the period of the study, May through June 2012.

		Total (Active)		300	300	43	43	43	43	0	43	43	43		
Municipal Service	Sanitation	2	Second Integrated Sanitation and Sewerage Infrastructure Menoufia and Sharkeya, Assiut and Sohag	310	200		100						100	Water resource management (17%) Rural services and infrastructure (33%) Urban services and housing for the poor (17%) Pollution management and environmental health (33%)	
		3	Integrated Sanitation and Sewerage Infrastructure Behaira, Gharbeya and Kafr El Sheikh	201.5	120		120								Water resource management (17%) Rural services and infrastructure (33%) Urban services and housing for the poor (17%) Pollution management and environmental health (33%)
			Total (Active)	511.5	320		220						100		
	NG	4	Natural Gas Connections Greater Cairo	153.7	75			75							Urban services and housing for the poor (100%)
				Total (Active)	153.7	75		75							
	Electricity	5	Ain Sokhna Power Ain Sokhna, Suez	2189.8	600							600			Urban services and housing for the poor (100%)
		6	Wind Power Development Gebel el Zeit, RS & Samalut, Minia	796	70				35				35		Climate change (100%)
		7	Giza North Power Plant Project	1412.11	600			600							Infrastructure services for private sector development (100%)
		8	Giza North Additional Financing	792	335			335							Infrastructure services for private sector development (100%)
		9	Helwan South Power Project Proposed (Pipeline) Project	1985	585			585							Infrastructure services for private sector development (100%)
10		Kom Ombo Solar Power Proposed (Pipeline) Project	525	170									170	Climate change (100%)	
		Active	5189.91	1,940	0	0	1270	35	0	600	35	0			
		Pipeline	2510	2,695	0	0	585	0	0	0	170	0			
		Total	7,700	4,635	0	0	1855	35	0	600	205	0			
Solid Waste	11	Land Filling and Processing Services for Southern Zone in Cairo	4	0			0							Climate change (67%) Pollution management and environmental health (33%)	
	12	ONYX solid Waste Alexandria - Carbon	---	0	0									Climate change (67%) Pollution management and environmental health (33%)	
			Total (Active)	---	0										
Transport	Local	13	Egypt Vehicle Scrapping and Recycling Program	8.32	0			0						Climate change (33%) Other urban development (34%) Pollution management and environmental health (33%)	
		3	Urban Transport Infrastructure Development Proposed (Pipeline) Project	250	150			150						Urban services and housing for the poor (45%) Municipal governance and institution building (5%)	
	Regional	14	Railways Restructuring Additional Financing, Beni Suef - Assiut	340	330								330	Trade facilitation and market access (33%) Infrastructure services for private sector development (67%)	
		15	Railways Restructuring, Cairo-Benha, Alex, Cairo-Aswan, Benha-Portsaid	305	270	54	54	54				54	54	Trade facilitation and market access (33%) Infrastructure services for private sector development (67%)	
		16	Cairo Airport Development Project-TB2	436	280			280							Trade facilitation and market access (50%) Infrastructure services for private sector development (50%)
				Active	1,089	880	54	54	334	0	0	54	384	0	
		Pipeline	250	150			150								
		TOTAL Active	3,515	97	317	1,722	78	0	697	562	43				
		TOTAL Pipeline	905	0	0	735	0	0	0	170	0				
		TOTAL	4,420	97	317	2,457	78	0	697	732	43				

Annex II:

Comparison between amount of World Bank investments and the state of the sector

This data set compares World Bank investments to the state of the sector it has chosen to invest in. The six main built environment related sectors in the current portfolio of World Bank Projects are: Affordable Housing, Electricity, Natural Gas, Solid Waste Management, Sanitation and Transport.

As there is no built environment index for Egypt, this comparison has primarily used quantitative data where available (electricity, natural gas and sanitation coverage), inferred quantitative data (affordable housing) and used qualitative data (solid waste management, transport) to illustrate the deficiency of coverage in each sector. While most indicators are national averages, the qualitative data could only be calculated for Greater Cairo.

HOUSING

This indicator looks at the deficiency in the annual supply of affordable housing units. It is estimated that 300,000 affordable housing units are needed annually nation-wide between 2005 and 2017 – see [Egypt, Arab Republic of - Affordable Mortgage Finance Program Development Policy Loan Program. Washington D.C. - The Worldbank. Ret: 05.08.2012.](#) With the total number of affordable units (low cost and economic) built in 2007/2008 at 79,374 units – see CAPMAS, Egypt in Figures 2009, Housing Units and its Investments 2007/2008, p. 93

<http://www.sis.gov.eg/VR/egyptinnumber/egyptinfigures/arabictables/93.pdf> Ret: 06.08.2012. the deficit for formal provision of low cost housing can then be calculated by subtracting the two values, giving an annual deficiency in low cost housing in 2007/2008 of 217,000 units, or 72.3 percent.

ELECTRICITY

This indicator looks at the number of unconnected households nation-wide. According to the UNDP/INP Egypt Human Development Report of 2010, 99.6 percent of households were connected to the grid, meaning a deficiency of 0.4 percent.

NATURAL GAS

This indicator looks at the number of households not connected to the natural gas network, and hence relies on LPG canisters. The 2012 CAPMAS Statistics Summary indicates that number as 96.6 percent (2006 figures) – see CAPMAS, Egypt 2012 Statistical Abstract, HOUSING <http://www.capmas.gov.eg/pdf/indicators/tables/%D8%A7%D9%84%D8%A5%D8%B3%D9%83%D9%80%D9%80%D8%A7%D9%86.pdf> Ret: 02.08.2012.

SOLID WASTE MANAGEMENT

Data on satisfaction of local residents with their service in the Greater Cairo region was used. Satisfaction with garbage collection was 30 percent – see El Kouedi, Hazem&Madbouly, Mostafa 2007. Tackling the Shelter Challenge of Cities, Thinking it Through Together, CAIRO, EGYPT.The Worldbank& GOPP, <http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552-1180637750307/Cairo.pdf> Ret: 05.08.2012 as quoted in Municipal Management & Decentralization: A Service Delivery Perspective- A Review of Experience in Eight Middle East & North Africa Countries, The World Bank, June 2006.

TRANSPORT

This indicator looked at public transportation need based on satisfaction with service in the Greater Cairo region as there are no public transport indicators for cities or regions in Egypt. Satisfaction with public transport was 35 percent – see El Kouedi, Hazem&Madbouly, Mostafa 2007. Tackling the Shelter Challenge of Cities, Thinking it Through Together, CAIRO, EGYPT.The Worldbank& GOPP, <http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552-1180637750307/Cairo.pdf> Ret: 05.08.2012 as quoted in Municipal Management & Decentralization: A Service Delivery Perspective- A Review of Experience in Eight Middle East & North Africa Countries, The World Bank, June 2006.

NOTES

- 1 For a summary of World Bank projects defined as Active during June 2012 please see Annex 1
- 2 For context, the 6th Five Year plan, 2007-2012, earmarked LE 1295 Bn towards national investments, Electricity 5.7%, Water 1.4% and Construction 1.9%, Waste water 3.4%, Transport & cargo holding 12.1% accounting for LE 317 Bn approx. \$52.8 Bn. In contrast, WB investments make up approx. 7.5% of the total built environment budget of Egypt
- 3 According to the New Urban Communities Authority, public spending on the existing 24 New Cities was LE 60 billion over three decades (<http://www.urban-comm.gov.eg/achivments.asp>), while an address in 2010 by the then prime minister Ahmed Nazif puts the total investment figure at LE 500 billion (Al Ahram Al Raqamy, 17.12.2010, <http://digital.ahram.org.eg/articles.aspx?Serial=371773&eid=454> Ret: 04.07.2012)
- 4 The 2010 Egypt Human Development Report (UNDP / Institute of National Planning) indicates an average of 99.6% connectivity of households to electricity, 98% connectivity to piped water and 56.5% connectivity to sanitation
- 5 A number of recent studies have measured citizen satisfaction of services. See El Kouedi, Hazem&Madbouly, Mostafa 2007. Tackling the Shelter Challenge of Cities, Thinking it Through Together, CAIRO, EGYPT. The Worldbank& GOPP, (<http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552-1180637750307/Cairo.pdf>) Ret: 05.08.2012 as quoted in Municipal Management & Decentralization: A Service Delivery Perspective- A Review of Experience in Eight Middle East & North Africa Countries, The World Bank, June 2006 and UNHABITAT & AUC 2011. Cairo a city in transition (<http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3136>)
- 6 UNHABITAT and The American University in Cairo, 2011. Cairo a city in transition. Pdf <http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3136>
- 7 GTZ, 2009, Cairo's Informal Areas Between Urban Challenges and Hidden Potentials, P.11
- 8 See Annex II, section on Housing
- 9 See Annex I for a full list of projects included in this study
- 10 The **World Bank Group** is made up of five institutional arms. These are the International Bank for Reconstruction and Development (IBRD) which lends to mainly middle income countries at market rates; the International Development Association (IDA), which makes interest-free "credits" available to low-income countries; the International Finance Corporation (IFC), which provides loans, equity, and technical assistance to private sector companies in developing countries; the Multilateral Investment Guarantee Agency (MIGA), which guarantees against non-commercial losses and risks for investments in developing countries; and the International Centre for Settlement of Investment Disputes (ICSID), which arbitrates investment disputes. See **BIC's page on Egypt** for more information about the engagement of these five bodies in Egypt.
- 11 An **Interim Strategy Note** has been released by the World Bank at the time of this study, and has thus become the current strategy document covering June 2012 – December 2013. However the 2006-2009 CAS remains the focus of the study as all World Bank projects currently listed as "Active" and covered in this study are an outcome of the 2006-2009 CAS. For a full list please see Annex I

- 12 World Bank. 2005. Egypt – Country assistance strategy. Washington D.C. - The World Bank (<http://documents.worldbank.org/curated/en/2005/05/6024608/egypt-country-assistance-strategy>) Ret: 06.08.2012
- 13 Ibid.
- 14 Ibid.
- 15 Ibid.
- 16 Ibid.
- 17 Ibid.
- 18 Ibid.
- 19 See Annex 1.
- 20 Since this study was written, the Bank has revised the theming of its projects. The themes referenced in this study were retrieved prior to August, 2012.
- 21 World Bank. 2009. Egypt, Arab Republic of - AinSokhna Power Project. Washington D.C. - The World Bank. Paragraph 29. <http://documents.worldbank.org/curated/en/2009/01/10170637/egypt-arab-republic-ain-sokhna-power-project>
- 22 World Bank. 2009. Egypt, Arab Republic of - AinSokhna Power Project. Washington D.C. - The World Bank. <http://documents.worldbank.org/curated/en/2009/01/10170637/egypt-arab-republic-ain-sokhna-power-project>
- 23 Ibid.
- 24 Ibid.
- 25 World Bank. 2008. Egypt - Integrated Sanitation and Sewerage Infrastructure Project. Washington D.C. - The World Bank. Project Information Document <http://documents.worldbank.org/curated/en/2008/03/9083963/egypt-integrated-sanitation-sewerage-infrastructure-project> Ret: 06.08.2012
- 26 World Bank, 2011. Egypt, Arab Republic of – Integrated Sanitation and Sewerage Infrastructure Project. Washington, D.C. – The World bank. Project Appraisal Document, Paragraph 9. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/06/14/000333038_20110614051248/Rendered/PDF/588900PAD0P1200e0only0900BOX361487B.pdf Ret: 02.11.2012
- 27 World Bank. 2008. Egypt - Integrated Sanitation and Sewerage Infrastructure Project. Washington D.C. - The World Bank. Project Information Document <http://documents.worldbank.org/curated/en/2008/03/9083963/egypt-integrated-sanitation-sewerage-infrastructure-project> Ret: 06.08.2012

NOTES

- 28 Kebeiri, Alya. Egypt water pricing. A viable solution for Egypt's water crisis? World Environment Magazine, n.3, June 2009, pg 70-74 http://www.worldenvironment.tv/index.php?option=com_content&view=article&id=187:egypt-water-pricing-a-viable-solution-for-egypts-water-crisis&catid=45:water-cat&Itemid=121
Ret: 06.08.2012
- 29 In August 2012, polluted drinking water affected almost 4000 residents of a village in the Delta. HCWW and the Minister for Infrastructure, Drinking Water and Waste Water first denied the incident, then blamed a local private water plant and claimed it was illegal. Subsequently, six HCWW employees have been tried. See Abdel Baky, Mohamed. Victims of the Tap, Al Ahram Weekly, 30.08 to 05.09 – 2012 <http://weekly.ahram.org.eg/2012/1112/eg4.htm> also Ta'geel Mahkamet al Motahameen Fi Waqe'at Tasamom al Miah b-Sanfat, Al Masry Al Youm, 04.10.2012 <http://www.almasryalyoum.com/node/1155286301>
- 30 A technician at a water treatment plant in Fayoum revealed that there have been instances where he was forced to run the plant by superiors even though the water was not fully treated due to lack of chemicals. Interview with Ibrahim Mohsen, 01.2013
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