



This action is funded by the European Union

**ANNEX 2**

of the Commission Implementing Decision on the Annual Action Programme 2016 (Part I) in favour of Egypt to be financed from the general budget of the European Union

**Action Document for National Drainage Programme III in the framework of the Joint Integrated Sector Approach in the irrigation sector (NDP III - JISA)**

<b>1. Title/basic act/ CRIS number</b>	<b><u>National Drainage Programme III in the framework of the Joint Integrated Sector Approach in the irrigation sector (NDP III - JISA)</u></b> CRIS number: ENI/2016 / 039-544 financed under European Neighbourhood Instrument			
<b>2. Zone benefiting from the action/location</b>	Neighbourhood South, Egypt The action shall be carried out at the following location: Egypt			
<b>3. Programming document</b>	Single Support Framework for EU support to Egypt (2014-2016)			
<b>4. Sector of concentration/ thematic area</b>	Objective 1 “Poverty Alleviation and Local Socio-Economic Development and Social Protection”			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 254.700.000 Total amount of EU budget contribution EUR 40.000.000 This action is co-financed in joint cofinancing by: - Kreditanstalt für Wiederaufbau (KfW) for EUR 46.5 million And in parallel cofinancing by: - African Development Bank (AfDB) for EUR 50.2 million - Islamic Development Bank (IsDB) for USD 32.3 million (equiv. EUR 28.3 million) - Government of Egypt for EUR 89.7 million (to be paid in EGP equivalent)			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality Indirect management with KfW			
<b>7. DAC code(s)</b>	31120 Agricultural development 31140 Agricultural water resources			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## SUMMARY

Under this action it is foreseen that the EU will contribute funding the National Drainage Programme Phase III (NDP III). The National Drainage Programme Phase III (NDP III) is a key part of the government's Water Resources Development Strategy that seeks to optimize water use as well as improve the efficiency of the drainage systems. The goal of NDP-III is to achieve economic growth through improved agricultural performance. NDP-III is also considered the top investment priority in the framework of the operationalization of the Joint Integrated Sector Approach (JISA), which is the main donor co-ordination mechanism aiming at enhancing investment effectiveness in the irrigation sector by means of an improved co-ordination of investment planning and implementation within the Ministry of Water Resources and Irrigation (MWRI) of the Government of Egypt.

**The general objective** of this project is to support socio economic development in Egypt through generating and strengthening sustainable economic activity. **The specific objective** will be to increase agricultural production by providing adequate drainage infrastructure, and enhancing the capacities of different stakeholders to rehabilitate and extend subsurface drainage network.

It is foreseen that through this project the following results will be achieved:

- (a) Increased efficiency of around 108,000 ha of sub-surface and around 8,000 ha of surface drainage in the intervention areas;
- (b) Improved livelihood of about 850,000 people via increasing their agricultural production and their rural incomes; and
- (c) Enhanced capacities within the MWRI, and other implementing bodies to be closely involved in the implementation and management of the drainage sector, including final user bodies (Branch Canal Water Users Associations, BCWUAs) for better operation and maintenance of the network.

The project will be implemented with KfW through a blending operation, following Indirect Centralized management mode for a total cost of EUR 86.5 million of which 40 million EUR are to be financed by the EU SSF bilateral envelope for Egypt

The intervention areas of the drainage works implemented under this action will comprise different locations in the Nile delta and the Nile valley, in accordance with the priorities identified in the framework of NDP-III.

The total costs for NDP-III, including government financing, are estimated at 254.7 million EUR. In addition to EU/KfW funds for the project, NDP III is receiving parallel finance from the Islamic Development Bank (IsDB) and the African Development Bank (AfDB). For this purpose IsDB is providing a loan of 32.3m USD<sup>1</sup> and AfDB a loan of 50.2m EUR.

<sup>1</sup> EUR 28.7 million at the current exchange rate.

The project is in line with EU-SSF first pillar of intervention for Egypt, *Poverty Alleviation and Local Socio-Economic Development and Social protection*. In particular, the project will contribute to enhancing the delivery of basic services and promoting integrated socio-economic development at the local level, targeting those most in need. It will as well generate and strengthen sustainable economic activities, in particular at community level. Furthermore, providing adequate drainage infrastructure and enhancing the capabilities of the community associations in operation and maintenance of the drainage network and irrigation techniques, it will allow increasing agricultural production, therefore ensuring the sustainability of the income and improving the quality of life of small scale irrigation farmers.

This action is **fully aligned** with the **ENP review** priority of supporting energy security and climate action, and the promotion of the full implementation of the expected Paris Climate Agreement and its subsequent developments. Furthermore, this action is fully in line with the **ENPARD**<sup>2</sup> initiative that is part of the EU's commitment to inclusive growth and stability in its Neighbourhood, recognising the importance of agriculture in terms of food security, sustainable production and rural employment.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

**The agricultural and irrigation sector is of major socio-economic importance for Egypt.** It accounts for 15% of national Gross Domestic Product (GDP) and for 30% of national employment. The sector is highly relevant for providing a livelihood and a source of income for the poorest segments of the Egyptian population. Together with their families these small-scale farmers represent a population segment amounting to 20.9 million people (23% of Egypt's population). With 29% of Egypt's rural population being classified as poor, its poverty incidence is significantly higher than that in urban areas (9%). Thus, the agricultural sector features a vast potential for growth and employment, among others for unskilled workers, the youth, poor and disadvantaged people in rural areas. Irrigation and drainage are amongst the priorities of Egypt's new Strategic Framework, the *National Income Doubling Plan (2012-22)*, prepared by the Ministry of Planning and defining short, medium and long-term national priorities. Proper management of **irrigation and drainage is of crucial importance for an effective and sustainable water resources management in Egypt.** Agricultural crop production in Egypt depends on irrigation and absorbs about 80% of Egypt's Nile water consumption.

**An appropriate drainage infrastructure is pivotal for the sustainability of irrigated agriculture in Egypt.** In the 1970s the completion of the Aswan High Dam enabled the introduction of perennial irrigation in Egypt. However, a side-effect of this was a rising ground water level entailing water logging and thus salinization of irrigated land. This, in turn, inevitably causes a steady and significant decline of soil fertility, if mitigating action is not taken. Moreover, climate change involving rising temperatures is adding to this effect, due to an increasing evaporation of soil humidity on irrigated land, and a rising sea-water level leading to sea-water intrusion in the Nile delta. Currently Egypt's irrigated cropping area amounts to about 6 million feddan (2.5 million hectares). Since the 1970s almost all of it has been gradually provided with drainage infrastructure, with a useful lifetime of 30 years. This means that, in order to avoid degradation of arable land, Egypt needs to rehabilitate its drainage infrastructure at an average rhythm of 200,000 feddan per year, if it is to avoid salinization of arable land and thus a critical decline of agricultural productivity. It is crucial in ensuring an appropriate drainage infrastructure of Egypt's irrigation sector in order to increase soil fertility and thus crop

---

<sup>2</sup> European Neighbourhood Programme for Agriculture and Rural Development.

yields of largely poor small-scale farmers, thus enhancing farm incomes and reducing poverty in general.

The Egyptian **Ministry of Water Resources and Irrigation (MWRI)** features **structural shortcomings** preventing it from achieving a sustainable integrated water resources management (IWRM). One of the MWRI's major shortcomings consists of its present planning function related to agricultural water management being largely limited to budgeting and fund allocation. Moreover, the planning function is organisationally isolated within the MWRI's Planning Sector and insufficiently integrated with its eight major investment implementing entities.

Against this backdrop the **MWRI recently embarked on the development of a Joint Integrated Sector Approach (JISA)** in the irrigation sector. The study funded by KfW on the JISA presents how future investment planning (JISA) in MWRI could operate. MWRI develops and assigns planning capacity to co-ordination and portfolio management. This enables MWRI to streamline investment planning with its development partners. To achieve a more effective utilisation of funds, MWRI would use its professional project planning, monitoring and evaluation competence (i) to manage a dynamic portfolio of investment opportunities in the modernisation of agricultural water management and (ii) to co-ordinate in a systematic and transparent manner its intended investments internally within MWRI, with other Government agencies and with its development partners. A key result of the study was the identification of a pipeline of priority investment projects in the irrigation sector to be implemented in the framework of JISA.

Main development partners have agreed to harmonize their efforts in the sector under JISA, supporting integrated investment planning, as well as considering JISA as a platform for co-ordinating the financing of these investments.

It is worth mentioning that the EU under the Water Sector Reform Project (WSRP-II) has an ongoing TA for the Preparation of the National Water Resources Strategy for Egypt 2017-2050; This TA will establish the new strategy for Egypt in the area of integrated water resources management, building on the existing National Water Resources Plan (NWRP) to expand for the Horizon of 2050, which is considered a mainstream for JISA planning and structuring.

## **1.2 Public Policy Assessment and EU Policy Framework**

### ***Egyptian sector policy assessment***

**The Joint Integrated Sector Approach (JISA)** is a donor co-ordination mechanism aiming at enhancing investment effectiveness in the irrigation sector by means of an improved co-ordination of investment planning and implementation within the Ministry of Water Resources and Irrigation (MWRI) of the Government of Egypt. Through JISA, the MWRI will be able to better align its investment portfolio to the national objectives, and to prepare investment packages that attract and co-ordinate external funding. The national Drainage Programme Phase III comes as the top priority of JISA investment portfolio matrix. NDP-III is a key part of the government's Water Resources Development Strategy that seeks to optimise water use as well as to improve the efficiency of the drainage systems. Through the NDP-III the Egyptian Government intends to achieve economic growth through improved agricultural performance.

Furthermore, the project will contribute to **Egypt's National NWRP**, currently being updated through EU support under the Water Sector Reform Programme – Phase II (WSRP-II) TA component which aims to manage this valuable resource in a sustainable manner, to provide the various customer groups with the water they need (in quantity and quality), and to maximize the benefits of the economic activity for the whole Egyptian people.

### ***EU Policy Framework***

The proposed initiative draws inspiration from the **ENPARD** initiative that is part of the EU's commitment to inclusive growth and stability in its Neighbourhood, recognising the importance of agriculture in terms of food security, sustainable production and rural employment. In context of the EU Single Support Framework for Egypt (2014-16) the initiative falls under Objective 1 "Poverty Alleviation and Local Socio-Economic Development and Social Protection" and contribute to the specific objective 1.2 "To support socio-economic development at the local level targeting those most in need through generating and strengthening sustainable economic activities". Furthermore, the initiative will contribute to the Sustainable Development Goals No 2, and 6 to which both the EU and Egypt have recently committed to within the United Nations framework. And last while not least, the project is aligned with the European Neighbourhood Policy priority of supporting energy security and climate action, and the promotion of the full implementation of the expected Paris Climate Agreement and its subsequent developments.

### 1.2.1 Stakeholder analysis

The **MWRI** is in charge of water resource development and distribution. It also plans and implements water resources development projects related to the River Nile, surface water, and groundwater and drainage water. It undertakes construction, operation and maintenance of irrigation and drainage networks, and is responsible for the basic infrastructure and pumping stations in new agricultural lands. The ministry is also responsible for studies and research through the National Water Resources Centre. The government recognizes the high priority of providing all irrigated areas with subsurface drains and associated remodelling of open drainage networks. This is considered a vital requirement for the continued functioning of sustainable and intensive irrigated agriculture, which has developed in the last few decades after the completion of the High Dam.

The main public entity for drainage issues is the **Egyptian Public Authority for Drainage Projects (EPADP)**. EPADP is a public authority under the MWRI, established in 1973 by Presidential Decree No. 158. It is vested with power over the financial, technical and administrative aspects of implementation, operation and maintenance of drainage systems. Its activities involve field investigation, planning, designing and procurement of equipment for civil works, budgeting and operating budget accounts. The main features of EPADP's activities are surface and subsurface drainage projects, their maintenance and rehabilitation. The Government recognizes the high priority of providing all irrigated areas with subsurface drains and associated remodelling of open drainage networks.

The **Branch Canal Water User Associations (BCWUA)** are playing a role in the decision making and ensure the operation and maintenance of the local drains and flush pumps by themselves, although with significant assistance from the EPADP staff. In this respect, BCWUAs are not designed to take over the roles and responsibilities of the district engineers and others, but are seen as a mean of complementing and supplementing the work of the irrigation and drainage departments. Under NDP-II BCWUA actively supported implementation plans and prevented damage to the system once installed. Currently there are about 2,881 BCWUAs, where farmers are informally organized to carry out simple maintenance work in pipe collector drainage schemes. However, BCWUAs have until now been struggling to survive, because of lack of legal basis and, more importantly, their role and responsibilities were not enough recognised. Currently, however it has to be noted that MWRI is in the process of shifting towards a partial privatization and transfer of management to users in the irrigation and drainage sector through handing simple operation and maintenance responsibilities to the BCWUA. The project through its TA component will support the MRWI and the BCWUA associates in piloting the implementation of such novel approaches.

The final end beneficiaries' will be **poor farmers** in the project intervention rural areas. Rural areas in Egypt concentrate most of the poor population (78%) is and have agriculture as the main

source of income (40% of population in rural areas is dedicated to agriculture) suffering from underinvestment and high unemployment. Decreasing agricultural productivity due to land salinity and inadequate drainage amongst others paired with high population growth are leading rural areas deeper into poverty, which cannot offer an economic perspective for the young.

The **German Bank for Reconstruction (KfW – Kreditanstalt für Wiederaufbau)**, is the leading development partner in the water sector, with ongoing direct investments of more than 200 million EUR in the sector, and as the leading financing institution (Delegatee) for the Improved Water and Wastewater Services Programme- Phase I,II (IWSPI,II) investment projects amounting up to 600 million EUR. Some important efforts led by KfW and the EU towards harmonisation amongst EU development partners have been made through pooled funding in the sector, e.g. within the Neighbourhood Investment Facility (NIF) for water supply and sanitation and the currently prepared harmonised framework for irrigation and drainage (JISA) under which this project is to be implemented. The DPG-Subgroup Natural Renewable Resources (Water & Agriculture) is co-chaired by KfW and the EU.

### **1.2.2 Priority areas for support/problem analysis**

There are many water-related challenges facing Egypt. As the population continues to grow steadily and development efforts are intensifying in order to produce food and raise standards of living, it is expected that water demand will continue to increase. Another factor contributing to Egypt's growing water challenges is that environmental pollution is causing serious water quality deterioration, thus affecting public health and impairing the safe use of significant water resources for many purposes. Agricultural land in Egypt struggles with waterlogging and salinity due to irregular use and overuse of irrigation water, low soil hydraulic conductivity, over-irrigation on newly reclaimed lands and intrusion of saline groundwater from the high lying lands to the old lands of the Nile Delta and Valley. Proper management of irrigation and drainage is of crucial importance for an effective and sustainable water resources management in Egypt. Agricultural crop production in Egypt depends on irrigation and absorbs about 80% of Egypt's Nile water consumption. This requires extensive investment planning and management in the drainage subsector.

In general, financing of social investment projects in Egypt is currently limited due to Egypt's fluctuation in credit rating and uncertain financial capacity. Against this backdrop, the EU's funds could compensate for this shortfall. Interventions in these fields have a great potential to contribute to employment generation particularly of the youth and hence improve living conditions of rural Egyptian population. The majority of irregular migration from Egypt to Europe comes from rural areas.

The present planning function related to agricultural water management of MWRI is largely limited to budgeting and fund allocation. Moreover, the planning function is organisationally isolated within the MWRI Planning Sector. MWRI signalled their desire to develop a robust competence in project planning, monitoring and evaluation as a generic function of MWRI. In order to optimise effectiveness of investment dedicated to support the modernisation of agricultural water management in Egypt, the Planning Sector of MWRI established the JISA mechanism for the co-ordination of external funding to this sub-sector. The present project is supporting the MWRI in implementing JISA as a key sector reform approach. The specific interventions under this project will be identified on the basis of the Investment priority criteria that have been well identified under the JISA documents and will therefore be assessed according to their relevance, urgency, effectiveness and sustainability (see table below).

Category	Relevance	Urgency	Effectiveness/ Sustainability
<b>National policy</b>	The project addresses an issue that is high on the political agenda and supports the promotion of government policy	It has the attention of Senior Policy Makers and Public Administrators and needs to be implemented without delay	Contributes to a significant success in delivery performance and resolves controversial issues
<b>Social-Economic</b>	Intervention with a high social or economic relevance, influencing the livelihood of a large portion of the population and/or significantly contributing to the economic development of the Nation	Investment funding available to support a poorly-performing national economic indicator	The intervention provides a better economic return than other opportunities and is welcomed by the stakeholders
<b>Environmental</b>	Intervention will stop or prevent environmental degradation	Intervention resolves a serious environmental problem	Intervention successfully protects ecological features and/or environmental health from deterioration
<b>Technical</b>	Project contributes effectively to the NWRP goals and results in a significant improvement with wide-ranging benefits	It is a critical pre-condition for the implementation of an important NWRP measure, or it is a project, which is simple to implement and has an immediate visible impact	The intervention does not depend on other actors and external factors. Implementation is within the core competencies of the Executing Agency

For this purpose the project comprises the top-ranking priority project resulting from the JISA study, the National Drainage Programme III (NDP III). NDP III is building on the lessons learnt during the implementation of NDP II, which was financed by the European Investment Bank, KfW and the World Bank.

**The main problems currently facing the sector and addressed by the project are as follows:**

- (a) **Egypt lacks the implementation of sustainable drainage infrastructure, oriented to maximise employment and related income generating activities:** The remodelling of surface drains and the installation of subsurface drainage systems would allow increasing agricultural production on land with salinity and high water table problems. This project will help address this issue through increasing the efficiency of surface and subsurface drainage.
- (b) **Weak socio economic development in rural and deprived areas:** The project would have a significant beneficial impact on farmers' incomes. The financial analysis prepared by the World Bank in 2011 for the NDP-II shows that net margin profit for a typical two acre farm would increase by almost 40% from LE 4146 (EUR 462) per farm to LE 5,772 (EUR 643) per farm at full development, while the likely economic rate of return per farm is 24%. This project will help address this issue through increasing the crop productivity and improve farmers' incomes.
- (c) **Inadequate IWRM sustainable implementation:** the absence of reliable operational and commercial data, untrained staff, and low technical, commercial and financial performance poses a risk to operations and maintenance and the whole concept of IWRM. The provision of funds for subsurface drainage will alleviate the burden on MWRI yearly budget, thus giving space to allocate funds for expanding the implementation of IWRM and integrated management districts; including rehabilitation. The Capacity Building provided through the TA component will address the weaknesses and reinforce MWRI in the provision of services and the sustainability of their activities. Improvements in drainage should go in parallel with improvement in irrigation. In this respect, the GoE with the support of WB and GIZ is implementing the "integrated districts" approach, as a clear illustration of IWRM, in which both drainage and irrigation departments are integrated for each watershed. This action shall investigate the possibility to set the presence of an active integrated district as criteria for prioritising investments to ensure appropriate synchronising between improved drainage and irrigation.

- (d) **lacking participatory measures at local level and income generating activities:** In addition, the project will help in enhancing civil society involvement in Water Management through the Branch Canal Water Users Associations (BCWUA) in the form of: (a) engagement in the policy dialogue, and (b) support in providing simple O&M activities by the final user bodies. This could have a significant impact on project sustainability. This project will help in addressing gender related issues through specific capacity building within the BCWUA, and other implementing bodies that will be closely involved in the implementation and management of the drainage sector. This capacity building will include in particular final user bodies such as the BCWUA and the Water User Associations.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
<b>Weak co-ordination</b>	<b>M</b>	The TA component will strengthen co-ordination in the legislative reform, dialogue in the water sector by supporting the implementation of national strategies and mechanisms.
<b>Credit Risk</b>	<b>M</b>	The EU grant will have a great impact in both softening the loans conditions and covering the existing gap in requested finance for project implementation which cannot be supported by loans due to the current limitations for financing projects in Egypt because of its credit rating
<b>Insufficient ownership</b>	<b>L</b>	Continuous dialogue with representatives of the concerned Ministries and Governorates during implementation: KfW and EU monitoring missions and high-level meetings as required. A Steering Committee including all involved Ministries/institutions will be set up at central level while local committees will be established at Governorates level to guarantee all the needed measures of co-ordination and coherence of implementation
<b>Corruption and fraud</b>	<b>H</b>	Overall risk for corruption and fraud in Egypt is considered substantial, as witnessed by low ranking of Egypt in international transparency and corruption perception rankings, high perceived corruption in population corruption surveys, a fragmented institutional framework of anti-corruption entities, incomplete legal framework and inconsistencies in judicial treatment of corruption cases. Procurement practice favours direct award. On the positive side government has adopted anti-corruption strategy and some streamlining of inspection agencies is underway The project will mitigate exposure to corruption risks, through entrusting the implementation of budgetary tasks to KfW in respect of its technical and financial management rules, procedures and systems which have been positively assessed by the commission (“pillar assessment” for indirect management).
<b>Increased instability at country and/or regional level impacting negatively the political, social and economic conditions in which the project is implemented</b>	<b>H</b>	The Presidential Elections, the implementation of the new Constitution in 2014 and the establishment of an elected Parliament have contributed to a substantial political and social stabilisation in Egypt. Instability is also partly rooted in the lack of social and economic development prospects. In this respect the adoption of the Sustainable Development Strategy/Vision 2030 for Egypt offers a framework for economic stability and sustainable development. The situation will be closely monitored by the EUD and KfW, together



		with the other financiers of the project, in the framework of their regular dialogue with the Egyptian authorities
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• All concerned authorities and stakeholders will collaborate during the project's implementation</li> <li>• The social and economic development agenda, including water strategies, is implemented by the Egyptian Authorities and is not halted due to social or political instability.</li> <li>• Momentum to strengthen inter-institutional co-operation as well as policy and regulatory reforms within the Government is maintained after Egypt's Economic Development Conference.</li> <li>• Policy dialogue with private sector and non-governmental organisations in water sectors remains a priority.</li> <li>• A strong and stable senior management team at the concerned Egyptian authorities willing to collaborate in close co-operation with the TA expert.</li> </ul>		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

The proposed project builds on lessons learned from the ongoing National Drainage Programme – Phase I and II (funded by the WB, EIB, and KfW) which was completed in 2015. The project managed to connect more than the targeted 1,000,000 acres, but there was delay in processing some of the procurement packages due to the large number of packages and consequently, in the installation of the flushing machines.

**The lessons from the implementation of NDP II include the need for:**

- i. Ensuring a reduced number of procurement packages by combining lots to a manageable number and allowing advance procurement to avoid delay in project implementation.
- ii. Continually monitor human health and environmental aspects by the EPADP Monitoring and Evaluation Unit, as the re-use of drainage water, which will have higher salinity levels than Nile water, is generally increasing and poses human health and environmental concerns.
- iii. Include a dedicated result-oriented capacity building component to the beneficiary staff (EPADP), in particular of its Project Implementation Units (PIUs) and for its management for planning and implementation of investment projects and the proper estimation of local consultants required to do the design and supervision of construction in accordance with EDPs' quality requirements.
- iv. Including in the project design specific components to provide financial support or farmers' compensation for crops destroyed during installation, and an administrative charge of ten per cent of the installation contract. This would positively contribute to the sustainability of project gains.
- v. Need of continuing budgetary support from the GOE for major maintenance and repairs.
- vi. Emphasise the participatory approaches during project implementation. The promotion of the feeling of ownership of the drainage system by farmers themselves is extremely crucial, in order to ensure their co-operation in the prevention of throwing waste into the manholes, assisting in keeping the open surface drains clear and contributing to the simple maintenance of the drainage network. These actions, will greatly contribute to the sustainability.
- vii. Ensuring Donor co-ordination all over the formulation and implementation stage to avoid the recurrent issues facing projects of similar structure as NDP-III; such as delay in project

kick-off due to long intervals between the donors signature of their respective financing agreements (specially the delegatee).

- viii. Agreeing upon clear instructions for the quantity and timing of government contribution cash flow to avoid delays in implementation

### 3.2 Complementarity, synergy and donor co-ordination

The programme is highly complementary to ongoing and planned EU interventions in the area of water sector reform and enhancing water resources management.

The EU is currently supporting two rural development programmes – which work in close co-operation with MWRI, and the Ministry of Agriculture and Land Reclamation (MALR) and which also provide support to the extension of irrigation services at Governorate level:

- In 2010, the "**Support to Rural Development Programme**", with a total budget of EUR 10 million, was initiated by the Union of Producers and Exporters of Horticultural Crops (MALR). It aims to contribute to poverty reduction and socio-economic development of the rural poor of Minya and Fayoum Governorates, through an increase of the land productivity, employment creation and income generation.
- The **Joint EU Rural Development programme** (started in 2015 for 58 months) has a total budget of EUR 22 million and aims at increasing agricultural production and rural livelihood opportunities through more effective management of water resources, adoption of Good Agricultural Practices, and the valorisation of the territories.

Under AAP 2016 the EU also foresees to provide blending support, via NIF, to the National Rural Sanitation Programme by supporting investment projects that aim to provide universal access to improved sanitation services in rural areas. The proposed programme is a natural continuum to the programme for supporting reforms in water and energy approved as part of the AAP 2015, which has a strong focus on the strengthening of capacities of MWRI. The proposed programme is thus part of a holistic and sequential package of EU support to socio economic development in Egypt, capitalising on a broad array of support modalities.

Finally, the programme is aligned with the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). This initiative recognises the potential importance of agriculture in terms of food security, sustainable production, and rural employment. Through ENPARD the EU experience and know-how has been shared with southern Mediterranean countries in the framework of a solid partnership for rural development and sustainable valorisation of agricultural potential. The second phase of the programme, initiated in 2015 focuses on three thematic areas: Good Agricultural Practices, extension services and contract farming.

**As explained, the NDP-III has been divided into three (3) sub phases:** The total estimated costs for NDP-III are estimated by the Egyptian Public Authority for Drainage Projects (EPADP) at 254.7 million EUR. The Islamic Development Bank will finance the first sub phase with estimated cost of 32.3 million USD. The African Development Bank will finance the second sub phase with estimated cost of 50.2 million EUR. The Third phase is proposed to be financed by the EU and KfW with an estimated cost of 86.5 million EUR. EU contribution is expected to count for 40 million EUR from the bilateral envelope of the EU SSF for Egypt. It is therefore worth noting that an EU contribution to the NDP III will give us the opportunity to further enhance our ties with these International Financial Institutions (IFIs) which are a major provider of external financial assistance and driver of economic development in Egypt.

Finally, it should be noted that the implementation of a Joint Integrated Sector Approach (JISA) in the irrigation sector is geared to improve the effectiveness and the efficiency of the implementation of Egypt's on-going NWRP. JISA is expected to enable the MWRI to better

align its investment planning to national priorities and to more effectively attract and co-ordinate external funding for this purpose. On this basis JISA shall also be the platform for future co-ordination of development partners in the sector.

### 3.3 Cross-cutting issues

**Environmental sustainability:** The EIA for NDP-II conducted by the World Bank resulted in an EIA-report dated 4/2001, including an Environmental management plan. In 2010<sup>3</sup> the World Bank provided additional financing for NDP-II establishing that the above mentioned EIA and EMP were still valid. Since phase-II of NDP, the Programme has been classified as a category (B)<sup>4</sup> project in the environmental category. Given that the nature, scope as well as the geographical area of intervention of NDP-III will be the same and the conditions have not fundamentally changed it has been estimated by the GoE and the different IFIs involved that NDP-III does not require a new EIA. Furthermore, the EPADP has an environmental unit and an environmental management plan (EMP) established in the framework of NDP-II. The TA component will support EPADP to strengthen the environmental unit's capacity, with particular focus on the management of the environmental impact aspects.

**Gender equality:** Branch Canal Water Users Associations (BCWUA) Water management systems established by the MWRI are composed mainly of poor small-scale irrigation farmers; women will benefit from the project as they are key actors in the Water User Associations and the District Water Boards. Through TA component; specific communication campaigns could be prepared for women to be encouraged to be members in the BCWUA board members. The Project will support mainstreaming a gender perspective at the overall water resources level monitored through the introduction of gender disaggregated data figures for improved targeted support.

**Good governance:** The TA component of NDP-III project will focus on the strengthening of management and administrative systems at local level (BCWUA and local community CSO). The TA involves, among others, improving EPADP's capacity related to timely and proper farmers' involvement, monitoring and evaluation regarding project implementation including environmental standards as well as its Management Information Systems. Moreover, it is to improve EPADP's internal interfaces between central and decentral units, as well as its critical interfaces with other entities within the MWRI. Particular emphasis will be given on improving monitoring, evaluation and maintenance of the drainage network through local participatory approaches.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Objectives/results

The **general objective** of this project is to support socio economic development in rural areas in Egypt through generating and strengthening sustainable economic activity. The **specific objective** will be to increase crop productivity by providing adequate drainage infrastructure, and enhancing the capacities of different stakeholders to rehabilitate and extend subsurface drainage networks.

Under this action it is foreseen that the EU will contribute funding the National Drainage Programme Phase III (NDP III). This project will be implemented with KfW, following Indirect

---

<sup>3</sup> The Additional Financing effectively started in August 2011 and has been completed in June 2015.

<sup>4</sup> A proposed project is classified as Category B by the WB if it is expected to have limited adverse social and/or environmental impacts that can be readily addressed through mitigation measures. These impacts are site-specific; few if any of them are irreversible; and in most cases migratory measures.

Centralized management mode between EU, and KfW for EUR 86.5 million through delegated co-operation out of which 40 million EUR to be financed by the EU SSF bilateral envelope for Egypt. In parallel, the NDP-III is financed through two additional financial packages; the first is with AFDB for EUR 50.2 million in parallel finance, and the second is with IsDB for USD 32.3 million (equiv. EUR 28.3 million). The intervention area of the drainage works will comprise the Nile delta and the Nile valley in middle and Upper Egypt.

The project foresees the implementation of subsurface and surface drain works for around 257,000 feddan (108,000 ha) and around 20,000 feddan (8,000 ha), respectively. Furthermore, the project TA component will include activities focusing on (i) strengthening the capacity of EPADP for planning, implementing and maintaining drainage infrastructure as well as to align the implementation of NDP III to the principles of JISA and (ii) assisting the MWRI in adopting and implementing the Joint Integrated Sector Approach (JISA)

Throughout the implementation of the project a close co-ordination with the local community will be maintained to ensure sustainability of the project after implementation. Dedicated support will be given on *empowering EPADP to deliver improved services to beneficiaries*. Particular emphasis will be put on improving monitoring, evaluation and maintenance of the drainage infrastructure through local participatory approaches.

The project will be structured in two components:

- **Component A** related to investments,
- **Component B** related to capacity building activities for strengthening the MWRI.

**The expected results are as follows:**

- (a) Increased efficiency of around 108,000 ha of sub-surface and around 8,000 ha of surface drainage in the intervention areas;
- (b) Improved livelihood of about 850,000 people via increasing their agricultural production and their rural incomes; and
- (c) Enhanced capacities within the MWRI, and other implementing bodies to be closely involved in the implementation and management of the drainage sector, including final user bodies (Branch Canal Water Users Associations, BCWUAs) for better operation and maintenance of the network.

## 4.2 Main activities

**Component A (Investment Component):** This Component will support activities related to results (a, b) and will be implemented mainly through works contracts.

The three main activities foreseen under this component are as follows:

- Implementation of subsurface drainage (around 108.000 ha) in the areas of intervention in accordance with EPADP's annual implementation plan; This includes the purchase of equipment related to the production of drainage pipes in EPADP's factories;
- Implementation of surface drainage (around 8.000 ha) according to EPADP's annual implementation plan
- Supply of other equipment for drainage maintenance.

Improving the drainage network; will contribute to reverse the deterioration of the land resource base through the transport of excess water and salt out of the area providing a significant positive impact on the environment as well as on the socio economic and health conditions of the population. It is expected that the amelioration of the soil environment will allow the increase in

crop yields and accrue the poor farmers' revenues, resulting also in reduced income variability and increased job opportunities for unskilled workers.

**Component B (Technical Assistance):** This Component will support activities related to result c and will be implemented mainly through capacity building for strengthening **EPADP's and MWRI's planning sector.**

**This component will include two (2) main groups of activities:**

The first (B1) will focus on building the capacities at drainage implementation and maintenance tasks for EPADP on the basis of an initial need assessment and taking into account the lessons learnt of NDP II:

The EPADP will receive technical support in the two following areas:

- **Operational and maintenance concepts**, which will include support to improve M&E planning, the monitoring of EPADP's environmental and social standards, as well as supporting the farmers' participation in planning, supervision of works and maintenance of drainage infrastructure.
- **Development and implementation to automation processes**, which will include support to EPADP interfaces with other MWRI units such as the Irrigation Department (ID) and the Mechanical and Electrical Department (MED), as well as with MALR, and assist EPADP to improve their Management Information System (MIS).

**The second group of activities (B2) will focus** mainly on enhancing capacities for strengthening **MWRI's planning sector and the Minister's office** in adopting and implementing JISA methodology on the basis of the JISA study and of an initial need assessment.

Furthermore, targeted TA will be implemented in order to strengthen the capacity of MWRI for planning, implementing and maintaining infrastructure as well as to align the implementation to the principles of JISA.

In this respect, the **MWRI's planning sector** will receive **technical support** in the following areas:

- **Support to the training function**, which will include support to the training institutes of the MWRI on training strategies and practices; as well as provision of training programmes for the Planning Sector and the major 8 contracting entities within the MWRI.
- **Support to the fine-tuning and improvement of the JISA methodology, including** establishing an effective dialogue and communication on the implementation of JISA; within the MWRI, between the MWRI, MARL, MoIC and MoF, and between MWRI and the development partner sub-group for water.

#### **4.3 Intervention logic**

The intervention logic behind the action is based on the gaps and needs identified during various analyses and stakeholder consultations carried out as part of the formulation of this programme. The intervention logic is that the remodelling of surface drains and the installation of subsurface drainage systems would allow increasing crop productivity on land with salinity and high water table problems. Also, it will improve the economic status of the local communities and have a significant beneficial impact on farmers' incomes in the project areas. The financial analysis prepared by the World Bank at 2011 for the NDP-II shows that net margin profit for a typical two acre farm would increase by almost 40%, while the likely economic rate of return per farm

is 24%. The implementation of subsurface drainage will furthermore have a direct positive impact on health.

The EU through the EUR 40 million grant support will cover the existing funding gap for both the investment and capacity development components of the project. The EU's grant funds shall finance TA as well as investment costs.

The EU Support through the **investment component** will be addressing the improvement of a sub optimal social infrastructure. It is worth mentioning in this respect that most of the infrastructure works at farm level will be directed toward Rehabilitation (Replacement) of existing deteriorated / expired subsurface drainage networks and that without this intervention the situation is well expected to be deteriorated.

In addition, through **the Capacity Building component** the EU grant will assist in strengthening the capacities of the stakeholders at central and local level. the EU support will also ensure alignment with the country water sector strategies which is currently being updated via EU financial assistance (the update of the Water resource plan of Egypt until 2037 and well as the National Rural Sanitation Strategy) and, as mentioned, the JISA platform supported by this project will play an important role in the specific irrigation sector reform. Finally, the support will also focus on enhancing the participatory and integrated approach in the sector. From the participatory point of view, the feeling of ownership of the drainage system by farmers themselves is extremely crucial, as it will ensure that they voluntarily co-operate in the prevention of throwing trash into the manholes, assist in keeping the open surface drains clear and contribute to the simple maintenance of the drainage network. These actions will also contribute to the sustainability of the project.

It is expected that the EU grant will have a direct impact on the project scale (without EU contribution to the project area will be decreased by 124,700 feddan, which corresponds to about 416,000 additional beneficiary farmers' family members and nearly 500,000 seasonal workers. This contribution will also reduce the cost to the Egyptian government for investments that it could otherwise not afford to implement as foreseen. It will also thus have a fungible effect on the overall sector, as it will allow the government to direct more internal resources to cover the annual maintenance and rehabilitation costs.

Also, the EU grants will have a great impact in both softening the loans conditions, covering the existing gap in requested finance for project implementation which cannot be supported by loans due to the current limitations for financing projects in Egypt.

Recent statistics by EPADP show that 92% of the beneficiaries own less than 2 ha including 18% who are landless, average size farm in 0.8 ha being definitely not big farm owners and pretty poor with average rural income/farmer of 2 USD/day which by definition means that they can be considered ultra-poor. The project is expected to increase the net income of the final beneficiary farmers by 10-15%, which will represents in average between 2.2-23 USD/farmer/Day. Given the target group's poverty profile and the level they are departing from, further squeezing farmers' project benefit in order to increase the cost recovery does not appear to be socio-economically and politically viable in the Egyptian context. Cost recovery from farmers is, as defined by a governing law, limited to interest-free nominal repayment of subsurface-drainage infrastructure cost over 20 years for subsurface network constructed at their lands only, while all other social infrastructure on the main drains are borne by the government. This implies that the real investment cost is mainly borne by the government. According to law farms larger (8.4 hectare) do not benefit from NDP. Moreover it would require a lengthy process for changing the underlying law. In addition, a national law would need to be modified and in the current context we do not think that GoE will prioritise this kind of legislation impacting income of poor people as it could lead to social unrest.

At each level of the project, there is specific intervention logic and set of assumptions in terms of transforming the outputs into a higher level result and impact. **At the local level**, the key assumption is that communities are willing to engage in the participatory processes supported by the project and implement the resilience building measures. **At the national level**, the most significant assumption relates to the availability of the necessary data to conduct the investment priority analysis, including at the correct spatial scale. **At the global level**, the most significant assumptions relate to the project's ability to engage in a dialogue with the relevant institutions about improved policy and project responses for more effective country level engagement.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in [Article 184(2) (b) of Regulation (EU, Euratom) No 966/2012].

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this Decision and the relevant contracts and agreements; such amendments to this Decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

### **5.3 Implementation modalities**

#### **5.3.1 Indirect management with a Member State agency**

This action with the objective to increase crop productivity by providing adequate drainage infrastructure, and enhancing the capacities of different stakeholders to rehabilitate and extend subsurface drainage network may be implemented in indirect management with KfW in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails overall administration of the activities and Project supervision and no-objection during implementation for tendering of goods and services, disbursement and management of funds. This implementation is justified because of KfW previous and ongoing successful experience in managing similar infrastructure projects in Egypt. Since 1990's KfW has contributed to the implementation of NDP-I, II in which NDP-III is considered a natural continuation for. Also KfW is implementing the "Improved Water and Wastewater Services Programme (IWSP) – Phase I,II", co- financed by the EU. The Delegatee Body will be in charge of the administration, monitoring and reporting; and will monitor and report on implementation of the Action including the no objection of the project's interim and final reports (technical and financial).

### **5.4 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2) (b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly

substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

KfW as the delegatee shall apply its own rules on the geographical eligibility in terms of place of establishment for participating in procurement and in terms of origin of supplies purchased, provided that this scope is not narrower than the EU's geographical scope of eligibility.

## 5.5 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Delegatee contribution</b>
<b>Indirect management with KfW</b>	<b>40,000,000</b>	<b>46,500,000</b>
<b>- Component A( Investment Component)</b>	37,000,000	43,500,000
<b>- Component B (Technical Assistance)</b>	2,650,000	2,650,000
B1 – TA for EPADP	<i>1,650,000</i>	<i>1,650,000</i>
B2 – TA for MWRI- Planning	<i>1,000,000</i>	<i>1,000,000</i>
<b>5.8 Evaluation</b>	200,000	350,000
<b>5.10 Communication and visibility</b>	150,000	
Totals	40,000,000	46,500,000

## 5.6 Organisational set-up and responsibilities

The implementation of NDP-III will follow indirect management. The project will be implemented under the responsibility of KfW and in accordance with the relevant rules and procedures of KfW in force at the time of the launch of the procedures in question. Payment modalities and payment arrangements will be executed according to the delegation agreement signed by the Commission and KfW.

The implementing partners of KfW will be EPADP representing the Ministry of Water Resources and Irrigation for component A; EPADP, and the Planning Sector within the MWRI for component B, who is the beneficiary of the project. EPADP and MWRI will be the contracting authority on the basis of KfW's procurement guidelines.

The sub-delegatee exact role and responsibilities in awarding contracts and making payments shall be further detailed in the Delegation Agreement signed between the EU and KfW.

A Steering Committee (SC) will meet on a regular basis, to be defined by all partners. The approved minutes and conclusions from the Project Steering Committee meetings will be regularly submitted to the EU Delegation via KfW as lead donor for information.

It is foreseen that the composition of the programme SC shall be as follows:

- MWRI Minister as the Chairman of the SC;
- EPADP;
- Planning Sector within MWRI;
- The Ministry of International Co-operation;
- Ministry of Finance;
- Ministry of Planning and;
- KfW;
- and the EU as an observer.



The Steering Committee will have the right to invite further members of any of the stakeholders whenever deemed appropriate, including the BCWUA, the Governorates benefiting from the action, as well as civil society organisations.

The Responsibilities of the Steering Committee will include:

- a) Overseeing the implementation of the NDP-III.
- b) Monitoring and controlling (cost, quality, timing).
- c) Taking decisions with regard to major changes in the general project set-up of the NDP-III (including procedures and their further harmonization) compared to the set-up agreed with all stakeholders before.
- d) Initiating and reviewing regular independent monitoring of the NDP-III.

## **5.7 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of KfW's responsibilities, as the implementing partner. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix (for project modality). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

KfW, as implementing partner, will be responsible for evaluation according to its procedures. The following external evaluations, to be agreed with the Commission, appear recommendable:

- A mid-term evaluation mission;
- A final evaluation, at the beginning of the closing phase;
- Possibly, an ex-post evaluation.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The Commission reserves its right to recruit if needed and on its own expenses outside the Action's budget, independent consultants on specifically established terms of reference to carry out external evaluations. The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The budget for Evaluation is to be used by KfW under indirect management.

## **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits

or expenditure verification assignments for one or several contracts or agreements. Any such audit will be covered by a separate financing Decision.

#### **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Further detailed communication plan will be prepared by the delegatee and annexed in the Delegation Agreement signed between the EU and the delegatee. The budget for Communication and visibility is to be used by KfW under indirect management.

[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY<sup>5</sup>)<sup>6</sup>]

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To support socio economic development in Egypt through generating and strengthening sustainable economic activity	<ul style="list-style-type: none"> <li>- % of increase in crop income of small scale farmers.</li> <li>- Number of people affected by water-borne diseases ( disaggregated by gender) as reported by the Ministry of Health*</li> </ul>	<ul style="list-style-type: none"> <li>- 5000 EUR/year is the average small-scale farmers' crop income (2016)</li> <li>- The baseline is the prevailing situation in 2016</li> </ul>	<ul style="list-style-type: none"> <li>Increase by 10% 4 years after implementation % (2022)</li> <li>- 15% decrease in the ratio in the areas of intervention.</li> </ul>	<ul style="list-style-type: none"> <li>- EPADP annual reports.</li> <li>- CAPMAS Annual reports</li> <li>-Ministry of Health annual reports.</li> </ul>	
Specific objective(s): Outcome(s)	To increase agricultural production by providing adequate drainage infrastructure, and enhancing the capacities of different stakeholders to rehabilitate and extend subsurface drainage network	- % of increase in small scale farmers average crop yields.	<ul style="list-style-type: none"> <li>- average small-scale farmers' yield (2014/15) for major crops</li> <li>Rice: 3 t/fed</li> <li>Maize: 3 t/fed</li> <li>Wheat: 2.3 t/fed</li> <li>Beans: 1.2 t/fed</li> <li>Cotton: 1 t/fed</li> </ul>	Increase by 15% 4 years after implementation % (2022)	-EPADP annual reports.	
Outputs	Increased efficiency of around 108,000 ha of sub-surface and around 8,000 ha of surface drainage in the intervention areas;	<ul style="list-style-type: none"> <li>- Additional area covered by subsurface drainage</li> <li>- Additional area covered by improved surface drainage</li> </ul>	- The baseline is the prevailing situation in 2016	<ul style="list-style-type: none"> <li>- Implement subsurface drainage for (108,000 ha)</li> <li>- Install surface drainage (8,000 ha)</li> </ul>	-EPADP annual reports, and Project progress reports.	

<sup>5</sup> Detailed targets and baseline to be established shall be agreed upon in later stage during DA preparation.

<sup>6</sup> Mark indicators aligned with the relevant programming document mark with '\*' and indicators aligned to the EU Results Framework with '\*\*'.

	<p>Enhanced capacities within the MWRI, and other implementing bodies to be closely involved in the implementation and management of the drainage sector, including final user bodies (Branch Canal Water Users Associations, BCWUAs) for better operation and maintenance of the network.</p>	<ul style="list-style-type: none"> <li>- Number of competitively selected candidates (disaggregated by gender) that have received the relevant training to carry out their duties appropriately*</li> <li>- Number of Public Hearing sessions organised for local farmer/BCWUA members during implementation/ prior to investment project execution.</li> <li>- % of female member at the BCWUA in the project intervention areas</li> </ul>	<ul style="list-style-type: none"> <li>- Current training plans available in beneficiary institutions.</li> <li>- The current Number of Public hearings held in 2016 = 0.</li> <li>- The baseline is the prevailing situation in 2016 (5%)</li> </ul>	<ul style="list-style-type: none"> <li>-Approved training needs assessment carried out by the project, and the implementation of the relevant number of trainings</li> <li>- At least 1 public hearing per project site is held in the lifetime of the project based on the number of projects launched.</li> <li>- 15% increase of female member at the BCWUA in the project intervention areas</li> </ul>	<ul style="list-style-type: none"> <li>- Training plans and evaluation sheets in the beneficiary institutions HR departments.</li> <li>- Project reports and surveys.</li> <li>- Project reports and surveys.</li> </ul>	
	<p>Improved investment planning and implementation activities at MWRI level.</p>	<ul style="list-style-type: none"> <li>- updates of priority investment planning matrix according to JISA</li> <li>- Number of contracting entities within MWRI applying this investment planning matrix.</li> </ul>	<p>No update to the high priority investment matrix since 2015 3 out of 8 contracting entities</p>	<ul style="list-style-type: none"> <li>- bi-annual update of priority investment planning matrix according to JISA</li> <li>- involvement of all 8 contracting entities within the MWRI</li> </ul>	<p>Planning Sector's reporting with the assistance of the international consultant</p>	<p>Sufficient willingness from the government and MWRI</p>