AFRICAN DEVELOPMENT BANK

EGYPT

EMERGENCY HUMANITARIAN RELIEF ASSISTANCE TO THE VICTIMS OF THE FLOODS

EGFO/GECL

November 2015
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Acronyms

AfDB  African Development Bank
GoE   Government of Egypt
LoA   Letter of Agreement
NGO   Non-governmental Organization
MoIC  Ministry of International Cooperation (Egypt)
MoLD  Ministry of Local Development
MoSS  Ministry of Social Solidarity (Egypt)
PIT   Project Implementation Team within Ministry of International Cooperation
SRF   Special Relief Fund
**Project Simplified Logical Framework**

**Country and Project Name:** EGYPT Proposal for a grant of US$ 1,000,000 for an emergency humanitarian relief assistance to the victims of the floods

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<th>RESULTS CHAIN</th>
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<tr>
<td><strong>IMPACT</strong></td>
<td>Reduction in human suffering caused by damages of homes, loss of assets, sustained injuries and deaths due to floods</td>
<td>No of people affected</td>
<td>100,000 in area of Wadi El Kamar (proxy)</td>
</tr>
<tr>
<td>Living conditions of flood victims are improved</td>
<td>No of beneficiaries</td>
<td>0</td>
<td>25,000 people</td>
</tr>
<tr>
<td>waste-water and sewage network is operational</td>
<td>Functionality rate</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td><strong>OUTCOMES</strong></td>
<td><strong>Component 1:</strong> In-kind support to 5000 households victims of flood distribution of blankets, food, and medication</td>
<td>No of victims assisted</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>No of items distributed</td>
<td>0</td>
<td>5000 Food packages; 10,000 blankets</td>
</tr>
<tr>
<td><strong>Component 2:</strong> Emergency pumping, clearing and sanitization of sewage system and waterway</td>
<td>State of sewage system</td>
<td>Non-operational</td>
<td>100% operational</td>
</tr>
<tr>
<td><strong>OUTPUTS</strong></td>
<td><strong>Component 1:</strong> Disbursement of in kind support to victims (food, blankets, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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**Inputs:**

- Component 1: US$ 625,000
- Component 2: US$ 365,000
- Component 3: US$ 10,000

**Risks:**

- **Risk:** More rains are expected as October is beginning of rainy season.
  **Mitigation:** Government has put in place a disaster mobilized water pumping equipment and started de-weeding and sanitizing the sewage system to clear obstructions.

- **Risk:** Insufficient public funding is available.
  **Mitigation:** AfDB Grant resources mobilized with assistance from local NGOs and stakeholders should allow some relief to the victims.

- **Risk:** Specialized equipment needed that is not widely available.
  **Mitigation:** Under this grant, the only national authority that has the required equipment will be providing the required service, following Bank rules.
1. INTRODUCTION AND JUSTIFICATION FOR EMERGENCY ASSISTANCE

1.1 Introduction

1.1.1 Several governorates in Egypt have suffered from heavy rains and hail pouring on Sunday 25 October 2015, jeopardizing the livelihoods and security of millions of Egyptians, while further torrential rainfalls are anticipated in the coming weeks. Rural and urban areas alike have suffered from the floods, with severe impact on poor households due to their already existing vulnerability.

1.1.2 The governorate of Alexandria and its surrounding area were the most directly affected with rainfall recording 3.2 million cubic meters in less than three hours, and six times more than the normal amount of rainfall. These floods have severely impacted the livelihoods of the approximately 5 million inhabitants of Alexandria and those living in the North Coastal areas. Those mostly affected are the poor and vulnerable living in the slum areas which cover over 26.4% of the city. Indeed, the governorates of Cairo, Port Said and Alexandria together host around 40% of the total number of slum buildings in Egypt\(^1\) which demonstrates the prevalence of poverty and vulnerability in those governorates. Already as an aftermath of the floods, apartment buildings are collapsing, while people are dying from electrocution and are injured, and have lost personal assets and property. In the district of El Mandara alone, 400 buildings are anticipated to collapse due to the large quantities of water, and in the district of Wadi El Kamar the lives of 100,000 persons are threatened by destruction of homes, water-borne diseases, and damaged infrastructure. Furthermore, roads, tunnels, ground floors of buildings, schools, hospitals, parking lots, tramways and trains, and farmlands have been flooded. Cars were swept away and tunnels were closed due to 1.5 meters high water levels. The municipality is in the process of providing an initial estimate of the damages to people and property.

1.1.3 The sewage and drainage systems of Alexandria and the surroundings have been reported to be in bad condition. The floods left the city and its surroundings in complete stagnation with emergency services like the ambulance not able to be mobilized to people in need. Water pump trucks have been used yet with no significant impact due to excessive amounts of water.

1.1.4 According to reports issued by the Alexandria municipality, the floods will require the mobilization of some 200,000 vacuum trucks and so far assistance has only been provided through 84 trucks provided by the municipalities of Cairo, Giza, Army and Navy. To alleviate human suffering, the Ministry of Social Solidarity has announced the readiness of several centers and temporary tents to host those rendered homeless, and has started distributing in-kind relief items and cash compensations in these areas. NGOs have started assisting by providing food, blankets, medication and other forms of in-kind assistance.

1.1.5 Alexandria and its surroundings are exposed to the risk of repeated floods with even a greater magnitude in the upcoming weeks/months with infrastructure that is not resilient enough to deal with such amounts of rains.

1.2 Justification for Emergency Assistance

1.2.1 The occurrence of flash floods of this magnitude has taken the country by surprise. The President of the Republic gave instructions to implement emergency measures towards restoring some kind of normalcy in the lives of the citizens, particularly those residing in Alexandria, the worst hit. Support from national NGOs and relief agencies is being mobilized.

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\(^1\) Statistical Yearbook for 2015 – housing section.
1.2.2 The floods come at a time when Egypt’s economy is vulnerable after having suffered substantially from protracted economic growth and increased social spending during the past four years of the transitional period. The conflicts in the neighboring countries and the economic recession following the decreased price of oil have seriously impacted Egypt’s traditional sectors for foreign currency earnings, namely tourism, the Suez Canal and remittances. Meanwhile, growth of the local economy has been sluggish at best. At the same time, demands for social expenditures have been increasing to address the rise in poverty and unemployment in recent years. As a result, the government is facing a large budget deficit, estimated at 13.7% of FY 2013/14, and has recently requested a substantial budget support operation from the World Bank and the African Development Bank.

1.2.3 Government resources are insufficient to address the immediate needs to respond to this emergency, both in terms of equipment to pump, clear and sanitize the sewage systems as well as in-kind relief and cash compensation for the flood victims, including blankets, food, clothing, medication and cash. The magnitude of the damage incurred is so large and diverse – economic, social and infrastructure- that no concrete estimates are yet available. The proposed Emergency Assistance aims to contribute to responding to this urgent need, and is expected to provide partial alleviation to some 5000 households, thereby benefitting 25,000 men and women.

2. OVERVIEW OF THE APPEAL FOR EMERGENCY ASSISTANCE

2.1 Overview of the Appeal

2.1.1 The present Proposal for Bank emergency assistance to the Arab Republic of Egypt is a direct response to the request of the Ministry of International Cooperation in Egypt dated October 26, 2015 pointing out that the torrential rains have resulted in flash floods that have caused tragic losses to the people and disrupted normal livelihood and economic activity. The proposed emergency assistance operation seeks to provide emergency pumping and sanitization services to clear the obstructed sewage system as well as in-kind relief items such as food, blankets and first aid medication to the victims of the floods rendered homeless and with no means of survival.

3. THE PROPOSED BANK EMERGENCY ASSISTANCE OPERATION

3.1 Objectives and Description of the Emergency Assistance

3.1.1 The objective of the proposed Bank emergency humanitarian relief assistance for Egypt is to alleviate human suffering caused by loss of lives, assets and property due to unprecedented floods in the affected areas. The total grant amount will be limited to the approved country ceiling of US$1,000,000 (one million United States Dollars).

3.2 Implementation Arrangements and Schedule

3.2.1 According to the Bank’s Revised Policy Guidelines and Procedures for Emergency Relief Assistance and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1/-ADF/BD/WP/2008/173/Rev./1), implementation of emergency humanitarian relief assistance will be entrusted to a suitable Implementing Agency to be selected from UN specialized agencies operating on the ground, competent Government institutions, or credible NGOs with a good track record of implementing emergency operations. Following consultations with the Government, it was agreed that the Ministry of International Cooperation (MoIC) would implement this operation. This is justified by MoIC’s coordination mandate amongst the different government entities, particularly given the involvement of several entities in the
execution of this operation, namely the Ministry of Social Solidarity, the Ministry of Local Development and the Alexandria Municipality. Furthermore this justification is further strengthened by the availability of capacity and expertise within MoIC and familiarity with Bank rules and procedures, built through management of Bank financed operations (past and current). Indeed, MoIC has a dedicated project management unit with seasoned financial, procurement and reporting specialists with whom the Bank has already cooperated.

3.2.2 MoIC will execute this emergency operation in close collaboration with direct stakeholders including the Ministry of Social Solidarity (MoSS), the Ministry of Local Development (MoLD), the Water Supply and Waste Water Treatment Company of Alexandria, the Alexandria municipality and the Egypt Food Bank. Specifically:

- **Component 1**: Comprising of “in-kind support to victims of the floods in the city of Alexandria” will include the distribution of blankets and food and will be implemented under the overall supervision of MoIC in close coordination with the municipality of Alexandria, the network of NGOs in the city and other stakeholders.

- **Component 2**: “Emergency pumping and sanitization of sewage system and waterway” will include the use of specialized vehicles and equipment to pump the water and sanitize the sewage system so as to clear the water passages and allow the rain falls to filter through the system smoothly. This component will be executed by the Water Supply and Waste Water Treatment Company of Alexandria, in collaboration with the Ministry of Local Development, the Alexandria Municipality and the related Holding Company. No procurement of equipment is envisaged, only non-consulting services.

3.2.3 It is expected that this emergency operation will be completed within a 6 months-time frame, from entry into force.

**Procurement:**

3.2.4 All Procurement foreseen under this grant will be done in line with *Bank’s Rules and Procedures for Procurement of Goods and Works* (May 2008 Edition, revised July 2012) or *Bank’s Rules and Procedures for the Use of Consultants* (Edition May 2008, revised July 2012) depending on the nature of items to be procured. In accordance with Article 3.8 of the *Policy Guidelines and Procedures for Emergency Relief Assistance*, given the distinctive nature of emergency operations, the restriction of rule of origin to member states under eligibility chapter will not be applicable.

3.2.5 The project implementation team (PIT) at MOIC will have the responsibility of procurement under this grant. This PIT is staffed with one procurement expert and one financial management specialist supporting several ongoing Bank-financed grants in the country. Considering the nature of activities under the grant the MOIC PIT should be in a situation to correctly discharge its responsibility.

3.2.6 Procurement activities under this operation consist of the following:

- **Goods**: Goods planned to be procured are packages of food and blankets to be provided to the poor and vulnerable for an amount estimated to cost US$625,000. Considering the Emergency situation, and in line with the article 3.6 (e) and 3.9 of the Bank’s procurement rules above referred, these packages of food and blankets will be directly contracted from the Egypt Food Bank (which is an NGO operating in the sector and having a network in the country), pursuant to its own procedures.
• Non consulting services: Emergency ordinary services related to pumping and sanitization of sewage system and waterway will be needed. This ordinary services budgeted at a total of US$ 365,000 will not be procured. The government will use a public entity: “the Water Supply and Waste Water Treatment Company” affiliated to the Holding Company for Water and Waste Water that has the capacity and equipment to provide these non-consulting services. A Memorandum of Understanding will be signed with this public entity to describe the services needed and outline the cost that will be covered. This cost will be those directly generated by the services, excluding salaries. A budget will be presented, discussed and agreed with the Bank.

• Consulting services: The only consulting services planned under this grant is the external audit assignment estimated to cost 10,000 US$. Considering its nature and very small size, the later will be procured using Consultant Qualification Selection (CQS) method based on a short list of qualified financial audit firms, as allowed by Article 3.20 Section III of the Bank Rules and Procedures for the Use of Consultants, May 2008 Edition Revised July 2012. This contract will be submitted to prior review by the Bank.

3.2.7 All procurement process will be submitted to the Bank post reviewed except the selection of audit firm. The General Procurement Notice (GPN) will be issued for publication in UNDB online and on the Bank’s Website upon approval of the Grant. The recipient shall prepare a procurement plan acceptable to the Bank. This plan should cover all procurement items planned and will clearly outline the following (i) estimated amount for each package; (ii) proposed procurement methods; (iii) the type of Bank review foreseen; and (iv) the planned date for each procurement steps. The Recipient shall update the Procurement Plan as needed throughout the duration of the project. All changes to the procurement plan shall need prior approval from the Bank. The Recipient shall implement the Procurement Plan as approved by the Bank.

Disbursement:

3.2.8 Given the emergency nature of the proposed operation, it is recommended that funds be disbursed in a single tranche through a direct transfer into a Special Account opened by the MoIC specifically for this operation. Disbursement will be processed upon submission of evidence to the Bank of the following:

- Signing of the Letter of Agreement;
- Opening of the special bank account in a bank acceptable to the Bank, to receive the grant proceeds;

3.3 Cost and Source of Finance

The total cost of the Bank’s emergency assistance to the GoE is estimated at US$ 1,000,000. The cost breakdown is attached in annex 1. The funds provided by the Bank are restricted and earmarked for the purposes of urgent humanitarian assistance to the flood-affected population. The source of funds is the Bank’s Special Relief Fund (SRF).

3.4 Reporting, Supervision and Auditing

3.4.1 The PIT within MoIC will be responsible to provide a quarterly report for this operation until project completion. In line with the Bank’s Revised Emergency Guidelines provisions, the PIT within MoIC shall be required to hire an independent external auditor to conduct an audit of the special account within six months after completion of the operation. The independent audit report is required to be submitted to the Bank for clearance.
3.4.2 The Bank’s Field Office in Egypt (EGFO) will conduct at least one field visit to monitor implementation progress on the ground. It will also prepare the Completion Report.

4. CONCLUSIONS, RECOMMENDATIONS

4.1 Conclusions and Recommendations

4.1.1 The proposed Bank emergency humanitarian relief assistance grant will contribute to alleviating the suffering of Egypt’s flood victims. The in-kind support will be targeted at vulnerable individuals and households that have lost heads of households/breadwinners, sustained injuries and/or lost property and assets, with the primary objective of preserving livelihoods towards the resumption of normalcy in their livelihoods. The water pumping and sanitization services will ensure that the waste-water and sewage network is operational once again.

4.1.2 In accordance with the Revised Policy Guidelines and Procedures for Emergency Relief Assistance and the General Regulation of the Special Relief Fund (SRF), it is recommended that the Board of directors award to the Arab Republic of Egypt, from the resources of the Special Relief Fund, a grant not exceeding the amount of one million United States dollars (US$1,000,000) to assist the affected populations in Egypt.

4.2 Conditions for Disbursement

The grant resources will be disbursed in one tranche, subject to the following conditions:

i) Signature of the grant agreement, between the Bank and the Republic of Egypt;

ii) Submission of evidence for the opening of a Special Account, in a bank acceptable to the Bank, in which the grant resources should be transferred.
Annex 1: Activities and Budget over the implementation period of 6 months

<table>
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<th>COMPONENT</th>
<th>ACTIVITY</th>
<th>Details</th>
<th>Estimated COST (USD)</th>
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<td>1. Disbursement of in-kind support to flood victims (cost: US$625,000)</td>
<td>Food packages</td>
<td>Food boxes for 5000 families provided for 2 months at US$37.5 per box</td>
<td>375,000</td>
</tr>
<tr>
<td></td>
<td>Blankets</td>
<td>2 blankets for 5000 families provided once at US$25 per blanket</td>
<td>250,000</td>
</tr>
<tr>
<td>2. Emergency pumping and sanitization of sewage and water ways (cost: US$365,000)</td>
<td>Pumping services</td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>Clearing and sanitization services</td>
<td></td>
<td>215,000</td>
</tr>
<tr>
<td>3. Audit report (cost: US$:10,000)</td>
<td></td>
<td>One audit report</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,000,000</td>
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Annex 2: Official request by the Government of Egypt
Ministry of International Cooperation
The Minister

H.E. Dr. Sahar Nasr
Minister of International Cooperation
Egypt

Dr. Aly Abousabaa
Vice President
Sector Operations
African Development Bank

October 26, 2015
Cairo, Egypt

Subject: Request for Emergency Relief Assistance

Dear Dr. Abousabaa,

With reference to the ongoing collaboration and fruitful partnership between the Arab Republic of Egypt and the African Development Bank, and the Bank’s constant support to the Egyptian people, the Government of Egypt kindly requests the Bank’s assistance through extending an emergency operation grant to help overcome the tragic situation of heavy floods in Alexandria, which led to severe negative consequences on the lives of many Egyptian families.

Accordingly, we call for the Bank’s prompt remedial actions to alleviate the damages caused by the massive flooding, resulting in the disruption of normal livelihood and economic activity; destruction of property, housing and public services; breakdown of industrial, commercial and communications infrastructure; human displacement; and loss of life.

Looking forward to your response and usual positive cooperation. I avail myself of this opportunity to renew the assurances of my high consideration.

Sincerely,

Sahar Nasr
Minister of International Cooperation
Copy to:

Mr. Samy Saad Zagloul  
Executive Director for Egypt and Djibouti  
African Development Bank

Ms. Leila Mokadem  
Resident Representative, Egypt Field Office  
African Development Bank

Mr. Jacob Kolster  
Director, North Africa Region  
African Development Bank

Ms. Nehal Helmy  
Advisor to the Minister for Technical Office Affairs  
Ministry of International Cooperation  
Egypt

Ms. Mahitab Magdy  
Senior Program Coordinator, Regional and Financial Institutions  
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Ms. Dina Hisham  
Program Specialist, African Development Bank Program  
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Egypt