Public Private Partnership for Integrated Water Resources Management
Egypt's Experience

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Left Hand Side:
The government and public sector objectives are to create job opportunities; reallocate population; relieve construction and management burdens; and guarantee system sustainability.

Right Hand Side:
The nature of private sector is to make profit, however it by and large contributes to service improvement and introduction of modern and cost-effective technologies.

Therefore, there is always a need to develop and sustain a PPP where the above equation is practically balanced and sustained.
SCHEMATIC & RESPONSIBILITY BOARDERS OF WATER MANAGEMENT SYSTEM IN EGYPT
RATIONALIZATION OF PPP IN EGYPT’S WATER SECTOR

- Need for sharing the ever-escalating capital, operation and maintenance costs.
- Need for creating societal commitments to optimize water use and maximize returns.
- Need for decentralization to improve decision-making.
- Need for improving water management services.
- Need for implementing mega projects to create job opportunities and reallocate population.
ANNUAL ESCALATION OF CHANNEL MAINTENANCE COST
OUTLINES OF PPP POLICY IN EGYPT’S WATER SECTOR

- Strengthening participatory management.
- Implementing integrated developmental initiatives.
- Securing the rights of poor population.
- Ensuring private sector ability to improve services.
- Maximizing returns per water and other resources.
- Relieving fraction of governmental and public burdens.
- Creation of new job opportunities.
PROJECTS AND INITIATIVES WITH PPP ATTRIBUTES

- IIP Areas 168,000 hectares
- IIImp Areas 315,000 hectares
- Toshka Project 225,000 hectares
- Al-Salarn Canal Project 250,000 hectares
- West Nile Delta Project 210,000 hectares
IRRIGATION IMPROVEMENT PROJECTS (IIPs)

- Implemented in ≈ 5% of Egypt’s irrigated area; introduced improvement package at tertiary and delivery systems; and produced 6000 WUAs.
- Yielded ≈ 20% increase in farm income.
- Cost of tertiary level improvement is being recovered from farmers over an amortization period of 20 years.
- Cost of single lifting pump is recovered over a period of 3 years.
- No consideration of interest nor inflation in the cost recovery mechanism.
- 60% of the cost of quaternary canal improvement is provided by farmers.
The largest sub-surface drainage program in the world (≈ 2.3 million hectares).

Private sector is largely involved in drainage maintenance.

Subsurface Collector User Associations were established in ≈ 6.5% of Egypt’s irrigated lands.

Program is driven by users’ demands due to the significant increase in crop yields.

Cost of subsurface drainage is recovered over an amortization period of 20 years.

Revealed opportunities for privatizing public pipe factories and maintenance equipments.
EL-SALAM CANAL PROJECT

- Project area (250,000 hectares) is allocated as: 50% to large investors; 20% to small investors; and 30% to small farmers.

- Transfer of low cost farming technologies from large investors to small investors and individual farmers.

- A Holding Company sells lands, operates and maintains facilities, and provides on-farm services including marketing and training.
SOUTH VALLEY (TOSHKA) DEVELOPMENT PROJECT

- The largest share of the project area (total area is \( \approx 225,000 \) hectares) is allocated to big investors at minimal price.
- The Government constructs main infrastructure while investors develop their own farm facilities.
- A great deal of project cost is recovered from users.
- A Holding Company operates and maintains main facilities, and provides other farming services.
WEST NILE DELTA PROJECT

- Surface water system will be developed to minimize overexploitation of groundwater resource in ≈ 210,000 hectares.
- Full cost recovery for infrastructure, operation and maintenance are to be applied.
- Private sector will be involved in design, operation and invest in new facilities.
- PPP will be objectively oriented to risk-sharing of construction, O&M, and loan amortization; possibly applying a DBL model.
INTEGRATED IRRIGATION IMPROVEMENT AND MANAGEMENT PROJECT (IIIMP)

- Establishment of Water User Organizations in 315,000 hectares to participate in O&M at all hydraulic levels, depending on the level.
- Farmers participate from day 1 in the planning, design, and implementation, and also in the management afterwards.
- Integrating irrigation and drainage cost in one cost recovery mechanism.
- Economizing improvement package in consideration of user’s capacity to pay back.
INTERACTION BETWEEN USERS AND AGENCY

MWRI

Integrated Water Management Agency

Interaction

BCWUA / DWB

User’s Organizations

USERS
LESSONS LEARNED

- Improved service that generated higher returns per unit of water, land and labor.
- Potential relief of Government burdens, and more normative role assigned to field staff.
- Commitment of stakeholders, especially farmers.
- Readiness of Water User Organizations to be up-scaled at higher hydraulic levels.
- Ability and reliability of private sector as a major partner for water management projects of different scales.
Thank You and Wish You a Productive Forum