



## **Ministerial Dialogue**

### **Investing in water, sanitation and hygiene: country practices**

#### **4 November at 14:00 Cairo time**

Thank you, Madam Moderator,

First, I would like to welcome all attendees and thank (Sanitation and Water for All) team for convening this important virtual meeting in this critical time in which all the world is fighting against COVID-19. Especially since the availability and access to water, sanitation and hygiene is fundamental to fight the virus and preserving the health and well-being of millions. COVID-19 will not be defeated without access to safe water for people, especially those who are vulnerable.

I want to thank you for choosing those three success stories as a model in your introduction, since they could provide an overview of the different ways of financing that we use in Egypt to continue our efforts to achieve the sixth goal of the sustainable development goals.

Drinking water supply and sanitation sector in Egypt is characterized by both achievements and challenges. Despite the rapid population growth:

- The current coverage of safely managed drinking water sources in Egypt is about 98.7% (100% for urban areas, and 97.4% for rural areas).
- The current safely managed sanitation is about 65% (96% for the urban areas, and 37.5% for rural areas), it was about 50% in 2014.

Increasing access to safe drinking water, adequate sanitation services and improving water resources management are central to the basic right of every human being. Egypt has set an ambitious water agenda in that regard. In addition, Egypt has also taken several measures to meet the Sustainable Development Goals targets for drinking water and sanitation. So I'll try to shed some light on the efforts exerted by the government of Egypt. For the period between June 2014 till July 2020 the government has made the water and sanitation sector more equitable and sustainable.

- Complete 1131 projects for drinking water and sanitation in cities and rural areas with a total capacity of 10.8 million Cubic meters per day for drinking water, serving 50.6 million people, and 6.7 million Cubic meters per day for sanitation in order to serve more than 45 million people; the total cost for those projects was about EGP 124 billion.
- Implementing 5.8 thousand rehabilitation projects, with a total amount of about EGP 9 billion.
- Implementing 176.4 thousand household connections with a total amount of about EGP 600 million.



- 200 projects including projects to increase the capacity of different projects covering all the governorates at the national level with an amount of about EGP 455 million pounds.
- In addition to EGP 40 billion to improve the water and sanitation projects in the new cities.
- To sum up, the total investment in the water and sanitation sector is about EGP 174 billion during this period.

The government aims to achieve four main objectives: Reducing water physical and commercial losses, improving water pressures, rehabilitation of networks, in addition to improving the efficiency of the service provided to citizens.

It's important to mention that the standard maintenance cost of water and wastewater treatment plants were taken into account when setting the tariff, in order to maintain the level of services provided to citizens, and all the treatment plants are currently being constructed on a world class standard, with central laboratories, to ensure the quality of the service provided.

To respond to your question. I will focus on the (Integrated Rural Sanitation in Upper Egypt – Luxor) project, which is part of the National Rural Sanitation Program. The Luxor project is in the final signing phase to be implemented with funding support from the African Development Bank and Rural Water Supply and Sanitation Initiative Trust Fund with a total amount of approximately \$127 million USD (about 2 billion EGP) for the development of wastewater networks and wastewater treatment plants for rural areas in Luxor Governorate in Upper Egypt. The expected completion date is end of 2026.

The Luxor program aims at designing integrated sanitation systems of "clusters" by collecting and treating wastewater generated from some rural areas in Upper Egypt, thereby contributing to clean environment by increasing the coverage of improved sanitation for the populations living in these areas. The program focuses on one Water and Sanitation Company operating in the Governorate of Luxor.

The project is expected to increase sewerage coverage in the region from 6% to 55%, thereby improving the quality of life of citizens, especially women and children, who are most affected by poor sanitation. Furthermore, the project includes capacity building part to improve operational system and practices of Luxor Water and Sanitation Companies, the capacity building plan (benefiting at least 30% of women). In addition, it will create a considerable number of direct and indirect jobs.

I also would like to stress the commitment of Egyptian government to encourage private investments in such projects through using PPP financing mechanism as mentioned in the introduction.

Finally, I would like to shed some light on the government of Egypt's effort to develop a sovereign green financing framework, which will enable Egypt to finance existing and future Eligible Green Projects.



The government of Egypt believes that the entry of the Egyptian sovereign in the Green Bond market will establish a market precedent and encourage the private sector to start using sustainable finance instruments. It has also become important to take advantage of the proceeds of sovereign green bonds in financing multiple projects in different sectors according to their priorities, in light of the difficulty of obtaining financing.

On 28<sup>th</sup> September, Egypt issued 750 million USD in green bonds, and this was the region's first sovereign offering of climate-friendly securities. The issuance was almost five times oversubscribed, pointing to growing appetites for climate-friendly securities worldwide.

Egypt has a portfolio of eligible green projects worth 1.9 billion USD, 16 percent of which are in renewable energy, 19% for clean transportation, 26% for sustainable water and wastewater management, and 39% for pollution reduction and control.

At the end I would like to stress on Egypt's commitment to become a leader in green development, and to be an example for the rest of Africa and the Middle East.