

To: PMC Groundwater, NWP
From: Dutch Groundwater Consortium for Egypt , reporter Ebel Smidt
(Acacia, Amsterdam Water, van Essen, Eykelkamp, Fugro, Kiwa, SG, TNO)
Date: 10th of May 2005
Subject: Summary Economic Mission report (april 2005): opportunities in Egypt



1. General situation in Egypt

Economic growth in the last years have been about 3-4 %, while 5-6% is required for job creation in balance with population growth. A new government was installed end 2004 to fasten the speed of modernization of the Egyptian economy. Reform measures like privatisation of state companies, reductions in taxes and number of rules have been presented. A too fast reform might lead to non-stability. Stabilization by presidential elections seems the most realistic scenario for the end of 2005.

2. Water in Egypt

Egyptian water resources are under increased pressure, both in terms of quality and quantity. Egypt is answering this pressure by implementing the National Water Resources Master Plan and the reform programme in the Water Supply and Sanitation Sector. In both programmes Dutch support has been vital. Both are complimentary to the national economic and administrative reform programmes. The four cornerstones of the water programmes are:

1. applying integrated water management (surface water and groundwater, water quantity and quality);
2. applying water chain management in technical and institutional sense. The recent set up of a holding investment company for all regional water companies is a good example;
3. institutional reform, amongst others by setting up waterboards and mobilising private initiative in water management;
4. valuing water and cost recovery.

3. Netherlands Economic Mission and (ground)water

Our Groundwater Consortium as part of the PMC Groundwater was a relatively new phenomenon. It was well received by the ministers and government employees from the Hague and Cairo. William van Niekerk (NWP board member and member of PMC Water & Green/Ballast Nedam) and undersigned were the two speakers from the business delegation at the official meeting of the delegation with dr. Abu Zeid, minister of Water Resources and Irrigation and his ministerial staff.

4. Practical results

Practical results of the mission have been made at four levels:

- a) Individual water supply and sanitation schemes: the consortium has made valuable contacts with Egyptian partners for applying Managed Aquifer Recharge and Storage (MARS).
- b) Water chain management: at the Holding Company for Water Supply and Sanitation useful discussions have been held. The Consortium will seek cooperation with a current initiative of the PMC Water and Chain towards the Holding Company.
- c) Regional water management: in large irrigation schemes MARS can play a vital role. With different stakeholders contacts have been intensified concepts have been elaborated.
- d) National and international water management: groundwater plays an increasingly important role in Egypt's water management. A proposal for a strategic input from the Dutch Groundwater Consortium has been formulated and discussed. The Consortium can also play a role in

cooperation between the Egyptian and Netherlands Water Partnerships. IGRAC has been promoted during the mission.

Follow-up proposals are being formulated. A request for contribution from the Partners for Water II programme will be discussed with NWP. Coordination takes place within the PMC-Groundwater on other MARS-initiatives in Kenya and South Africa.