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INFORMATION NOTES

REPORT OF THE WFP EXECUTIVE BOARD MEMBERS ON THEIR VISIT TO EGYPT



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INTRODUCTION

1. Board members from Canada, China, Ethiopia, Mexico, Slovenia and the United States visited Egypt from 26 November to 3 December 2006. They were accompanied by Ms C. von Roehl, Secretary to the Executive Board. Mr B. Parajuli, Country Director, and Mr P. Ward, Deputy Regional Director accompanied the team to meetings and on field visits.
2. In Cairo, the team was briefed by the country office and the regional bureau. There was a stimulating discussion with the United Nations country team (UNCT). The team met the Minister for International Cooperation, the Minister of Agriculture and Land Reclamation, the Minister of Social Solidarity, the Secretary General of the National Council of Childhood and Motherhood, bilateral donor representatives and government officials.
3. The team travelled (i) to the Sinai peninsula to observe WFP support for Bedouin populations, (ii) to Sohag in central Egypt to see programmes for early childhood, girls' education and children at risk, and (iii) to Aswan in southern Egypt to visit land-reclamation and resettlement initiatives.

CONTEXT

4. Per capita gross domestic product (GDP) in Egypt is US\$1,074. The United Nations Development Programme (UNDP) Human Development Index has risen significantly in recent years, but Egypt is still ranked 119th of 174 countries. The current fiscal situation is challenging: there are annual deficits of 8 percent and a debt-to-GDP ratio of over 100 percent. The Food and Agriculture Organization of the United Nations (FAO) classifies Egypt as a low-income food-deficit country; 45 percent of grain requirements are imported. Stunting among children under 5 is reported at 15.6 percent; rates of malnutrition reach 30 percent among vulnerable populations. There are significant challenges such as micronutrient deficiencies of iron and vitamin A, and prevalence of goitre.
5. The Board approved a country programme (CP) for Egypt for 2007–2011 at its 2006 Second Regular Session. Total programme funding for the period is US\$8 million, but it is expected that fundraising from other sources will bring the total budget to US\$44 million.
6. The CP is expected to be a “phase-out” – the last cycle of WFP intervention after 40 years of continuous support. There are three main elements:
 - support for the Government's social reforms, in particular food-based safety nets, food for education and nutrition interventions;
 - support for disadvantaged groups in areas with limited resources; the scale will be limited, intended to demonstrate best practice; and
 - support for improved educational approaches for pre-school children, girls and children at risk, intended to demonstrate innovative approaches.



FINDINGS

7. **Support for Reforms.** In spite of serious fiscal problems, Egypt runs a long-standing subsidy and safety-net programme that benefits two thirds of the population. Energy and food subsidies, the most significant cost drivers, amount to US\$7 billion per year. Government representatives pointed out, however, that the benefits of these programmes often accrue to wealthier groups; the need for reform – including enhanced targeting - was recognized and work is under way with the World Bank to address the matter. The representatives believe that WFP has an important role as a trusted interlocutor with long experience in the country and acknowledged expertise in the design and delivery of targeted, nutritionally appropriate food assistance for disadvantaged groups.
8. WFP's authoritative publication *Vulnerability Analysis and Review of Food Subsidy in Egypt* examined household-level vulnerability to food insecurity and the effectiveness of the Egyptian food-subsidy programme. It also facilitated ministry-level exchanges with WFP member countries, particularly Mexico. Egyptian ministers described the profound impression made by the *Oportunidades* initiative, including the impact of contingent cash transfers to women. These efforts appear to be helping to legitimize the politically sensitive reforms that are needed in Egypt and influencing their design.
9. **Support for improved nutrition.** Malnutrition rates in Egypt are considerably worse than in other countries at a similar level on the Human Development Index; Egyptian children are more likely to be stunted than their counterparts in northern and southern Africa. Although the team did not observe it at first hand, we understand that WFP is working with the Government on flour fortification and improved formulation of *balady* bread, which offer potential for improved nutrition.
10. In its limited interaction with Government officials the team was unable to ascertain whether there was sufficient recognition of the severity of undernutrition or whether it was prioritized in public policy. The team felt that the UNCT could be more coherent in advocating on nutrition issues, particularly with regard to children. The team took note of WFP's planned cooperation with the United Nations Children's Fund (UNICEF) and the Global Alliance for Improved Nutrition (GAIN) in the new CP.
11. **Food for training (FFT)/food for assets (FFA).** Bedouin communities in Sinai, who appear to endure challenging levels of poverty, welcome WFP's food support. The causes and circumstances of their poverty are complex, involving issues of land ownership, location of communities, lack of social services and uncertainty as to whether proposed productive activities are sustainable. WFP is therefore partnering with government departments and other agencies.
12. In Aswan, WFP is providing FFT/FFA for settlements being established on newly irrigated land. The team observed high-quality roads and some innovative buildings; the communities were well organized. Long-term economic sustainability may be in question, however, and there may be resentment towards an influx of settlers perceived as disturbing ancient regional balances.
13. The limited number of beneficiaries in Sinai and Aswan welcome WFP's help, but this assistance is a relatively small part of projects that would probably proceed even in WFP's absence. It is not evident that this part of the CP has a significant multiplier effect or that WFP has the institutional capacity to address the complex development issues. Settlement programmes such as the one in Aswan need to be approached with great caution: they are, for example, subject to stringent safeguards imposed by the development banks.



14. **Support for Education.** The school feeding operation visited in Sohag showed good partnership with UNICEF and with government and community partners. The educational facilities were vibrant, and there was emphasis on girls' enrolment. The team understood that replication of the programme in other places was being considered.
15. WFP appears to be performing well in partnership with the UNCT, international non-governmental organizations (NGOs) and donors, for example in the planned work with UNICEF and GAIN on micronutrients and with the International Labour Organization (ILO) on child labour. Questions were raised by other UNCT members, however, about the nature of WFP's development role; further dialogue is needed.

CONCLUSIONS

16. The team found that the CP is an innovative example of handling a phase-out in a middle-income developing country. WFP is at its best in facilitating government reform in areas where it has technical excellence: it can lend legitimacy to reform and make south-south connections that enable best practices to be shared.
17. CPs such as this should aim for high leverage in policy reforms that can have wide fiscal and social impacts and in fundraising to complement modest WFP programme resources; the Egypt CP appears to have the potential to perform well on both counts in that the reforms being considered could have a positive impact on national social programmes, and fundraising is on track to attract significant resources from outside WFP. A planned debt-swap arrangement is particularly interesting.
18. Traditional operations may benefit limited numbers from disadvantaged groups, but they should be considered if they are innovative and can be scaled up, and if WFP brings particular value-added to the projects. Consideration needs to be given to the complexity of some development settings, and whether they correspond to WFP's institutional competence.

OBSERVATIONS ON MISSION ARRANGEMENTS

19. The team was grateful to the WFP country office and the Government of Egypt for the quality of the arrangements for the visit.
20. Recognizing that the purpose of missions such as this is to enable Board members to visit project sites and meet beneficiaries and partner organizations, the team agreed that although meetings with government officials and boardroom briefings are useful, as much as possible of the limited time available should be allocated to visits to operational sites.
21. Site visits must be covered by adequate security arrangements, and the country office may wish to take advantage of these occasions for media exposure, but the arrangements must not be too elaborate and should not prevent mission members from interacting with beneficiaries. The aim should be "low-impact" site visits.
22. The mission members found the visit to be a valuable learning experience that enhanced their understanding of WFP's field operations.



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23. The team would like to thank Mr B. Parajuli and the WFP country team in Egypt for organizing and accompanying the Board visit in December 2006. The Government of Egypt at the federal and governorate levels was unstinting in granting access to Ministers and officials; it also handled security and protocol matters. An unfailing characteristic of all official and non-governmental Egyptian counterparts was their warm hospitality, for which the team was most grateful.



ACRONYMS USED IN THE DOCUMENT

CP	country programme
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFT	food for training
GAIN	Global Alliance for Improved Nutrition
GDP	gross domestic product
ILO	International Labour Organization
NGO	non-governmental organization
UNCT	United Nations country team
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund