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COUNTRY STRATEGY OUTLINES

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For consideration



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COUNTRY STRATEGY OUTLINE— EGYPT

Note to the Executive Board



This document is submitted for consideration by the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

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Executive Summary

Egypt is classified as a low-income, food-deficit country (LIFDC). In 1999 the country imported 7.9 million tons of grains or 50 percent of its needs. FAO's Aggregate Household Food Security Index (AHFSI) for Egypt stood at 96.0 during 1993-95, up from 92.7 during 1979-81. However, recent estimates from national sample survey data indicate that 12 percent of the total population (7.7 million people) and 21 percent (4 million people) in the lowest three deciles of the income distribution consume less than their daily energy requirements. Among children under 5, 21 percent are stunted and 11 percent are underweight. The UNDP Human Development Report for 1997 shows the mortality rate for children under 5 to be 73 per 1,000 live births. Overall economic growth has been impressive—the per capita gross national product (GNP) grew from US\$660 in 1993 to US\$1,290 in 1998. Nonetheless, there are inequities in income distribution; nearly 23 percent of the population (about 13.6 million people) lives on well below a dollar a day. UNDP's Human Development Index value of 0.623 places Egypt 119th out of 174 countries.

Based on the principles of the Enabling Development policy and on lessons identified from past experience, especially from the evaluation of the ongoing Country Programme (CP), this Country Strategy Outline (CSO) for the period 2002-2006 focuses on forms of assistance and target groups that will bring about the most effective use of WFP food aid in Egypt. Food assistance will be sharply focused to achieve a specific development purpose and will be provided in a timely manner. The strategy uses geographic targeting, based on analyses supported by the Regional Vulnerability Analysis and Mapping (VAM) Unit, to assist highly vulnerable households to move out of food insecurity and poverty. WFP will work with the Government and develop partnerships with other United Nations agencies and NGOs to bring physical infrastructure, local capacity-building and social development initiatives to the most vulnerable. This will involve the participation of beneficiaries to ensure social cohesiveness among the settler community and the sustainability of productive capacity. In all areas of assistance, the CSO will address the important cross-cutting issue of women's empowerment. WFP's commitment to advocate for the poor will be consolidated and more effectively implemented. Building on the successes it has had in the past, WFP will utilize its programme experience to bring about a stronger and wider policy focus on the poor and catalyze lasting changes that will improve their lives.

In accordance with decision 1999/EB.A/2, WFP focuses its development activities on five objectives. This CSO addresses objectives 2, 3 and 5.

Accordingly, the following areas of assistance and target groups are identified under this strategy:

- a) *Enabling self-reliant food security for the poorest through agriculture:* The landless and functionally landless, poor and food-insecure families in the most marginal areas of Upper Egypt, where vulnerability analyses have revealed serious problems of hunger, poverty and low levels of human development, will benefit from this activity. A new approach will be adopted, working with the Government to bring agricultural development and land settlement programmes to the areas where the

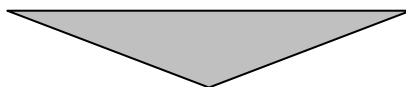


poor live, rather than settling them elsewhere. This will help the poor community as a whole to benefit from the economic and social spin-offs from new economic activities. Food aid will help beneficiaries get through the transitory period of creating agricultural assets, which will increase their level of food security.

- b) *Stabilizing livelihoods of food-insecure Bedouins:* Poor and highly food-insecure Bedouin communities living in extremely harsh conditions in desert areas will benefit from this activity, which will support the development of broad-based and sustainable livelihoods. Food aid will support them during the period of changing from traditional to new forms of livelihoods.
- c) *Assisting poor families to send their children to school:* The provision of school lunches will encourage poor families of two of the poorest governorates of Egypt to send their children to school. The children will benefit directly from the nutrition provided by the food.
- d) *Making a change in the lives of urban children at risk:* In this activity to be undertaken jointly with the United Nations Office for Drug Control and Crime Prevention (ODCCP) and UNICEF, street children living in Cairo and Alexandria will receive a food incentive to participate in programmes for human capital development to be implemented by NGOs.

The period of the current Country Programme (1998-2001) has been reduced by one year to ensure programme cycle harmonization for the next five-year Country Programme (2002-2006). Through the United Nations Development Assistance Framework (UNDAF) process, WFP will work with partners of the United Nations Development Group (UNDG) to plan and implement integrated interventions with emphasis on women's literacy and training as well as on children's education, and health and nutrition issues within the communities that WFP will assist. It is hoped that the urban sector intervention, which will be undertaken jointly with two United Nations agencies, will lead to a new focus on urban children at risk.

Draft Decision



The Board endorses the Country Strategy Outline for Egypt (WFP/EB.3/2000/6/5) and authorizes the Secretariat to proceed with the formulation of a Country Programme, which should take into account the comments of the Board.



FOOD INSECURITY, HUNGER AND POVERTY

Food Insecurity at the National Level

1. Egypt is classified as a low-income, food-deficit country (LIFDC). Ninety-seven percent of the country's 64 million¹ people live on less than 4 percent of its territory, placing enormous pressure on the limited water resources and agricultural production base, and on the natural environment. Although the population growth rate has declined from 2.8 percent during 1976-86 to 2.1 percent during 1986-96, the already large population base implies substantial additional demand for resources every year. Rapid urbanization has exerted a large claim on land available for agriculture; since 1952 some 378,000 ha (900,000 feddans—one feddan is equivalent to 0.42 ha) of the fertile Nile Valley lands has been lost to urbanization and industrial growth.
2. While in the early 1970s it was largely self-sufficient in food, and could even boast an external trade surplus in agricultural goods, today Egypt has a massive deficit. But the agricultural trade gap is declining, albeit slowly. It fell from an all-time peak of US\$3 billion in 1985 to US\$2.6 billion in 1995, and to US\$2.5 billion in 1997. The slight improvement is attributed to increased land productivity and changes in cropping patterns.
3. Cereals, which provide the primary source of calories in the national diet, constitute the major part of the imported food commodities. Of the major grains, Egypt is self-sufficient only in rice, of which a small exportable surplus is produced. In 1999 the country imported 7.9 million tons of grains, or 50 percent of its needs.
4. According to estimates by the International Monetary Fund (IMF), Egypt's foreign reserves in terms of months of imports was 15.7 in 1996-97, but was down to 10.2 by 1999-2000, and is expected to decline to 7.9 months by 2004-05. When such a significant proportion of staple foods is imported, these figures indicate a situation of precarious food security.
5. Egypt's food supply policies have been successful in ensuring relatively high quantities of food at the national level to meet market demand. However, a recent analysis of food consumption data collected from a nationally representative sample of households by the International Food Policy Research Institute (IFPRI) shows that about 12 percent of the total population or about 7.7 million people consume less than 2,100 calories per capita per day.² The number of 2,100 calories represents a reference level—a recommended amount to be supplied during emergency interventions in developing countries.³ Therefore, it represents a *critical* level rather than a recommended daily allowance (RDA) under normal conditions.⁴ In the worst-off governorates in Upper Egypt (Beni-Suef, Menia, Asyout and

¹ This allows for growth since the mid-1999 estimate of 62.8 million made by the Institute of National Planning (INP). The 1996 census reported a population of 59.3 million. Population had grown at an annual rate of 2.1 percent since the previous census ten years earlier.

² This analysis was undertaken after the Mid-Term Evaluation of the Country Programme, by Edirisinghe, N. and Asmaa El-Ganainy in June 2000. Estimation of caloric consumption using the 1997 Egypt Integrated Household Survey (EIHS) conducted by the International Food Policy Research Institute (mimeograph: WFP OMN Regional Bureau).

³ WHO. 2000. Management of Nutrition in Major Emergencies (Geneva).

⁴ Since there is no agreed-upon national per capita RDA for calories in Egypt at the time of writing, 2,100 calories is adopted as a critical level.



Suhag), nearly 15 percent of households in the rural sector fall below the 2,100 calorie intake level.

6. Insufficient food consumption, compounded by poor hygiene, disease and inappropriate dietary habits and illnesses, has brought about a serious level of malnutrition among children. The Egypt Demographic and Health Survey (EDHS) for 1998 reports that one in five young children was severely or moderately stunted and 10.7 percent were underweight. At a sub-national level, the same source reports that stunting is most serious in areas of rural Upper Egypt (24.9 percent). This region also has the highest prevalence of underweight children (14.2 percent) and wasting (8.1 percent). Iron deficiency and anaemia are also common among women and pre-school children.
7. Paradoxically, significant poverty exists alongside an impressive macroeconomic performance in the recent past. Structural reform programmes, notably the Government's Economic Reform and Structural Adjustment Programme (ERSAP), were initiated in 1987. These measures produced the anticipated gains in national foreign reserves, a reduction in fiscal deficit and growth in gross domestic product (GDP), which increased by an average of 5.2 percent annually from 1995 to 1998. According to the World Bank, the GNP rose from US\$660 per capita in 1993 to US\$1,290 in 1998—an increase of around 14 percent per annum. However, this very high figure reflects changes in reporting procedures along with an actual, and quite remarkable, growth in the economy.
8. According to recent estimates, 23 percent of Egyptians (13.6 million people) live in poverty (Table).⁵ Again, Upper Egypt has the highest incidence of poverty: 34 percent compared with about 17 percent in Lower Egypt. While only 36 percent of the total population lives in Upper Egypt, some 55 percent of the 13.6 million people who fall below the poverty line are found in the administrative units (governorates) of Upper Egypt. Table 1 shows that poverty rates range from 34 percent to 53.4 percent among the six governorates listed under Upper Egypt.
9. The data also suggest that there is no significant difference between the incidence of urban and rural poverty. Greater Cairo is home to the largest number of urban poor, while Alexandria has the highest incidence of urban poverty, with 29 percent of Alexandrines falling below the poverty line.
10. Data on food security, poverty and other socio-economic conditions at the sub-governorate level remain limited. This issue is being taken up in Egypt's Common Country Assessment (CCA) process with the participation of WFP's Regional VAM Unit. However, there is a clear recognition of the special case of the Bedouin communities, who are living in the desert areas under extremely hard conditions. For example, available data on the Sinai Peninsula, where the majority of the population consists of Bedouin communities, indicate an average monthly income level of 57 Egyptian pounds (LE), or US\$16.6, which is considerably less than the poverty threshold of LE 68 (US\$19.8) per capita per month.
11. The gender dimension of poverty is cause for concern. More than 12 percent of Egyptian households are headed by women and the likelihood of them being poor is far greater than that of households headed by men. One study reveals that in the urban sector, 33 percent of households headed by women are in poverty compared with about 22 percent of

⁵ Institute of National Planning, Egypt Human Development Report 1996 (EHDR). The estimates are based on the Household Income and Expenditure and Consumption Survey (HIECS) 1995-96.



households headed by men. In the rural sector, the proportions are 36 percent for households headed by women and 28 percent for those headed by men.⁶

12. Women are also disadvantaged as regards the development of human capital. These disadvantages appear to be more pronounced in the rural sector. The literacy rate in the rural sector is 44 percent (70 percent in the urban sector) with the female literacy rate at just 29 percent (62 percent in the urban sector). Similarly, a total of 20 percent of the rural population has secondary or higher education compared with 40 percent in the urban sector. The percentage of females with secondary or higher education in the rural sector is 14 percent while the figure is 36 percent in the urban sector.⁷
13. However, there has been progress in primary education both in terms of both overall enrolment and gender ratios. The numbers enrolled in primary education rose from about 75 percent in 1992/93 to approximately 87 percent in 1998/99. However, there are several governorates where enrolment rates are substantially below the national averages. The problem is most marked in Upper Egypt and the Bedouin areas of North Sinai and Matrouh. It should also be noted that some 52 percent of all schoolchildren (6-12 years old) suffer from anaemia, and about 20 percent from vitamin and protein deficiency. The significant gender gaps still remaining in the case of secondary and higher education are primarily due to accessibility and cultural reasons; these issues are being addressed, particularly with assistance from the World Bank.

The Target Population

14. Consistent with the Executive Board's decision on the Enabling Development policy, this CSO first examined the most food-insecure and poorest geographic areas, which should be the focus for targeting of WFP resources.
15. **Rural sector:** Several types of analysis indicate Upper Egypt as the geographic area where rural poverty, food insecurity and low human development are most prevalent.
 - The Human Development Report for Egypt shows that rural Upper Egypt has the highest poverty incidence (34 percent).
 - Preliminary vulnerability analysis conducted by the Regional VAM Unit and based on a composite set of human development-related indicators (literacy rate, education level, access to piped water, sanitation and electricity, household size and dependency ratio, wage-earning capacity and number of people per unit of land) show Menia, Asyout, Suhag and Beni-Suef to be the least favoured governorates in Upper Egypt. The same governorates are also the main focus of interventions by a number of United Nations agencies (IFAD, UNDP, UNFPA, UNICEF). Two additional governorates in Upper Egypt identified as having food insecurity, poverty and social development problems, though to a somewhat lesser degree, are Qenna and Fayoum. More analysis will be conducted at the district level to support programme interventions in these governorates.
 - There is also the special case of the Bedouin communities, who live in the desert areas and are highly vulnerable. Food insecurity and low incomes characterize their semi-nomadic livelihoods.
16. Since incomes in the rural sector are highly dependent on agriculture, the size of landholding is obviously a key determinant of incomes. A study undertaken by IFPRI

⁶ G. Datt, D. Joliffe and M. Sharma. 1998. A Profile of Poverty in Egypt: 1997. IFPRI.

⁷ INP, EHDR 1997/98.



classified the rural population into cultivators (farmers) and non-cultivators, and found that the non-cultivators and the farmers with the smallest farms were the most likely to suffer from poverty. According to the 1995 census of agriculture, nearly 3 million Egyptian farms were less than one feddan in size.

17. Landless labourers may form the bulk of the people in the non-cultivator category. They are also likely to be the worst-off among the poor population. Their income-earning opportunities are closely related to demand for farm labour either within the areas they live in or in areas to which they migrate (*taraheel* farm workers) in search of work. Those households having less than one quarter of a feddan are categorized as “near-landless”; limited incomes from their landholdings almost certainly ensure that they are trapped in poverty. Poverty in these categories can benefit from policies that bring about agricultural land-owning opportunities, as well as from increased demand for agricultural labour that arises from expanded agricultural activity.
18. **Urban sector:** Some 43 percent (27.5 million) of all Egyptians live in urban areas. Poverty in the urban sector is estimated at 22.5 percent, with the highest numbers of poor concentrated in the large cities of Cairo and Alexandria. One of the major determinants of this concentration is the rural-to-urban migration brought about by lack of opportunities for productive work, landlessness and underemployment prevalent in the rural areas. In the urban sector, it is estimated that around 40 percent of the population lives in informal (or squatter) settlements around the cities and towns. The rates of unemployment are high in these areas and although the incidence of poverty, food insecurity and malnutrition among the squatters has not been quantified, it is probably very high, given the lack of income-earning opportunities faced by people living in such areas.
19. An urban phenomenon that is causing grave concern is the increase in the number of street children. Their styles of living virtually ensure that they suffer from malnutrition, poverty and exposure to abuses. Their numbers are also likely to increase in proportion to the pace of urbanization.
20. **The unemployed:** The labour force is increasing rapidly at the rate of 3 percent per annum, while population is increasing at 2 percent per annum. Quite evidently, the labour force is growing far more rapidly than the number of new jobs. This is a reflection of various factors, including the overall growth in population, the reforms in government employment schemes and the changes in industries. The profile of the unemployed has also changed over recent years. In 1986, 77 percent of the unemployed were first-time job seekers, whereas this figure had risen to 95 percent by 1996.
21. In the rural areas the problems are compounded by the phenomenon of large families and small landholdings, i.e. farms do not have the necessary land area or capacity to sustain the succeeding generations. Unemployment and underemployment are serious problems. Some people move away from small farms to become landless and/or migratory farm workers, while others drift into the towns and cities in the hope of finding temporary or casual work.

GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

Overall Policies

22. The overall government response to address the problems of poverty and food security has been the adoption of economic reform programmes aimed at bringing about rapid



economic growth. While the growth performance has been somewhat uneven during the past, ERSAP, the comprehensive economic reform programme adopted during the late 1980s and further strengthened in the early 1990s, has resulted in the GDP growing at an average rate of 5.2 percent a year from 1995 to 1998. However, as noted earlier, a sizeable section of the population has yet to benefit from this process. Poverty and food insecurity continue to haunt them. The challenge in the policy arena is to ensure not only rapid economic growth, but also greater participation in this process and more equitable sharing of its benefits.

23. In the area of food security, the response of the Government has been two-pronged. On the one hand, it has supported agricultural development both to increase domestic production and provide income-earning opportunities in the rural sector. On the other hand, it continues to have various food subsidy/distribution programmes to assist the poor, though on a smaller scale than some years ago.

📌 *Agricultural development*

24. Government policy places heavy emphasis on development of the agricultural sector. Apart from the contribution the sector makes to national food supplies, it employs about 30 percent of the labour force and accounts for some 21 percent of exports excluding crude oil and ores. When agroprocessing is included, this contribution to exports increases to 53 percent. Since 55 percent of Egypt's population is rural, the performance of the agricultural sector is crucial for reducing poverty and increasing food security.
25. The Government's strategic options for agriculture (up to 2017) include the following thematic elements:
- Achieve higher growth rate of 4.1 percent in the agricultural sector through vertical and horizontal expansion.
 - Promote more efficient use of land and water, enhance agricultural research and extension, expand credit, improve marketing cooperatives.
 - Increase the value of exports by over two-fold (with respect to the current level), based on quality assurance and product safety, which are key to competitiveness under the World Trade Organization (WTO) policies and partnership agreements with the European Union (EU) and the United States.
 - Develop livestock, poultry and fish resources to increase daily per capita animal protein consumption from 18 grams to 24 grams.
26. There have been extensive introduction of new technologies and significant improvements in agricultural extension, marketing and credit. These efforts, together with area expansion through land reclamation, have contributed to an increase in agricultural production from 2.6 percent in the 1980s to 3.4 percent in the 1990s. The area available for cultivation increased from 2.6 million ha in 1982 to 3.3 million ha in 1995. In a given year, this area is used more than once; the average total cropped in a year amounts to 180 percent of the available area. Egypt's current Five-Year Plan envisages the development of 63,000 ha of new land area per year up to the end of 2001, of which 21,000 ha would be for the landless poor.
27. The Government's land settlement policy, which has focused recently on the landless poor and the unemployed, has contributed to enhancing incomes and food security among the rural poor.



📌 *Food security programmes for the poor*

28. Notwithstanding the structural reforms, Egypt continues to operate food subsidy programmes, although on a much smaller scale than in previous decades. There has been some indication that these remaining subsidies might be removed, but this has yet to happen.
29. The Ministry of Supply and Home Trade (MOS) is responsible for most of these schemes, including the largest food subsidy programme, which is the subsidy on high-extraction flour. The cost of the programme is around LE 2.8 billion a year (almost US\$1 billion).
30. MOS also runs a ration card programme. The cards, which allow for the purchase of subsidized oil and sugar at designated shops, are intended to reach families of the lower income strata. There are about 9.7 million such family cards, which implies that some 40 million people benefit. The current cost of this programme is around LE 1.2 billion (about US\$300 million).
31. However, a recent study undertaken by IFPRI suggests that these subsidy programmes are not very well targeted and are less cost-effective than they might be. In addition, they are skewed towards people living in urban areas, since there are very few bakeries or designated shops in the rural areas.
32. **Feeding Schoolchildren:** The Ministry of Education operates a school feeding programme, which was recently enlarged to cover some 8 million schoolchildren, who are provided with enriched biscuits. The Ministry of Health provides technical guidance for the programme and supervises the supply of ingredients. The total cost of the programme varies between LE 300 and 400 million (about US\$100 million).
33. **Policies for the Urban Poor:** The Ministry of Social Affairs is responsible for various poverty alleviation interventions, including social assistance and pension programmes, such as the Social Aid Programmes and the Sadat Pension Fund. These are non-contributory programmes that provide cash transfers to disadvantaged groups, such as widows, orphans, disabled people and deserted wives, and emergency assistance when needed. Together these programmes reach about 1 million people and cost some LE 35 million (about US\$10 million) a year.
34. **The Social Fund for Development (SFD):** This was created to protect the poor and the unemployed and improve their status during the period of structural reforms. The SFD began its activities in 1993 and is financed by the Government in cooperation with the World Bank/IDA, the EU, the Arab Fund for Economic and Social Development and other donors. NGOs are also involved in implementation.
35. The objectives of the SFD are primarily achieved through promoting income- and employment-generating activities, providing basic social services, and enhancing local participation and awareness.
36. The donors and the Government recently evaluated Phase I of the SFD. Measured against six criteria, including meeting original objectives, targeting and sustainability, it was concluded that the SFD had performed well.

ASSESSMENT OF WFP PERFORMANCE TO DATE

37. WFP has assisted Egypt since 1963. From the outset the focus has been on the poorer rural people and the development of their resources. This has also included diverse



initiatives covering both emergencies and development. Food aid has been given to primary and technical school students and to poor people working on the preservation of historic monuments (for example, Abu Simbel). This has contributed to a significant increase in income from tourism from which the poor in the area have benefited. Emergency relief has been provided to displaced persons and victims of drought and floods.

38. Over the last ten years WFP's programme has been concerned exclusively with the rural poor. Assistance has been provided to support people in their efforts to develop new lands or to improve the management of their natural resources while also developing new sources of income. The focus on the poor and food-insecure has sharpened, and poor women have been given much more attention.
39. The basic activities approved by the Board for the current CP included: Settlement on Newly Developed Land in the Delta; Land Development and Settlement Around the High Dam Lake; Natural Resource Management in the North-Western Desert; Settlement on Newly Developed Land in Upper Egypt; and a pilot activity, Assistance to Working Children in Cairo. The first three basic activities had been started before the CP began, the fourth activity 18 months after the start of the programme, and Assistance to Bedouin Communities in Sinai began three years after the CP commenced. This CP reflected the Government's priorities and responded to WFP's increasing emphasis on more precise focusing of its assistance.
40. While all the ongoing activities are targeted to poorer rural people, they differ in important ways. Two activities involve settlement of farmers in areas that have not previously been irrigated. These settlers are mainly landless or functionally landless farmers from nearby areas. Two more activities are helping Bedouin households improve the management of resources and establish new income sources in the traditional desert lands. A very important aspect of all the projects is that they also use food aid to promote the development of essential services such as education and health, which are needed to build stable, viable communities.
41. In early 2000, a mid-term review of three activities and a mid-term evaluation of the CP took place. The review and the evaluation missions found that the projects are all reaching their targeted beneficiaries and objectives to a high extent. In some important respects, each of the activities is achieving more than was planned. According to the findings of the missions, the projects are targeting the right groups, who are truly poor. The missions highly commended the inclusion in both the Delta project and the Wadi el Saaida project of former tenant farmers who lost their farms through recent land tenure reform.
42. The desert and new settlement environments represent particularly harsh conditions for women, especially for women heads of household, who often face limits on their work activities and on their participation in work and social activities with men, due to established customs. Nevertheless, all projects have actively promoted the creation of opportunities for women.
43. Furthermore, as most rural women do not have birth certificates or identity cards, it was agreed with the Government that all women in WFP projects should be issued with identity cards. This measure has been successfully implemented and is seen as an example to be replicated elsewhere. In addition, rations are made available to both men and women as the ration cards have the names of both the principal beneficiary and the spouse.
44. The role of WFP in the change of the tenancy laws in new land settlement areas, whereby 20 percent of a primary beneficiary's new land is held in the name of the wife, has also been highly commended. The evaluation and review missions recognized the



emphasis given to increasing women's access to project assets. The land allocation measure should provide the spouse with a certain degree of security in the event of the death of, or divorce from, the primary beneficiary.

45. According to the evaluation and the review teams, staff in all of the projects show a good understanding of the need for participation and are using participatory principles in carrying out their work. New initiatives, such as self-help development of community trustee groups as grass-roots representative bodies, have been introduced to strengthen participatory processes.
46. The previous CSO included a proposal to explore the possibility of a WFP intervention in urban areas. In the CP, this proposal was elaborated into a pilot activity to assist urban working children. The country office has revised its ideas on developing this activity several times. As a result, in order to comply with the principles of Enabling Development, it was found necessary to reorient the original objectives.
47. Since early 1999, the country office has spent considerable time and effort in researching the phenomenon of "children at risk". The country office has developed partnerships with NGOs, UNICEF, ODCCP, the World Bank and UNDP and is co-financing with UNICEF and ODCCP an in-depth study that will provide important insights into drug-taking and criminality within this group. It has also helped to organize a workshop under the leadership of the World Bank and is preparing a new activity that will take all of this new information and the partnerships into consideration. The activity should commence before the end of 2000.
48. One critical concept that has developed from this work is that the objectives of any activity designed to assist children at risk must be informed by a policy dialogue with the relevant ministries.

Consistency with WFP's Enabling Development Framework

49. Both the mid-term review and the evaluation of the CP conclude that the current CP contributes substantially to three of the five Enabling Development priority areas:
 - it generates sustainable assets for poor people by assisting the relocation and settlement of poor families, thereby reducing their vulnerability to household food insecurity by increasing food production and income;
 - it contributes to the improvement of degraded natural resources and the safeguard of existing resources by assisting poor Bedouin families in the most marginal areas to diversify and improve their asset base, while ensuring the protection of the fragile environment and helping to relieve overcrowding in the densely populated Nile Valley; and
 - it provides investment in human capital through extensive education and training programmes in subjects ranging from generating awareness and capacity among women beneficiaries to technical programmes in biological pest-control and irrigation and land management techniques.
50. According to the evaluation, food aid plays a valuable role in providing support to poor families. In the settlement projects it meets real household food security requirements during an initial period of settlement, helping to tide over poor new settlers until their land becomes productive. For the Bedouin people, the food aid allows poor beneficiaries to construct lasting assets that they would not otherwise be able to generate.
51. The WFP-assisted activities focus on providing transitional food aid to poor people to ensure long-term food security through the generation of lasting assets, employment,



income and sustainable communities. Food aid is particularly appropriate since the activities are located in the desert and on newly reclaimed lands, areas with limited opportunities and infrastructure for obtaining food.

FUTURE ORIENTATION OF WFP ASSISTANCE

Target Groups and Geographic Targeting

52. Under the proposed strategy, the major target group for food assistance will be from the rural sector. In particular, the focus will be on the landless and near-landless poor and food-insecure families, with special attention to households headed by women. Food assistance for these intended beneficiaries will be concentrated in selected areas in Upper Egypt, where the problems of food insecurity, poverty and human development are most severe. The Government's land settlement programmes provide the best opportunities to help vulnerable people in these areas. WFP will explore opportunities to support the implementation of land settlement and agricultural development programmes in the most marginalized areas in Upper Egypt, particularly Sohag, Asyout, Menia and Beni-Suef. The poor Bedouin communities who will be assisted will be from desert areas, where food insecurity is a serious problem. Malnourished schoolchildren will be targeted in Fayoum Governorate of Upper Egypt and in North Sinai. In the urban sector, the focus will be on street children living in Cairo and Alexandria.
53. The country office will make use of the new VAM capacity in the region to strengthen targeting to the poorest and most vulnerable. The next CP will use this tool to target the poorest communities more precisely within Upper Egypt, as well as the marginalized communities in the deserts. Within communities, targeting will focus on the people who are land-poor, i.e. those who are landless or functionally landless, and on poor households headed by women, as well as school-aged girls. VAM will assist in refining selection criteria and means of identification.
54. Reporting on screening procedures and key socio-economic characteristics of the beneficiaries selected will be emphasized, as recommended by the CP Mid-term Evaluation. The objective is to ensure proper targeting and the transparency of the process. VAM capacity and monitoring and evaluation (M&E) activities will be used to examine improvements to targeting (duration, level) after initial asset creation and assess indicators of effects and impact.

Key Areas for Assistance

55. In accordance with decision 1999/EB.A/2 of the Executive Board, WFP focuses its development activities on five objectives. This CSO addresses Enabling Development objectives 2, 3, and 5: enable poor households to invest in human capital through education and training; make it possible for poor families to gain and preserve assets; and, enable households which depend on degraded natural resources for their food security to make a shift to more sustainable livelihoods.
56. This CSO focuses on forms of assistance and target groups that will bring about the most effective use of WFP food aid. The proposed strategy focuses on assistance to food-insecure poor people in the most impoverished areas to build and own assets in a new community environment. A key feature of this strategy is the timeliness of the interventions. Food intervention is sharply focused at a crucial time of change-over to a new form of economic life for the beneficiaries. Assistance is limited to a finite period



after which the assets created will enable self-reliant growth for the beneficiaries. The activities that will be supported by WFP will be analysed for cost-effectiveness in terms of the benefits that are expected to accrue to the participants in relation to the costs incurred, including the cost of WFP's food assistance.

57. WFP assistance is also about community building. The people who have gained assets must form a new community. It is essential that conditions needed to build social cohesiveness are well understood and put in place for through concerted efforts of the Government and other agencies that provide development assistance. WFP will use its leverage to bring about policy initiatives that will help the communities to develop fully. In this regard, ensuring women's participation and strengthening the processes that will empower them will be a key area of focus. WFP will build on the positive experiences from past work, such as ensuring land entitlements to wives of the primary beneficiaries, the issuing of identity cards to women to ensure equal rights to use of opportunities and providing skills and training for women and credit for income-generating activities. WFP will work with the Government and develop partnerships with other United Nations agencies and NGOs to bring physical infrastructure, local capacity-building and social development initiatives to the most vulnerable areas and involve the beneficiaries to ensure social cohesiveness among the settler community and the sustainability of productive capacity. These aims will be achieved in the context of the following key areas of assistance.

➤ **Enabling self-reliant food security through agriculture for the poorest**

(This will meet priority 3: make it possible for poor families to gain and preserve assets.)

58. For the landless and near-landless poor people in Upper Egypt agriculture is key to their incomes and food security. The major pillar of government assistance to agriculture is the development of irrigation and land settlement schemes. WFP experience in Egypt has clearly shown that working with the Government creates an enabling environment in which poor, food-insecure people can be helped to develop assets to improve their lives and ensure sustainable food security. The strategy will be to use a new approach, working with the Government to undertake agricultural development, land settlement and community development in the areas where the poor live rather than settle them elsewhere. This will help the poor community as a whole benefit from the economic and social spin-offs from new economic activities. Food aid will help the beneficiaries get through the transitory period of creating agricultural assets, which will move them out of food insecurity after the period of assistance.

➤ **Stabilizing livelihoods of food-insecure Bedouins**

(This will meet priority 5: enable households which depend on degraded natural resources for their food security to make a shift to more sustainable livelihoods.)

59. Bedouin tribal people living in the desert are highly vulnerable and food insecure; they subsist in marginal and barren areas. WFP will work with the Government to support these semi-nomadic people and find sustainable solutions through assistance to broaden their economic base. The strategy is to introduce the Bedouins to sedentary economic and social life based on the creation of assets for water harvesting and cultivation of high-value crops and livestock fodder crops. Food aid will support them during the transitional period while they change from traditional to new forms of livelihoods. Sedentarization leads to the building of communities, which will be provided with physical and social infrastructure through the Government and other partners.



✧ *Making a difference in the lives of children of primary school age*

(This will meet priority 2: enable poor households to invest in human capital through education and training.)

60. In several governorates of Upper Egypt and in the Bedouin areas, enrolment and attendance rates are lower than the national averages and a high percentage of children of primary school age suffer from malnutrition. WFP will work towards initiating a programme of food assistance to the schools in the more food-insecure areas whereby children will be encouraged to enrol in school and continue to attend, while those attending will benefit from improved nutrition.

✧ *Making a change in the lives of urban children at risk*

(This will also meet priority 2: enable poor households to invest in human capital through education and training.)

61. Major cities continue to swell from rural-to-urban migration caused mainly by the inability of the rural sector to provide opportunities for productive livelihoods for a growing population. Street children are a product of this migration of poverty. Children who live on the streets of Cairo and Alexandria are marginalized from mainstream society and are highly vulnerable to hunger, disease, drug-taking and abuse. Concerted efforts are needed to improve their situation. In this activity, to be undertaken jointly with the Ministry of Social Affairs, ODCCP and UNICEF, street children living in Cairo and Alexandria will be provided with a food incentive to participate in programmes for human capital development (literacy, training in life skills) that will be implemented by NGOs. This partnership will seek longer-term solutions for these children and their families. Girl street children, in particular, will be targeted.
62. **Cross-cutting issues:** Within these key areas of assistance, WFP resources will help address the following cross-cutting issues:

Strengthening initiatives for the empowerment of women

63. In the above-mentioned areas of assistance in the rural sector, components will be included aimed at increasing women's literacy and income-earning skills as well as addressing some of the pressing health problems facing women. This work will be carried out in cooperation with UNICEF and UNFPA. In addition, some of the successful WFP-sponsored policy initiatives towards the empowerment of women (land allocation and land titling to support women, ensuring the issuance of identity cards) will be strengthened and promoted for wider adoption even in areas not directly assisted by WFP. WFP will actively enter into partnerships with other agencies working in these areas to ensure success and consistency. At the activity level, the involvement of women in development committees will be ensured to enable them to provide their inputs to community action plans and the setting of priorities in the work of the cooperatives as well as to participate actively in management committees.

Promoting participation for social cohesiveness and sustainability of productive capacity

64. The elements of participatory activity identified by the Evaluation and the Review Missions as making useful contributions will be further strengthened. A key objective of adopting a stronger participatory approach is to ensure that the beneficiaries themselves are ready to contribute to planning and decision-making when the projects come to an end. The role of the Government here is crucial and modes of participation as well as the main aspects of implementation will be included in the operational contracts of new activities.



As recommended by the evaluation mission, detailed plans to implement participatory approaches will be in place to take effect from the commencement of WFP-assisted and continue through the life of the operation. Community welfare activities will be built into activity design and further training will be given to counterpart staff and beneficiaries. Designing the activities for urban children will necessarily involve consultation with the staff of relevant NGOs.

Improving monitoring and evaluation to focus on results and better project management

65. Given that monitoring of effects and impact of WFP interventions are imperatives of the Enabling Development framework, action will be taken to reshape the present monitoring system. With this objective and in line with recommendations of the review mission and the mid-term evaluation missions, the country office will work with the implementing counterparts to:

- a) develop a systematic database, integrated with the CCA and supported by VAM, to get a clearer overall picture of poverty and hunger in Egypt and the effects of WFP/Government activities on beneficiaries;
- b) place clear emphasis on the analysis of monitoring data for the purposes of assisting activity management and assessing effects and impact;
- c) make project management staff more responsive to the information that is collected; and
- d) conduct periodic benefit-cost analyses to assess whether activities are achieving desired results in a cost-effective manner.

Advocating for the poor

66. WFP's commitment to advocate for the poor will be more effectively implemented during this strategy period. Building on the successes it has had in the past, WFP will exploit its programme experience to bring about a stronger and wider policy focus on the poor and catalyze lasting changes that will improve their lives. The strategy aims to attract large-scale mobilization of government resources to assist poor people. In addition, the success WFP has had in influencing the Government in two areas, namely improving the status of women and targeting the poor, will be built on.

Joint Programming and Harmonization Implications

67. Since the CCA/UNDAF preparation is still in progress in Egypt, this CSO is not a part of a complete joint-programming effort. WFP is an active participant in the ongoing CCA/UNDAF activities and has already taken action to shorten WFP's current Country Programme from five to four years (1998-2001), as a first step to ensure that the next Country Programme for five years (2002-2006) will be in harmony with those of other UNDG agencies. The premise for joint programming that is emerging in the ongoing process clearly indicates that the strategy proposed in this CSO to provide targeted assistance to improve food security among the poor will be well-placed in a joint programme.

68. For the CCA, a first phase has produced agreed-upon indicators according to the format suggested by the United Nations Administrative Committee on Coordination (ACC). A second phase is developing more in-depth indicators addressing a number of thematic issues, including nutrition and food security, in which WFP plays a major role. WFP is working with FAO, UNICEF and WHO to develop in-depth information on Nutrition and Food Security.



Role of Food Aid

69. As concluded by the mid-term evaluation, food assistance in the agriculture sector is consistent with the main principles of the Enabling Development framework. Food aid helps settlers from extremely poor and food-insecure households to survive the transition period of settlement. During this period the normal incomes of the settlers are foregone and external assistance is necessary for survival until the new assets start generating incomes. Food assistance is appropriate for settlers in the newly reclaimed lands and in the desert areas where there are limited opportunities and infrastructure for obtaining food. Studies from many countries have shown that providing food to hungry schoolchildren improves their ability to learn. In the urban sector, street children and their families, who are the most likely to be food-insecure, will be provided with an incentive in the form of food to attend training and education sessions.

PARTNERSHIPS

70. WFP will build further on the excellent working relationship with the Government. The coordination committee for WFP-assisted activities, which has been established by the Ministry of Agriculture and Land Reclamation (MALR), will be a useful forum in this regard. It will be further used to facilitate the exchange of new ideas and approaches across projects; for example, to improve monitoring across all activities and increase awareness and action to assist women and children.

Other United Nations agencies

71. In the forthcoming Country Programme, there will be increased scope for collaboration with other United Nations development agencies such as UNFPA, UNDP, UNICEF, ODCCP, IFAD and FAO. WFP is working with UNFPA and UNICEF to integrate these two agencies' activities into the communities where WFP-supported activities will be located. In addition, WFP is collaborating with several United Nations agencies, including UNIFEM, UNESCO, UNFPA, UNICEF and the World Bank to elaborate a United Nations joint programme on girls' education. FAO is already a close partner in the assimilation of CCA theme data. UNDP is keen to expand already strong ties with WFP into joint project development. ODCCP and UNICEF will be partners in the urban project; in addition, opportunities for further cooperation with ODCCP for drug control in the Sinai, where WFP will continue to assist the Bedouin people, will be sought.

NGOs and bilateral donors

72. In activity ARE 5789.00 in Upper Egypt, WFP works in tandem with the USAID-funded NGO Africare. While WFP provides food aid to support the beneficiaries as they develop their farms under very difficult desert conditions, Africare provides training in various technical areas and marketing assistance, which helps to ensure the success of the activity. The proposed intervention in the urban sector to assist street children will be implemented through several local NGOs who are active in urban sector social work.



73. WFP has also received welcome assistance from several other NGOs and bilateral donors through the provision of services (e.g. CARE developed Community Development Associations in the villages where WFP was providing assistance) or through the provision of non-food items (provided by Germany, Japan and Norway). In numerous cases, WFP has received advice and support from NGOs such as the Ford Foundation and Caritas Internationalis (in the preparation of the children's project, for example) and academic institutions such as the University of Suez, which has undertaken studies within the WFP-assisted communities.

KEY ISSUES AND RISKS

74. The mid-term review mission as well as the Programme Evaluation Mission found that the current activities supported by WFP in Egypt are quite sound and that they comply with WFP's Enabling Development policies. Nevertheless, it was apparent to both missions that there are key issues and risks at the activity as well as the programme level.
- a) **Marketing:** the majority of beneficiaries of WFP-assisted activities in Egypt are growing various crops for consumption and marketing. To date a rather *laissez faire* approach has been adopted towards crop selection and retailing. Success in marketing the products has been mostly positive but care must be taken to ensure both that marketing mechanisms are developed in activity areas and that dependency on a narrow selection of crops does not lead to market saturation. Efforts are already being made to ensure better markets, even export markets, as well as to provide extension activities to diversify crops. WFP will have to monitor these efforts and perhaps strengthen them in the future.
 - b) **Environment:** the WFP-assisted settlement activities in the newly reclaimed lands and those in the deserts are being implemented in harsh, but very fragile environments. The immediate outputs and effects seem to be positive in regard to environmental factors. However, given the vulnerability of such marginal lands the Government and WFP should continue to monitor the situation carefully.

DISTRIBUTION OF POVERTY IN EGYPT

Region	Percent below poverty line	Percent of total population	No. of people below poverty line
Egypt	22.9	100.0	13 582 000
Lower Egypt	16.7	62.1	6 180 000
Upper Egypt	34.1	36.5	7 381 000
Frontier governorates	16.0	1.4	131 000
Urban areas	22.5	43.0	5 689 000
Rural areas	23.3	57.0	7 928 000
Urban governorates			
Greater Cairo, (including Kalyoubia and Giza)	15.1	25.1	2 248 000
Alexandria	29.4	5.6	982 000

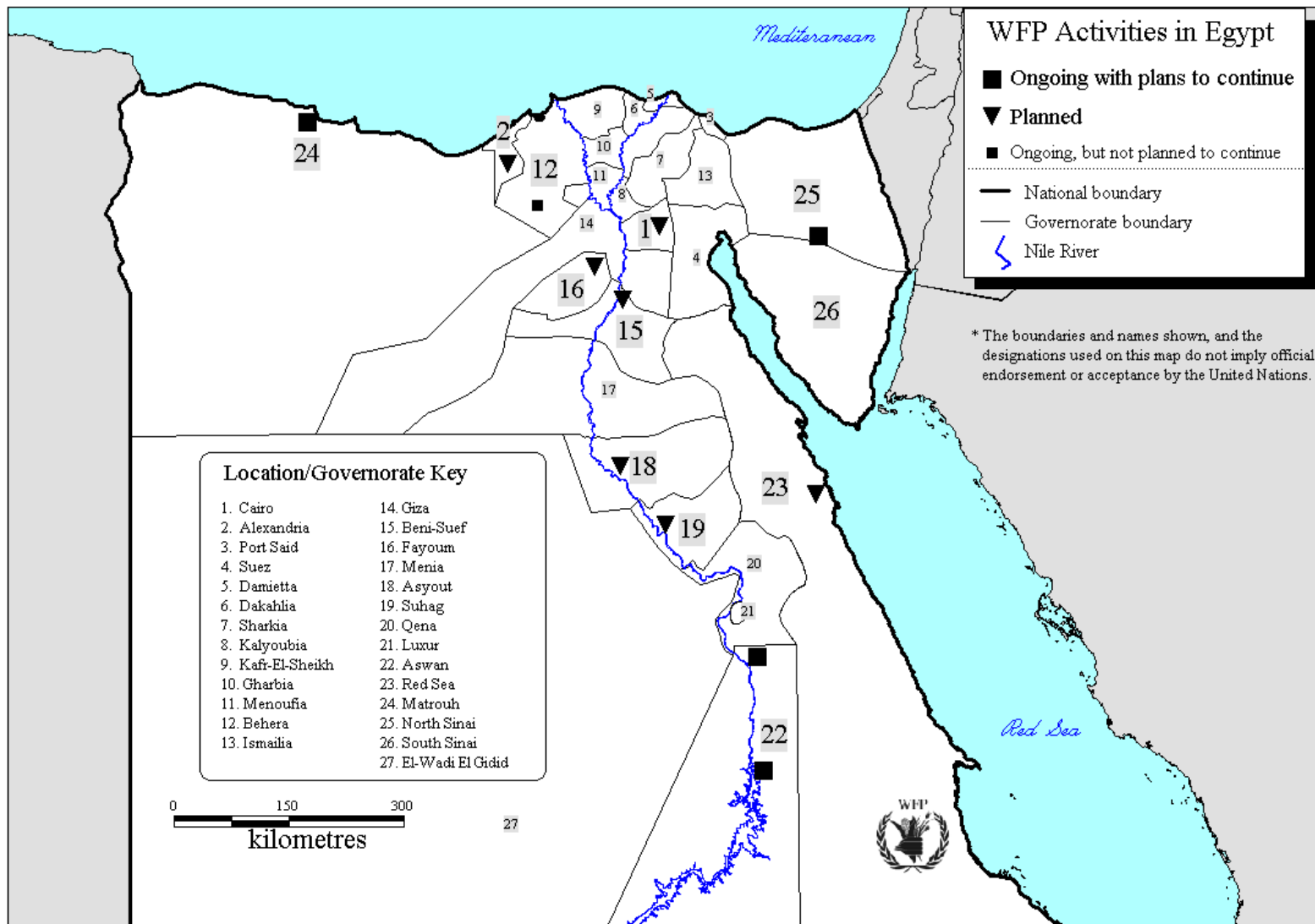


DISTRIBUTION OF POVERTY IN EGYPT

Region	Percent below poverty line	Percent of total population	No. of people below poverty line
Upper Egypt governorates			
Asyout	53.4	4.7	1 496 000
Fayoum	40.6	3.4	808 000
Suhaq	39.4	5.3	1 230 000
Qenna	38.3	4.7	1 074 000
Menia	35.8	5.6	1 185 000
Beni-Suef	34.0	3.1	632 000

Source: UNDP Human Development Reports for Egypt, 1996, 1997, 1998.





ACRONYMS USED IN THE DOCUMENT

ACC	United Nations Administrative Committee on Coordination
AHSFI	Aggregate Household Food Security Index
CCA	Common Country Assessment
EDHS	Egypt Demographic and Health Survey
EHDR	Egypt Human Development Plan
EIHS	Egypt Integrated Household Survey
ERSAP	Economic Reform and Structural Adjustment Programme
EU	European Union
GDP	Gross Domestic Product
GNP	Gross National Product
HIECS	Household Income and Expenditure and Consumption Survey
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
LE	Egyptian Ppounds
LIFDC	Low-income, Food-deficit Country
M&E	Monitoring and Evaluation
MALR	Ministry of Agriculture and Land Reclamation
MOS	Ministry of Supply and Home Trade
ODCCP	United Nations Office for Drug Control and Crime Prevention
SFD	Social Fund for Development
RDA	Recommended Daily Allowance
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNIFEM	United Nations Development Fund for Women
VAM	Vulnerability Analysis and Mapping
WTO	World Trade Organization

