

# BUDGET INCREASE TO EGYPT COUNTRY PROGRAMME 200238 (2013-2017)

## “Leveraging National Capacity through Partnerships for Food and Nutrition Security”

**Start date:** 01 July 2013    **End date:** 31 December 2017    **Extension/Reduction period:** N/A  
**New end date:** N/A

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	56,448,915	31,316,747	87,765,663
Cash and Vouchers and Related Costs	10,162,292	6,747,755	16,910,047
Capacity Development & Augmentation	6,503,265	17,250,972	23,754,236
DSC	8,400,361	12,367,196	20,767,557
ISC	5,706,038	4,737,787	10,443,825
<b>Total cost to WFP</b>	<b>87,220,871</b>	<b>72,420,457</b>	<b>159,641,328</b>

### NATURE OF THE INCREASE

1. The Egypt Country Programme (CP) 200238 (2013-2017) was approved by the Executive Board in June 2013. This revision will increase the budget from US\$87,220,871 to US\$159,641,328 in order to help the Government scale up safety net provision to poor rural households affected by economic disruption caused by recent events in Egypt. School age children are particularly vulnerable. The increase falls entirely under the CP Component 2 – Enhance Access to Education and Combat Child Labour – which has proved to be a very effective integrated food security and social protection programme.
2. A contribution by the European Union (EU) entitled “Enhancing access of children to education and fighting child labour” has been mobilised and confirmed. This directed contribution of US\$80,842,392 has a four year implementation period (3 July 2014 to 3 July 2018). The budget revision will allow the timely utilisation of these resources, under a single donor implementation modality. The current CP ends on 31 December 2017 and therefore this budget revision covers requirements until that date (US\$72,420,457)<sup>1</sup>.
3. The budget revision will increase the number of beneficiaries by 500,000. The total number of beneficiaries to be targeted under the CP will therefore increase from 792,000 to 1,292,000 (584,000 male and 708,000 female), with a geographic expansion of the project to include seven new governorates across Upper and Lower Egypt and the Frontier Governorates.
4. Therefore, the Budget Revision will:
  - a. Increase the total commodity requirements by 34,363 mt;
  - b. Increase food voucher requirements by US\$5,496,000;
  - c. Increase Direct Support Costs from US\$8,400,361 to US\$20,767,557.

<sup>1</sup> The remainder of the directed contribution is US\$8,421,935 which will be carried forward in 2018 either under an extension of the current CP or transferred to a new CP (depending on decisions to be reached in 2016, when planning for the next the United Nations Development Assistance Framework is due to take place).

5. The overall orientation of the CP will remain unchanged.

## **JUSTIFICATION FOR BUDGET INCREASE**

### **Summary of Existing Country Programme Activities**

6. CP 200238 seeks to help the Government reach the neediest food insecure people more effectively and efficiently in a context where food security is constrained by high and increasing needs and by limited funding for social safety nets. The CP's four components are: (1) Strengthening National Institutions that Support Food Security; (2) Enhance Access to Education and Combat Child Labour; (3) Build Resilience of Vulnerable Groups; and (4) Support to Nutrition. These correspond to WFP Strategic Objectives (SO) 3 and 4<sup>2</sup>.
7. This budget increase is confined to CP Component 2, which is already the largest component of the CP in terms of budget and beneficiaries. WFP assistance to school feeding and combatting child labour had already proved successful under the previous CP, and the WFP mid-term evaluation in 2010 recommended its expansion. Joint activities with the United Nations Children's Fund (UNICEF) and the International Labour Organisation (ILO) to combat the worst forms of child labour have been implemented for a number of years under a joint project, which is coming to an end in 2014. A final evaluation of this project is scheduled before the end of the year.
8. The Ministry of Education has taken over responsibility for food assistance to pre-schools and formal primary schools previously assisted by WFP, and WFP assistance is now confined to Community Schools, mainly in rural areas. These schools provide an accessible alternative to formal schools for children from poor families.

### **Conclusion and Recommendations of the Re-Assessment**

9. Poverty is the main barrier to education. A wide gender gap in education persists, especially in rural areas, where female illiteracy stands at 35 percent against 18 percent for males. Poor retention and low quality of education are also challenges. In the poorest areas, such as Upper Egypt, 20 percent of children never attend school and 13 percent of youth have dropped out of school early.<sup>3</sup> The Government's capacity to provide adequate facilities to achieve universal primary education is constrained by infrastructure and teacher capacity shortfalls.
10. Child labour is a widespread phenomenon in Egypt, with some 1.6 million children involved in hazardous work, the bulk (67 percent) in the agricultural sector. Girls, who are traditionally less mobile than boys, tend to be withdrawn from school prematurely to contribute to household income. Boy workers are more likely to continue to attend school.<sup>4</sup>
11. Community schools have proved effective as a means to re-engage dropouts from the formal primary schools system. Community schools follow the national curriculum and students take the same examinations, while at the same time using an interactive teaching methodology entitled "Supporting Children's Rights through Education Arts and Media." Teachers at community schools need additional in-service training in this teaching method, which the Government is unable to provide at present, nor is the Government in a position to upgrade the physical infrastructure of community schools.
12. Recent turbulent events have increased the vulnerability of poor households, while government safety nets are not able to respond adequately to increased needs. The WFP Egypt County Office works closely with the Central Agency for Public Mobilisation and

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<sup>2</sup> SO3: Reduce risk and enable people, communities and countries to meet their food and nutrition needs. SO4: Reduce undernutrition and break the intergenerational cycle of hunger.

<sup>3</sup> Child Poverty and Disparities in Egypt. UNICEF. 2010

<sup>4</sup> National Child Labour Survey. CAPMAS and International Labour Organization. 2010.

Statistics (CAPMAS) to assess the current status of poverty and food insecurity. WFP also conducts frequent assessments and studies jointly with Non-Governmental Organisations (NGOs) and other national and international organisations, in coordination with CAPMAS.

13. These studies have recommended greater investment in targeted conditional safety nets<sup>5</sup>. WFP has therefore sought additional sources of funding to scale up the existing integrated food security and social protection activities already contained under the school feeding and combatting child labour component of the current CP.

### **Purpose of Budget Increase**

14. The purpose of the expansion of CP Component 2 – Enhance Access to Education and Combat Child Labour – will be to support an increased number of children exposed to or at risk of child labour (some 100,000) and their families (some 400,000), with food assistance to encourage school enrolment and retention and reduce drop-out rates. Food assistance will include the provision of daily in-school snacks (fortified date bars) and family take-home rations, conditional upon attendance of 80 percent of classes by the targeted children. As foreseen in the approved CP, there will be a gradual introduction of a voucher system during 2015 for some 20 percent of the beneficiaries, aimed at allowing them to make choices about the food they consume, to encourage dietary diversity and to contribute to stimulating the local economy. The Egypt Country Office has ample experience in three types of voucher transfers through the Regional Emergency Operation (EMOP) for Syrian Refugees: paper vouchers, electronic vouchers and One Card - a joint platform with the Office of the United Nations High Commissioner for Refugees (UNHCR) (currently in progress) with multiple 'wallets' including WFP's food basket. The selection of the voucher modality will take into consideration specifics of the rural settings targeted by the CP. Factors that will be taken into consideration include beneficiary preference, local market and supplier mechanisms and the feasibility of different options in target areas.
15. Child labour is driven by poverty and lack of parental awareness of the importance of education. To encourage sustainability of education access beyond the life-span of the project and reduce dependence of poor (especially female-headed) households on child labour, up to 50,000 household heads, mainly women, will be supported to start new income generating activities to maintain their children in school. They will be trained to design, implement and manage income-generating activities, and 10,000 will also be supported through revolving microcredit schemes run by specialized and experienced NGOs. This activity and approach builds on WFP's previous "Combatting the Worst Forms of Child Labour" project (CWCLP) funded by the US Department of Labour and undertaken with the Ministry of Manpower and Migration, UNICEF and ILO. Before completion of this component an exit strategy will be agreed with the Ministry of Social Affairs and subcontracted NGOs, so that any balance accumulated through revolving loans and interest accrued<sup>6</sup> will be placed under the auspices of the Ministry of Social Affairs, to ensure continuity of the activity.
16. As well as food and food voucher assistance, the expansion includes a number of specialised activities that will be carried out in close partnership with the Government, UN agencies and competent national NGOs. These complementary activities amount to US\$17.25 million under this budget increase and, in line with the contribution agreement with the EU, cover

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<sup>5</sup> The Status of Poverty and Food Insecurity in Egypt, Preliminary Summary Report. WFP/CAPMAS. May, 2013. <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp257467.pdf>

<sup>6</sup> Findings from the CWCLP were that charging a small interest rate (of half to one percent) encouraged commitment from women to pay back the loan through a previously agreed set of installments and time frame. The interest accrued will be added to the balance of funds handed over to the Ministry of Social Affairs at the end of the project to pay for the administrative costs of NGOs to continue the activity.

the cost of the physical upgrading of 3,500 community schools (which accounts for 40 percent of the budget for capacity development and augmentation), training in income-generating activities, in-service training for 7,000 teachers, and micro-financing for women. Support will be provided to policy development and implementation, in relation to combatting child labour, and setting up databases and monitoring systems for all participating children and their families.<sup>7</sup>

17. WFP will join other stakeholders, including the Ministries of Manpower and Migration, Education, and Social Affairs, the ILO and UNICEF, and Civil Society Actors, to provide technical support to the child labour policy dialogue, supporting development of a National Action Plan on child labour. Its implementation and monitoring will be undertaken through Community-based Child Labour Monitoring Committees that will be established by UNICEF at local level. ILO and WFP will also support the Ministry of Manpower and Migration in the enhancement and roll-out of a Child Labour Monitoring System.
18. Monitoring and evaluation by WFP and partners will be augmented. The CP is consistent with the current WFP Strategic Plan and the logical framework has been realigned with the current WFP Strategic Results Framework.
19. WFP has made provisions for a mid-term evaluation of the CP. The EU will undertake a final evaluation in respect of the activities it supports, using funds already set aside by the donor from their contribution, and not included in the confirmed contribution to WFP.
20. The table below details the changes in number of beneficiaries under this budget revision.

<b>TABLE 1: BENEFICIARIES BY COMPONENT (<i>annual maximum</i>)</b>									
Category of beneficiaries	Current			Increase / Decrease			Revised		
	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
Component 1 – Strengthen national institutions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Component 2 – Enhance access to education									
In-school rations	90 000	138 000	228 000				90 000	138 000	228 000
Take Home Ration (THR)	204 000	257 000	461 000				204 000	257 000	461 000
CWCLP (children & families)	40 000	40 000	80 000				40 000	40 000	80 000
Enhancing access to education and fighting child labour (children & families)*				240 000	260 000	500 000	240 000	260 000	500 000
<b>Subtotal</b>	<b>334 000</b>	<b>435 000</b>	<b>769 000</b>	<b>240 000</b>	<b>260 000</b>	<b>500 000</b>	<b>574 000</b>	<b>695 000</b>	<b>1 269 000</b>
Component 3 – Build resilience of vulnerable groups									
Food assistance for assets support for vulnerable rural communities	4,000	4,000	8,000	-	-	-	4,000	4,000	8,000
<b>Subtotal</b>	<b>4,000</b>	<b>4,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>8,000</b>
Component 4 – Support to nutrition									
Children aged 6–23 months	5 000	5 000	10 000	-	-	-	5 000	5 000	10 000
Pregnant and lactating women	-	5 000	5 000	-	-	-	-	5 000	5 000

<sup>7</sup> Training in income-generating activities accounts for 25 percent of the budget for capacity development and augmentation, in-service training for teachers for 15 percent, micro-financing for women for 13 percent, and setting up databases and monitoring systems accounts for six percent.

<b>Subtotal</b>	5 000	10 000	15 000	-	-	-	5 000	10 000	15 000
<b>TOTAL</b>	343 000	449 000	<b>792 000</b>	240 000	260 000	<b>500 000</b>	584 000	708 000	<b>1 292 000</b>

\* 20 percent of beneficiaries in the EU project will received vouchers for THRs. Moreover, of the 400,000 family members receiving support through THRs, some 40,000 will be trained to design, implement and manage income-generating activities, and of those some 10,000 will be supported through revolving microcredit schemes run by specialized and experienced NGOs.

21. Table 2 shows the change in food rations and voucher requirements. The increase in the voucher value takes into account significant price increases that have occurred since the writing of the initial CP in 2012<sup>8</sup>. The revised family Take Home Ration reflects the expansion of activities in support of children exposed to or at risk of child labour and their families; the ration composition is in line with WFP's previous CWCLP.

<b>TABLE 2: REVISED DAILY FOOD RATION/TRANSFER (COMPONENT 2) (g/person/day)</b>					
	<b>Component 2</b>				
	<b>Current</b>			<b>Revised</b>	
	<b>In-school snack</b>	<b>Take home ration</b>	<b>CWCLP take-home ration</b>	<b>In-school snack</b>	<b>Take home ration</b>
Date Bars (In-School Snack)	80			80	
Rice		33	66.67		66.67
Wheat flour		33			
Vegetable Oil			6.13		6.13
Dates		13			
<b>Total g/person/day</b>	<b>80</b>	<b>79</b>	<b>72.8</b>	<b>80</b>	<b>72.8</b>
% kcal/day	<b>360</b>	<b>269</b>	<b>288</b>	360	<b>288</b>
Voucher (US\$/person/month)	8			10	
Number of feeding days/year	198 days/year			220 days/year	

<sup>8</sup> The WFP voucher value is worth approximately nine percent of average household expenditure on food and non-alcoholic beverages by vulnerable households, using data from the WFP/CAPMAS, Food Observatory Food Monitoring and Evaluation Report (December 2013). The original voucher value was based on a market assessment undertaken in 2012 (Egypt Trader Survey/Market Assessment. WFP. 2012. <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp251910.pdf> )

**TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY COMPONENT**

Component	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
<b>Component 2 – Enhance access to education</b>	Date bars	11 068	4 940	16 008
	Rice	27 963	26 944	54 907
	Wheat flour	28 384		28 384
	Vegetable Oil	78	2 479	2 557
	Dates	2 006		2 006
<b>Component 2 TOTAL (mt)</b>		<b>69 499</b>	<b>34 363</b>	<b>103 862</b>
<b>Component 3 (mt)</b>		3510		3 510
<b>Component 4 (mt)</b>		1013		1 013
<b>CP TOTAL (mt)</b>		74 022		108 385
Component 2 Voucher (US\$)		5 599 177	5 496 000	11 095 177
Component 4 Voucher (US\$)		3 750 000		3 750 000
<b>TOTAL Voucher (US\$)</b>		<b>9 349 177</b>	<b>5 496 000</b>	<b>14 845 177</b>

**Approved by:**


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 Ertharin Cousin  
 Executive Director, WFP

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 Date

## ANNEX I-A

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>			
Cereals	26,944	16,435,840	
Pulses	-	-	
Oil and fats	2,479	3,911,610	
Mixed and blended food	4,940	7,705,979	
Others	-	-	
<b>Total Food Transfers</b>	<b>34,363</b>	<b>28,053,428</b>	
External Transport		-	
LTSH		-	
ODOC Food		3,263,319	
<b>Food and Related Costs <sup>9</sup></b>			<b>31,316,747</b>
C&V Transfers		5,496,000	
C&V Related costs		1,251,755	
<b>Cash and Vouchers and Related Costs</b>			<b>6,747,755</b>
<b>Capacity Development &amp; Augmentation</b>			<b>17,250,972</b>
<i>Direct Operational Costs</i>			<b>55,315,474</b>
Direct support costs (see Annex I-B)			12,367,196
<b>Total Direct Project Costs</b>			<b>67,682,670</b>
Indirect support costs (7,0 percent) <sup>10</sup>			4,737,787
<b>TOTAL WFP COSTS</b>			<b>72,420,457</b>

<sup>9</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>10</sup> The indirect support cost rate may be amended by the Board during the project.

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	5,048,208
General service staff **	1,949,085
Danger pay and local allowances	-
<b>Subtotal</b>	<b>6,997,293</b>
<b>Recurring and Other</b>	<b>2,682,034</b>
<b>Capital Equipment</b>	<b>441,554</b>
<b>Security</b>	<b>171,084</b>
<b>Travel and transportation</b>	<b>1,305,231</b>
<b>Assessments, Evaluations and Monitoring<sup>1</sup></b>	<b>770,000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>12,367,196</b>

\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

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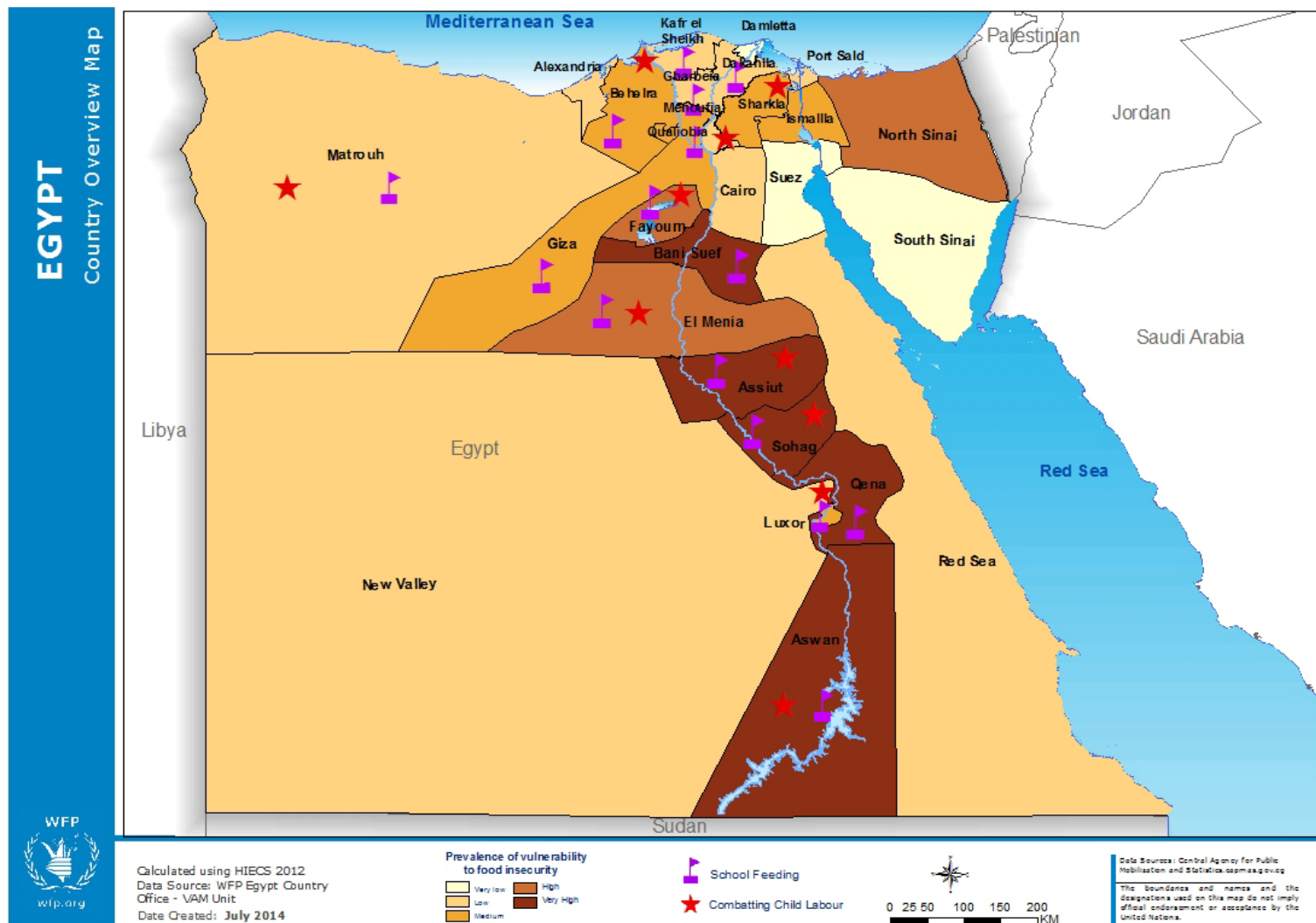
<sup>1</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.



**ANNEX I-C**

<b>TRANSFER BY COMPONENT</b>					
	<b>Component 1</b>	<b>Component 2</b>	<b>Component 3</b>	<b>Component 4</b>	<b>Total</b>
Food Transfers (mt)	n/a	103 862	3 510	1 013	<b>108 385</b>
Food Transfers (US\$)	n/a	76 404 260	1 965 870	1 743 250	<b>80 113 380</b>
C&V Transfers (US\$)	n/a	11 095 177	-	3 750 000	<b>14 845 177</b>
Capacity Development & Augmentation (US\$)					<b>23 754 236</b>

## ANNEX II - MAP



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## **ACRONYMS USED IN THE DOCUMENT**

CAPMAS	CENTRAL AGENCY FOR PUBLIC MOBILIZATION AND STATISTICS
CP	COUNTRY PROGRAMME
C&V	CASH AND VOUCHERS
CWCLP	COMBATING WORST FORMS OF CHILD LABOUR PROJECT
DOC	DIRECT OPERATIONAL COSTS
DSC	DIRECT SUPPORT COSTS
EU	EUROPEAN UNION
ILO	INTERNATIONAL LABOUR ORGANISATION
ISC	INDIRECT SUPPORT COSTS
MT	METRIC TONNE
NGO	NON-GOVERNMENTAL ORGANISATION
ODOC	OTHER DIRECT OPERATIONAL COSTS
SO	STRATEGIC OBJECTIVES
THR	TAKE HOME RATION
UNHCR	UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES
UNICEF	UNITED NATIONS CHILDREN'S FUND
WFP	WORLD FOOD PROGRAMME

**ANNEX III - Project Budget Plan**