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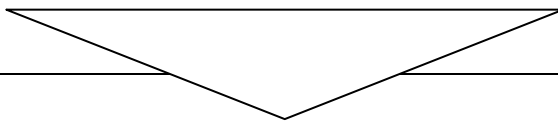
REPORT ON THE FIELD VISIT TO EGYPT OF THE WFP EXECUTIVE BOARD BUREAU



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The Executive Board Bureau

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms I. Carpitella, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

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INTRODUCTION

1. Members of the Executive Board Bureau visited Egypt between 7 and 11 December 2009 and met with Government, United Nations, partner and donor representatives, and with WFP country directors, senior staff from country offices and the regional bureau for the Middle East, Central Asia and Eastern Europe, at meetings in Cairo and during a field visit to the Aswan area.

CONTEXT

2. The visit provided an opportunity for Bureau members to consider, in light of the Strategic Plan (2009–2013), the role of WFP in a lower-middle income country, one that does not have ongoing humanitarian operations but which does present significant poverty, food security and nutritional challenges. Board representatives previously visited Egypt in November 2006 (WFP/EB.1/2007/INF/6). The country programme is currently under evaluation, with the findings due to be presented to the Executive Board at the 2010 Annual Session.
3. Egypt has a population of 82 million people and is classified as a low-income, food-deficit country. Although it has had three decades of economic and social development it has recently slipped back and now ranks 123rd out of 182 countries in the human development index (United Nations Development Programme, *Human Development Report 2009*). Per capita gross domestic product is US\$2,148 (World Bank, 2008). According to the World Bank's poverty assessment report almost one in five Egyptians live in poverty and over 6 percent in extreme poverty. The situation is exacerbated in rural areas where extreme poverty has increased from about 7 to 9 percent. Much of this can be attributed to higher food prices. Malnutrition is also on the rise: according to recent surveys nearly a third of children under 5 show evidence of chronic malnutrition or stunting and 7 percent are acutely malnourished. Anaemia rates doubled between 2000 and 2005 and Vitamin A deficiency remains moderate to severe among women and mild to moderate among children under 5. Persistent vulnerability and food insecurity, notably in Upper Egypt, is associated with large family size, high dependency ratios, low adult education and lack of skills, limited access to stable jobs and limited savings.



4. The country programme (CP) 2007–2011 aims to benefit 400,000 people at a cost of US\$44 million. It provides two kinds of support: technical assistance to strengthen Government-owned food safety nets and institutional capacity; and small-scale demonstrations of best practice in food-for-education and food-for-asset activities. The CP is supported by core multilateral funds and locally mobilized resources from bilateral donors, multilaterals and the private sector. The CP was envisaged as WFP's final development operation in Egypt, on the assumption of ongoing economic growth and a successful realization of current reforms e.g. of national food subsidies.

OBSERVATIONS

5. This visit was not a monitoring mission and, particularly as the CP is under evaluation, observations should be regarded as tentative.
 - Despite the Government of Egypt's various reform efforts and substantial progress of recent years, many people – and areas of the country – remain vulnerable and poor. Arguably the progress envisaged at the time the CP was approved is not being realized.
 - Government views increasing malnutrition rates as a risk to Egypt's economic development and has this as a high priority under the National Nutrition Strategy (2007–2017).
 - WFP programmes in Egypt are nationally owned and implemented with the Government's full cooperation and leadership. WFP efforts for capacity development are well under way, involving collaboration with partners from the United Nations, civil society and the Egyptian private sector.
 - The country office has been successful in raising resources through innovative funding modalities such as a debt-swap and private-sector funding. The current CP has received more than US\$25 million on top of about US\$1.4 million per year of multilateral resources allocated.
 - Since the last Board visit WFP has developed its technical assistance and policy leverage role. Flour fortification now covers 35 million people with a target of 50 million by 2011. These are huge achievements. WFP continues to work closely with Government on reform of food subsidies and to further improve the efficiency and cost-effectiveness of the national food subsidy system, for example through reviewing supply-chain management and other studies. It is unclear to what extent subsidy reforms can be achieved in 2010 in what is a politically sensitive area given that the vast majority of households still buy subsidized bread.
 - WFP's small-scale activities are seen as a model for the Government of Egypt to replicate and scale up. The mission visited Aswan to see a long-standing government land reclamation, agricultural development and livelihood improvement programme. It was impressed by improvements in agriculture; market development; access to clean water and decent housing; schooling; medical services; community-based organizations; and innovative income sources. The mission noted the strong spirit of community participation and the excellent relationships among community leaders, government officials and WFP staff.



- However it remains to be seen to what extent replication and scaling up is happening. WFP has been involved in this programme for many years yet we were informed that a rationale for having an external provider of food inputs was that the implementing department (Ministry of Agriculture and Land Reclamation) is still not permitted to have a food budget line. The previous Board visit raised a number of additional issues.

CONCLUSIONS

- Despite the Government of Egypt's various reform efforts and substantial progress of recent years, the poorest Egyptians are facing deteriorating socio-economic conditions and nutritional status; in the longer term the country is facing the significant twin pressures of increasing population and the consequences of climate change (rising sea level, soil salinization and reduced water availability from the Nile). It is clear that in this context WFP's work is in high demand.
- WFP activities in Egypt were seen as a catalyst and a reference model for the Government of Egypt to replicate and scale up in all areas. An example is the joint Ministry of Agriculture and Land Reclamation–WFP projects that aim to provide small landholders in Upper Egypt and Southern Red Sea governorates with sustainable livelihoods and productive assets for the future.
- WFP programmes in Egypt are nationally owned and implemented with the Government's full cooperation and leadership. WFP efforts for capacity development in Egypt are well under way, involving collaboration with partners from the United Nations and civil society.
- WFP's food assistance is also still needed, especially in food-for-education projects in some of the poorest areas of Egypt, where the aim is to reduce gender disparity in education and support vulnerable and at-risk children. WFP's advocacy efforts in this regard, such as through the combating child labour project, are expected to have a positive influence on national policy.
- Discussions with donors suggested they value WFP's role. The next phase of United Nations country planning provides an opportunity to review what a future WFP involvement might be and where its contribution could be maximized in relation to government and development partner efforts. In preparation for this discussion WFP needs to further build the evidence base for the efficiency, effectiveness, impact and sustainability of its interventions whether at strategic i.e. policy leverage, individual or local level.
- The transition from a food aid to a food assistance agency provides WFP with opportunities to contribute in an increasingly strategic way. WFP can continue the technical assistance and capacity development efforts initiated under the current country programme (2007–2011), and expand them under the next country programme. This is especially true of the food supply chain management reform and fortification efforts, which have been commended by national counterparts.
- Although restricted resources may limit the capacity to continue operations in lower-middle income countries such as Egypt, the country office has been successful in raising local resources through innovative funding modalities. The current country programme has raised more than US\$25 million, on top of about US\$1.4 million per year of multilateral resources allocated. The Government would also ensure the continuation of cash contributions for local food procurement, in-kind donations and



the government cash contribution to WFP country office operating costs, in addition to expanded funding from the Egyptian private sector.

- WFP can encourage the Government of Egypt to expand its role as an emerging donor to WFP operations in the Middle East and North Africa (MENA) region and sub-Saharan Africa, particularly the Nile Basin countries, underlining the importance of South–South cooperation. Thanks to its position as a central logistics hub between MENA and sub-Saharan Africa, Egypt provides an excellent base for development cooperation and solution exchanges that include its agroprocessing and manufacturing capacity for fortified foods. WFP could support and facilitate South–South cooperation through its country presence and its technical expertise in various areas. WFP could offer these services on a full-cost recovery basis.
- Discussions with the United Nations country team led the members of the Bureau to the conclusion that United Nations field activities in the country, including those of WFP, would benefit from an increased level of cooperation and interaction among the appropriate institutions.
- WFP’s role in Egypt can and should be continued, particularly as activities are well-targeted to the neediest and most vulnerable segments of the population, and are country-led.
- The strong ties WFP has formed with the Government of Egypt and development partners will help ensure the sustainability and ownership of its work. During the field visit, Board members witnessed strong community participation in development efforts. This commitment is the best assurance of sustainable and effective change.

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