



Invertir en la población rural

Junta Ejecutiva

143.º período de sesiones

Roma, 11 y 12 de diciembre de 2024

Informe del Presidente

Propuesta de préstamo

República Árabe de Egipto

Gestión del Agua en las Explotaciones Agrícolas Resilientes al Clima del Valle del Nilo

N.º de identificación del proyecto: 2000004001

Signatura: EB 2024/143/R.9

Tema: 3 a) i) d) i)

Fecha: 18 de noviembre de 2024

Distribución: Pública

Original: Inglés

Para aprobación

Medida: Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 43.

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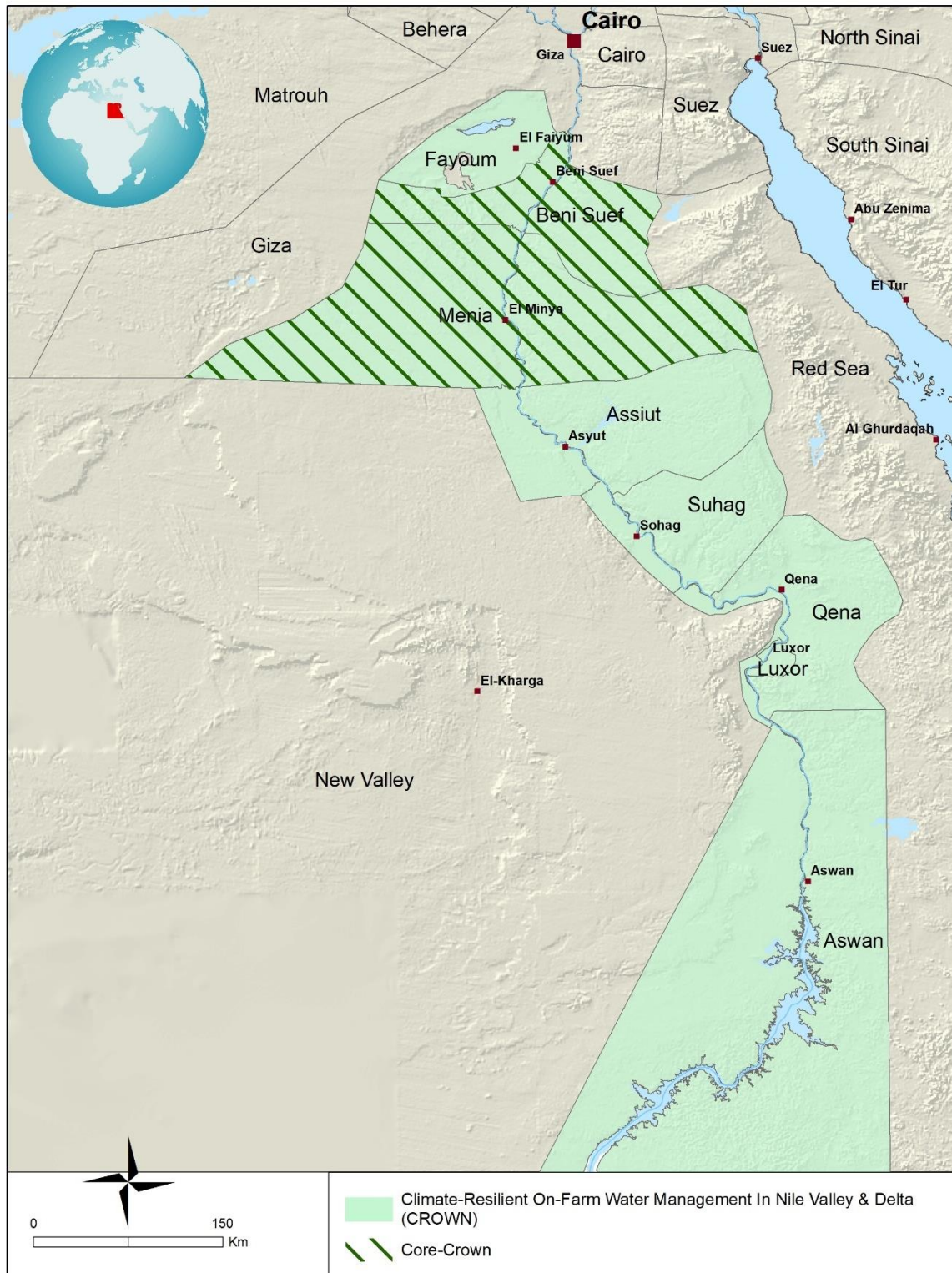
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Mapa de la zona del proyecto



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Mapa elaborado por el FIDA | 9-5-2024

Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario/receptor:	Ministerio de Planificación, Desarrollo Económico y Cooperación Internacional
Organismos de ejecución:	Ministerio de Agricultura y Recuperación de Tierras y Ministerio de Recursos Hídricos y Riego
Costo total del proyecto:	EUR 153,4 millones
Monto del préstamo del FIDA con arreglo al PBAS:	EUR 46,3 millones equivalentes a USD 50,4 Millones
Monto del préstamo del FIDA con arreglo al BRAM:	EUR 11,9 millones, equivalentes a USD 13,0 millones
Condiciones del préstamo del FIDA:	Ordinarias: 18 años, incluido un período de gracia de 5 años, sujeto a un interés equivalente a la tasa de interés de referencia del FIDA, incluido un diferencial variable.
Cofinanciadores:	Gobierno de Egipto, beneficiarios, sector privado, instituciones financieras
Contribución del prestatario/receptor:	EUR 29,5 millones
Contribución de los beneficiarios:	EUR 6,8 millones
Sector privado:	EUR 3,1 millones
Instituciones financieras asociadas:	EUR 0,5 millones
Déficit de financiación:	EUR 55,3 millones
Monto de la financiación del FIDA para el clima:	EUR 57,9 millones

I. Contexto

A. Contexto nacional y justificación de la actuación del FIDA

Contexto nacional

1. La República Árabe de Egipto atraviesa un momento crucial. Si bien las reformas económicas han impulsado las exportaciones agrícolas, el país aún afronta desafíos importantes. La enfermedad por coronavirus (COVID-19), la inflación y el conflicto en Ucrania han llevado al límite las reservas de divisas y han incrementado el costo de importaciones claves, como el trigo. El rápido crecimiento demográfico, la urbanización y el cambio climático ejercen más presión sobre los recursos, especialmente los hídricos. La pobreza, que ascendía al 30 % en 2020, y las elevadas tasas de desempleo entre la gente joven (el 19,7 %) y las mujeres (el 18 %) son motivos de preocupación acuciante. Los programas gubernamentales, como el Programa sobre el Vínculo entre el Agua, la Alimentación y la Energía y la Visión 2030 de Egipto, tienen por objeto hacer frente a los problemas relacionados con el agua, la alimentación y la energía, respaldar la agricultura sostenible, reducir la pobreza y velar por la seguridad alimentaria.

Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

2. En consonancia con los compromisos transversales asumidos por el FIDA, el proyecto ha recibido las clasificaciones que se detallan a continuación:
 - Incluye financiación para el clima
 - Tiene en cuenta a la gente joven
 - Tiene en cuenta la capacidad de adaptación
3. **Juventud.** Los adolescentes y la gente joven representan casi una tercera parte de la población egipcia y tienen ante sí enormes desafíos para acceder al mercado de trabajo. Según se desprende de la Encuesta Panel Nacional sobre el Mercado de Trabajo de 2018, el desempleo juvenil es más elevado entre las personas con educación secundaria o superior (el 34 %), en comparación con las personas sin escolarización (el 13 %)¹. No obstante, existen oportunidades en la agricultura; los agricultores escolarizados más jóvenes tienen más probabilidades de ser contratados en la agricultura por contrato y de cultivos de alto valor, y muestran una mayor voluntad de adoptar nuevas tecnologías². Las personas jóvenes con estudios y cualificaciones que viven en las zonas rurales son un recurso desaprovechado en el Alto Egipto. Las personas con discapacidad enfrentan obstáculos generalizados para acceder a los servicios, así como una grave marginalización y estigmatización.
4. **Seguridad alimentaria y nutrición:** Egipto no está avanzando lo suficiente para alcanzar todas las metas relativas a la nutrición de la madre, el lactante y el niño pequeño. Se calcula que la obesidad afecta actualmente al 44,7 % de las mujeres adultas y al 25,9 % de los hombres adultos. Asimismo, se estima que la diabetes afecta al 23,4 % de las mujeres adultas y al 18,8 % de los hombres adultos³. El rápido crecimiento de la población, que se prevé que alcanzará los 150 millones de personas de aquí a 2050, seguirá agravando la inseguridad alimentaria en el país.
5. **Cambio climático.** El clima de Egipto es desértico árido, y solo la costa septentrional tiene un clima semiárido. La agricultura consume la mayor parte del agua, con 63 250 millones de m³/año. La precipitación anual en el país es inferior a 1 800 millones de m³/año, de los cuales 1 000 millones de m³ se emplean para la

¹ Fondo de las Naciones Unidas para la Infancia (UNICEF) (2022)

² Instituto Internacional de Investigación sobre Políticas Alimentarias (IFPRI) (2023)

³ Informe de la Nutrición Mundial (2022)

agricultura⁴. Además, se pierden 2 500 millones de m³ de agua debido a la evaporación. Las comunidades agrícolas se ven perjudicadas por el cambio climático, que genera un mayor nivel de pérdidas de cosechas y una disminución de los rendimientos, aumenta la mortalidad del ganado, reduce la productividad ganadera y da lugar a infestaciones por plagas. Debido al cambio climático, la demanda de agua ha aumentado un 20 % durante el último decenio.

Razones que justifican la intervención del FIDA

6. El Fondo se encuentra en buenas condiciones para promover las inversiones en tecnología, financiación e infraestructura a fin de hacer frente a diversos problemas, como el cambio climático, la escasez de agua, los elevados costos de los insumos, la inseguridad alimentaria y la pobreza rural. Al asociarse con pequeños agricultores, organismos gubernamentales y agronegocios, el FIDA respalda las tecnologías de ahorro de agua y mejora la eficiencia. El proyecto de Gestión del Agua en las Explotaciones Agrícolas Resilientes al Clima del Valle del Nilo tiene por objeto mejorar el riego en las tierras nuevas e impulsar la productividad y la distribución del agua en las tierras viejas del valle del Nilo. El FIDA también ayuda a los agricultores a optar por cultivos resistentes al calor, cambiar las prácticas de cultivo y disminuir la dependencia de la gasolina y de los plaguicidas para potenciar la resiliencia agrícola y mitigar los desafíos climáticos.

B. Enseñanzas extraídas

7. El diseño del proyecto incorpora las enseñanzas extraídas de algunas iniciativas anteriores, como el Proyecto de Fomento del Riego en Explotaciones de las Tierras Viejas, que puso de relieve la renuencia de los agricultores a adoptar el riego por goteo en las tierras viejas debido a los costos. El éxito del sistema moderno de riego radica en la mayor productividad, los mejores cultivos y la eficiencia hídrica. Los proyectos anteriores, como las fases 1 y 2 del Proyecto de Mejora del Riego y el Proyecto de Medios de Vida e Inversiones Agrícolas Sostenibles, han puesto de relieve las dificultades para garantizar el flujo de agua continuo a los canales secundarios. Estas dificultades obedecen en parte a la necesidad de reforzar la confianza y la colaboración entre los agricultores y el Ministerio de Recursos Hídricos y Riego. El presente proyecto tiene por fin subsanar esta dificultad mediante las parcelas de demostración y la colaboración entre el Ministerio de Recursos Hídricos y Riego y el Ministerio de Agricultura y Recuperación de Tierras. Sobre la base de las conexiones de mercado del Proyecto de Promoción de los Ingresos Rurales mediante la Mejora del Mercado y el Proyecto de Medios de Vida e Inversiones Agrícolas Sostenibles, financiados por el FIDA, el presente proyecto ampliará las actividades de las cadenas de valor, haciendo hincapié en la focalización en la pobreza y la inclusión de una perspectiva de género.

II. Descripción del proyecto

A. Objetivos, zona geográfica de intervención y grupos objetivo

8. La finalidad del proyecto es mejorar de forma sostenible la resiliencia de los hogares pobres de las zonas rurales mediante la promoción del uso eficiente del agua, y el aumento de la productividad y la rentabilidad agrícolas. El proyecto se ejecutará en dos fases, comenzando por una fase básica de 7 años que abarca 30 000 fedanes [unidad de superficie agrícola equivalente a 0,42 ha] en Beni Suef y Minya, y beneficiará a 90 000 hogares (378 000 personas, incluidas 148 000 mujeres y 69 000 jóvenes). Seguirá una fase de ampliación de cinco años que se prevé que abarcará 400 000 fedanes (168 000 ha) y beneficiará a 1,1 millones de hogares y 4,6 millones de personas durante 12 años, supeditada a financiación adicional. La fase básica del proyecto se centrará en tres grupos socioeconómicos: i) los agricultores pobres, de subsistencia y de semisubsistencia

⁴ Hussein Abdel-Shafy *et al.*, "Rainwater in Egypt: Quantity, Distribution and Harvesting", *Mediterranean Marine Science*, vol. 11, n.º 2. Disponible en el sitio web: <https://doi.org/10.12681/mms.75>.

con hasta 1 fedán (0,42 ha; entre el 50 % y el 60 % del grupo objetivo); ii) los pequeños agricultores casi pobres o vulnerables con hasta 1 fedán (0,42 ha), y iii) agricultores de tamaño medio, orientados al comercio (entre el 5 % y el 10 % del grupo objetivo).

B. Componentes, efectos directos y actividades

9. Los tres efectos directos básicos contribuirán a que el proyecto alcance su objetivo ambicioso:
 - a) **Efecto directo 1:** Aumento de la productividad y la resiliencia de los pequeños agricultores a través de un uso eficiente del agua y prácticas agrícolas climáticamente inteligentes, incluidas mejores opciones de cultivos y mejores prácticas agrícolas.
 - b) **Efecto directo 2:** Refuerzo de la participación de las mujeres y los agricultores jóvenes en las cadenas de valor inclusivas y sostenibles desde el punto de vista ambiental, que ofrezcan mayores ingresos a los pequeños productores y agronegocios mediante un mejor acceso a la financiación, los vínculos con los mercados, los elaboradores, los servicios empresariales y la comercialización.
 - c) **Efecto directo 3:** Influencia y promoción de políticas y prácticas gubernamentales que aumenten la rentabilidad de los pequeños agricultores a través de una mejor gestión del agua, el aprovechamiento de la financiación de la inversión rural, especialmente asociaciones público-privadas, y la integración en las cadenas de valor.
10. El proyecto constará de los siguientes tres componentes: i) resiliencia climática a través de la infraestructura de riego y la agricultura climáticamente inteligente; ii) cadenas de valor resilientes e inclusivas, y iii) apoyo en materia de políticas y gestión del proyecto.
11. El **componente 1** se centrará en la producción mediante el apoyo a la infraestructura de riego con un uso eficiente del agua en los canales secundarios, los *mesqa* (canales de riego tradicionales) y las explotaciones agrícolas, así como en la creación de capacidad de las organizaciones de agricultores para lograr una mejor gestión del agua y la tierra de forma colectiva y, por lo tanto, aumentar su resiliencia al cambio climático. Este componente tendrá tres subcomponentes. El subcomponente 1.1 se centrará en la construcción y la rehabilitación de la infraestructura de riego. El subcomponente 1.2 potenciará la capacidad de los agricultores a través de formación en materia de agricultura climáticamente inteligente, escuelas de campo para agricultores, parcelas de demostración y acceso a insumos. El subcomponente 1.3 fortalecerá las capacidades institucionales de las organizaciones de agricultores, incluidas las asociaciones de usuarios del agua, asociaciones de comercialización y cooperativas.
12. El **componente 2** se centrará en otros nodos de las cadenas de valor (comerciantes, transportistas, elaboradores, etc.) mediante inversiones en los medios de comercialización poscosecha, la elaboración, la facilitación del acceso al crédito y la creación de pequeñas empresas encabezadas por mujeres y gente joven para generar puestos de trabajo. Incluirá el subcomponente 2.1 relacionado con la integración de los pequeños agricultores en cadenas de valor resilientes e inclusivas a través de la movilización y la organización de los agricultores, inversiones seleccionadas en las cadenas de valor y asociaciones con el sector privado. El subcomponente 2.2 facilitará el acceso de las microempresas y pequeñas y medianas empresas (MIPYME) a la financiación, mientras que el subcomponente 2.3 potenciará la resiliencia de las mujeres y la gente joven mediante el desarrollo de las empresas y los medios de vida y un mecanismo de donación de contrapartida.

13. El **componente 3** se relaciona con la gestión del proyecto y el apoyo en materia de políticas para proporcionar datos sobre diversos métodos de riego y las prácticas de agricultura climáticamente inteligente que pueden optimizar el riego mejorado para lograr una mayor productividad, el aumento de la resiliencia climática y una mayor rentabilidad.

C. Teoría del cambio

14. El proyecto procura aumentar la productividad, la resiliencia y los ingresos de los pequeños agricultores, la gente joven y las mujeres del medio rural en determinadas cadenas de valor, a través de las siguientes intervenciones: i) mejorar la infraestructura de riego; ii) crear capacidad en las organizaciones de agricultores para que puedan catalizar el uso de la tierra maximizado y consolidado; iii) facilitar la adopción de tecnologías y prácticas de producción climáticamente inteligentes mediante demostraciones extensivas; iv) facilitar un mejor acceso a los insumos y servicios, y v) mejorar las habilidades de gestión empresarial, armonización, sentido de apropiación y asociaciones de las empresas agrícolas. El proyecto también promoverá un mejor acceso a los mercados, ofrecerá oportunidades de inversión, prestará apoyo técnico a las instituciones financieras asociadas para mejorar las prácticas de concesión de préstamos y respaldará el desarrollo de un entorno normativo más favorable. Se prevé que las intervenciones facilitarán el acceso de los pequeños agricultores, las mujeres y la gente joven con iniciativa empresarial a los mercados rentables, generarán nuevos puestos de trabajo y fortalecerán la resiliencia a través de una mayor eficiencia en el uso del agua y la adaptación al cambio climático. Los cambios previstos se basan en el supuesto general de que prevalecerá la estabilidad política y macroeconómica en Egipto y que los agricultores estarán dispuestos a invertir en tecnologías y prácticas de riego con un uso más eficiente del agua y estarán en condiciones de adoptarlas.

D. Armonización, sentido de apropiación y asociaciones

15. En el ámbito nacional, el proyecto está en consonancia con las políticas de Egipto. Como iniciativa emblemática del FIDA, el origen del proyecto es la plataforma nacional única de Egipto (el Programa sobre el Vínculo entre el Agua, la Alimentación y la Energía), desde la cual se pretende fomentar su Estrategia Nacional sobre el Cambio Climático 2050, acometida antes de la 27ª Conferencia de las Partes en la Convención Marco de las Naciones Unidas sobre el Cambio Climático, su Plan Nacional de Recursos Hídricos y la Estrategia de Desarrollo Agrícola Sostenible. El proyecto apoya los siguientes Objetivos de Desarrollo Sostenible (ODS): ODS 2, mediante la mejora de la seguridad alimentaria y los ingresos de las zonas rurales; y el ODS 7, mediante el riego alimentado con energía solar. Su objetivo es crear puestos de trabajo de calidad para la gente y las mujeres, en consonancia con el ODS 8. Respalda la estrategia económica de Egipto para el período 2024-2030, centrada en el impulso a la producción de frutas y verduras. El proyecto está armonizado con sus objetivos estratégicos mediante el empoderamiento de los pequeños agricultores, el aumento de la eficiencia de las explotaciones agrícolas, y el fomento de la sostenibilidad ambiental y la resiliencia climática.

E. Costos, beneficios y financiación

16. El déficit de financiación de EUR 55,3 millones podrá subsanarse gracias a ciclos posteriores de reposición del Fondo (con arreglo a condiciones financieras que habrán de determinarse y con sujeción a los procedimientos internos y la consiguiente aprobación de la Junta Ejecutiva) o mediante cofinanciación obtenida durante la ejecución.
17. Los subcomponentes del proyecto (1.1 relativo a la infraestructura de riego y drenaje; 1.2 relativo a la formación en materia de agricultura climáticamente inteligente, escuelas de campo y de negocios para agricultores, parcelas de

demostración y acceso a los insumos; y 1.3 relativo al apoyo en materia de políticas) se contabilizan parcialmente como financiación para el clima. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, el monto total de la financiación para el clima concedida por el FIDA a este proyecto se prevé en EUR 57 914 905.

Costos del proyecto

18. Se estima que el costo total del proyecto, incluidos los imprevistos de orden físico y por alza de precios, asciende a EUR 153,4 millones durante 7 años. El componente 1, resiliencia climática a través de la infraestructura de riego y la agricultura climáticamente inteligente, representa el 72,2 % del costo total del proyecto, equivalente a EUR 110,8 millones. El componente 2 representa el 22,1 % del costo total del proyecto, equivalente a EUR 33,8 millones, y el componente 3, que equivale a EUR 8,8 millones, representa el 5,7 %, con costos de gestión del proyecto que ascienden aproximadamente a EUR 8,2 millones. Se estima que los préstamos del FIDA con cargo a la Duodécima Reposición de los Recursos del FIDA (PBAS y BRAM) ascienden a EUR 58,2 millones. Se estima que la contribución del Gobierno ascenderá a EUR 29,5 millones (EUR 18,4 millones para impuestos, EUR 5,7 millones en especie y EUR 5,4 millones en efectivo). Se prevé que la contribución de los beneficiarios ascenderá a EUR 6,8 millones (EUR 5,1 millones en especie y EUR 1,7 millones en efectivo). El sector privado y las instituciones financieras aportarán EUR 3,1 millones y EUR 0,5 millones, respectivamente. El monto restante de EUR 55,3 millones representa el déficit de financiación.

Cuadro 1
Costos del proyecto, desglosados por componente, subcomponente y entidad financiadora
 (en miles de euros)

Componente/subcomponente	Préstamo del FIDA (PBAS)		Préstamo del FIDA (BRAM)		Déficit de financiación		Beneficiarios en especie		Instituciones financieras		Sector privado		Beneficiarios (en efectivo)		Gobierno nacional (impuestos)		Gobierno nacional (en especie)		Gobierno nacional (en efectivo)		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
1. Resiliencia climática a través de la infraestructura de riego y la agricultura climáticamente inteligente																						
1.1 Infraestructura de riego y drenaje	43.359	42,4	11.946	11,7	26.742	26,1	3.173	3,1	-	-	-	-	502	0,5	14.315	14,0	2.277	2,2	11	-	102.324	66,7
1.2 Formación en materia de agricultura climáticamente inteligente, escuelas de campo y de negocios para agricultores, parcelas de demostración y acceso a los insumos	-	-	-	-	2.650	33,7	679	8,6	-	-	-	-	-	-	1.102	14,0	-	-	3.442	43,7	7.873	5,1
1.3 Apoyo a las organizaciones de agricultores y esfuerzos por consolidar el uso de la tierra	-	-	-	-	494	75,1	-	-	-	-	-	-	-	-	74	11,2	38	5,7	53	8,1	658	0,4
Subtotal	43 359	39,0	11 946	10,8	29 886	27,0	3 852	3,5	-	-	-	-	502	0,5	15 491	14,0	2 315	2,1	3 506	3,1	110 855	72,2
2. Cadenas de valor resilientes e inclusivas																						
2.1 Integración de los pequeños productores en las cadenas de valor resilientes e inclusivas	-	-	-	-	6.257	43,1	-	-	247	1,7	3.097	21,3	29	0,2	2.022	13,9	1.082	7,5	1.781	12,3	14.515	9,5
2.2 Acceso a financiación	-	-	-	-	8.663	80,7	922	8,6	262	2,4	-	-	828	7,7	40	0,4	-	-	24	0,2	10.739	7,0
2.3 Fortalecimiento de la resiliencia de las mujeres y la gente joven a través de la diversificación de medios de vida, creación de empleo y desarrollo de empresas	-	-	-	-	7.530	87,9	318	3,7	-	-	-	-	318	3,7	396	4,6	-	-	-	-	8.563	5,6
Subtotal	-	-	-	-	22.451	66,4	1.241	3,6	509	1,5	3.097	9,2	1.175	3,5	2.457	7,3	1.082	3,2	1.805	5,3	33.817	22,0
3. Apoyo en materia de políticas y gestión del proyecto																						
3.1 Apoyo en materia de políticas	173	28,6	-	-	372	61,4	-	-	-	-	-	-	-	-	-	-	-	-	61	10,0	606	0,4
3.2 Gestión del proyecto	2.742	33,4	-	-	2.653	32,3	-	-	-	-	-	-	-	-	500	6,1	2.310	28,1	2	-	8.208	5,3
Subtotal	2 915	33,1	-	-	3 025	34,3	-	-	-	-	-	-	-	-	500	5,7	2 310	26,2	63	0,7	8 814	5,7
Total	46.274	30,1	11.946	7,8	55.362	36,1	5.092	3,3	509	0,3	3.097	2,0	1.677	1,1	18.448	12,0	5.708	3,8	5.374	3,5	153.486	100

Cuadro 2
Costos del proyecto por categoría de gastos y entidad financiadora
(en miles de euros)

Categoría de gasto	Préstamo del FIDA (PBAS)		Préstamo del FIDA (BRAM)		Déficit de financiación		Beneficiarios en especie		Instituciones financieras		Sector privado		Beneficiarios (en efectivo)		Gobierno nacional (impuestos)		Gobierno nacional (en especie)		Gobierno nacional (en efectivo)		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
Costos de inversión																						
1. Consultorías ^a	1 641	8,8	-	-	10 064	54,1	469	2,5	-	-	228	1,2	-	-	2 456	13,2	173	0,9	3 556	19,1	18 588	12,1
2. Bienes, servicios y equipo	21 937	55,3	-	-	6 473	16,3	1 100	2,8	247	0,6	1 401	3,5	531	1,3	5 547	14,0	616	1,6	1 818	4,6	39 670	25,8
3. Obras públicas	20 542	28,4	11 946	16,5	23 298	32,2	2 282	3,2	-	-	1 467	2,0	-	-	10 118	14,0	2 616	3,6	-	-	72 269	47,1
4. Vehículos	244	43,0	-	-	244	43,0	-	-	-	-	-	-	-	-	80	14,0	-	-	-	-	568	0,4
5. E. Líneas de crédito	-	-	-	-	8 271	82,5	922	9,2	-	-	-	-	828	8,3	-	-	-	-	-	-	10 020	6,5
6. Donaciones de contrapartida	-	-	-	-	5 101	88,9	318	5,5	-	-	-	-	318	5,5	1	-	-	-	-	-	5 738	3,7
Costos de inversión totales	44 364	30,2	11 946	8,1	53 452	36,4	5 092	3,5	247	0,2	3 097	2,1	1 677	1,1	18 201	12,4	3 405	2,3	5 374	3,7	146 854	95,7
Gastos recurrentes																						
1. Sueldos y prestaciones	1 151	23,7	-	-	1 151	23,7	-	-	262	5,4	-	-	-	-	-	-	2 303	47,3	-	-	4 868	3,2
2. Costos de funcionamiento	759	43,0	-	-	759	43,0	-	-	-	-	-	-	-	-	247	14,0	-	-	-	-	1 764	1,1
Costos recurrentes totales	1 910	28,8	-	-	1 910	28,8	-	-	262	4,0	-	-	-	-	247	3,7	2 303	34,7	-	-	6 632	4,3
Total	46 274	30,1	11 946	7,8	55 362	36,1	5 092	3,3	509	0,3	3 097	2,0	1 677	1,1	18 448	12,0	5 708	3,8	5 374	3,5	153 486	100

^a Incluye asistencia técnica y estudios.

Cuadro 3
Costos del proyecto, desglosados por componente, subcomponente y entidad financiadora
(en miles de euros)

Componente/subcomponente	Primer año	Segundo año	Tercer año	Cuarto año	Quinto año	Sexto año	Séptimo año	Total
1. Resiliencia climática a través de la infraestructura de riego y la agricultura climáticamente inteligente								
1.1 Infraestructura de riego y drenaje	471	18 052	38 295	40 506	4 224	383	399	102 324
1.2 Formación en materia de agricultura climáticamente inteligente, escuelas de campo y de negocios para agricultores, parcelas de demostración y acceso a los insumos	1 817	2 338	1 375	1 451	449	348	95	7 873
1.3 Apoyo a las organizaciones de agricultores y esfuerzos por consolidar el uso de la tierra	82	32	18	164	164	130	67	658
Subtotal	2 370	20 416	39 688	42 121	4 837	861	562	110 855
2. Cadenas de valor resilientes e inclusivas								
2.1 Integración de los pequeños productores en las cadenas de valor resilientes e inclusivas	322	5 278	3 972	4 185	280	233	245	14 515
2.2 Acceso a financiación	1 084	1 454	1 542	1 503	1 565	1 794	1 796	10 739
2.3 Fortalecimiento de la resiliencia de las mujeres y la gente joven a través de la diversificación de medios de vida, creación de empleo y desarrollo de empresas	38	10	-	4 028	2 220	2 236	32	8 563
Subtotal	1 444	6 742	5 515	9 716	4 065	4 263	2 073	33 817
3. Apoyo en materia de políticas y gestión del proyecto								
3.1 Apoyo en materia de políticas	-	87	173	173	130	43	-	606
3.2 Gestión del proyecto	2 128	865	918	1 217	976	1 086	1 017	8 208
Subtotal	2 128	952	1 091	1 390	1 106	1 130	1 017	8 814
Total	5 942	28 111	46 294	53 227	10 008	6 253	3 652	153 486

Estrategia y plan de financiación y cofinanciación

19. La cofinanciación nacional asciende a EUR 39,9 millones (el 26,0 %) y está compuesta por fondos del Gobierno: EUR 29,5 millones, de los cuales EUR 18,4 millones para impuestos, EUR 5,7 millones en especie y EUR 5,4 millones en efectivo; beneficiarios: EUR 6,8 millones, de los cuales EUR 5,1 millones en especie y EUR 1,7 millones en efectivo; contribución del sector privado en especie que asciende a EUR 3,1 millones y contribución en especie de instituciones financieras que asciende a EUR 0,5 millones⁵. Se ha estimado que la financiación nacional general en contribuciones en especie asciende a EUR 14,4 millones y la contribución nacional en efectivo asciende a EUR 25,5 millones, incluidos impuestos (véase el cuadro anterior para obtener más detalles). El déficit de financiación asciende a EUR 55,3 millones

Desembolsos

20. La Unidad de Gestión del Proyecto (UGP) del Ministerio de Agricultura y Recuperación de Tierras abrirá una cuenta designada para recibir los fondos del préstamo del FIDA con cargo al Sistema de Asignación de Recursos basado en los Resultados (PBAS), mientras que la UGP del Ministerio de Recursos Hídricos y Riego creará una cuenta designada conjunta para recibir los recursos de ambos préstamos del FIDA (PBAS y BRAM). Estos fondos se transferirán de las cuentas designadas abiertas en el Banco Central de Egipto a las cuentas de operaciones correspondientes en el Banco Central y se transferirán posteriormente a la respectiva unidad contable de cada UGP. Todos los pagos se procesarán a través del sistema de pago electrónico de la cuenta única del tesoro. Los desembolsos del FIDA se efectuarán trimestralmente, sobre la base de los informes financieros provisionales presentados por cada UGP, en los que se incorporarán las previsiones de efectivo para dos trimestres consecutivos. Si se concreta cualquier otra financiación complementaria durante la vigencia del proyecto, los recursos se canalizarán por medio de la estructura de flujo de fondos actual. En el proyecto se velará por que los fondos recibidos y los gastos de cada entidad financiadora se separen adecuadamente en el sistema contable para mantener la información financiera precisa y el cumplimiento normativo.

Resumen de los beneficios y análisis económico

21. El proyecto tendrá un enfoque centrado en la pobreza con un alcance total para la fase básica inicial del proyecto de aproximadamente 90 000 hogares o 302 000 personas. Entre los principales cultivos se encuentran el maíz, el trigo, la papa, la cebolla y el tomate, junto con otros cultivos y ganadería. Se han elaborado 13 modelos de hogares y se los ha diferenciado por tamaño del terreno (de 0,5 a 5 fedanes, o de 0,21 a 2,1 ha) y sistemas de producción. En el caso de las MIPYME, se considerarán los modelos para el secado de hierbas y tomates, el almacenamiento frigorífico y el tomate elaborado. El valor actual neto económico, con una tasa de descuento del 14,6 %, alcanza los EGP 1 300 millones (USD 41,3 millones), con una tasa interna de rendimiento económico del 25,2 %. Aun con un aumento de costos o beneficios diferidos, el proyecto sigue siendo económicamente viable con rendimientos positivos.

Estrategia de salida y sostenibilidad

22. La sostenibilidad de las asociaciones de usuarios de agua en los *mesqa* y en los canales secundarios se sustentará en un proceso de formación ascendente, la mejora de la infraestructura de riego y la aplicación de una nueva legislación relativa a los recursos hídricos y al riego. Este enfoque potenciará la colaboración entre los miembros del consejo de las asociaciones de usuarios de agua en los

⁵ Estas cifras también reflejan el resultado de la mesa redonda sobre la financiación del sector privado en el proyecto, celebrada en la nueva capital administrativa en noviembre de 2024, en la que no se asumieron compromisos creíbles. Sobre la base de la experiencia de otros proyectos, como el Programa de Transformación Sostenible para la Resiliencia Agrícola en el Alto Egipto, el presente proyecto se ha concebido de modo que se ejecute sin un déficit de financiación importante.

canales secundarios y los ingenieros del Ministerio de Recursos Hídricos y Riego. Las mejoras en la eficiencia del riego, en la productividad de los cultivos y en toda la cadena de valor se basarán en métodos participativos y el consentimiento informado de los agricultores. Las conexiones entre la comercialización, el apoyo técnico y a la producción ayudarán a garantizar la sostenibilidad mediante el suministro de incentivos beneficiosos. Los proveedores de servicios técnicos procederán de consultorías privadas, organismos gubernamentales y organizaciones no gubernamentales, y el proyecto facilitará la comunicación directa entre los beneficiarios y estos proveedores.

III. Gestión del riesgo

A. Riesgos y medidas de mitigación

23. El equipo encargado de la ejecución del proyecto confía en una sólida participación de las partes interesadas, en consonancia con la estrategia del Gobierno. No obstante, las vulnerabilidades en las políticas macroeconómicas, incluidas las políticas monetarias, fiscales y comerciales, podrían generar inflación, la disminución de las reservas de divisas y el sobreendeudamiento, lo que incidiría en la financiación del Gobierno y la dinámica del mercado. Para mitigar estos riesgos, se requieren una gestión fiscal más sólida, la diversificación del comercio, la sostenibilidad de la deuda y marcos institucionales flexibles que fortalezcan la resiliencia del mercado y respalden las pequeñas empresas.
24. La escasez de agua, el riego ineficiente y la salinidad del suelo en Egipto ponen en peligro la sostenibilidad agrícola y la seguridad alimentaria, lo que reduce la productividad en las zonas del proyecto. Las medidas de mitigación incluyen tecnologías de riego que faciliten el ahorro de agua, la mejora de la gestión de recursos y la inversión en agronegocios encabezados por gente joven y mujeres que se centren en el reciclaje de residuos, junto con prácticas climáticamente inteligentes y la vigilancia de las aguas subterráneas para controlar los riesgos de salinidad.
25. Se considera que los riesgos de gestión financiera inherentes y residuales son altos debido principalmente a las posibles demoras en la creación de las UGP, la contratación de personal clave y la instalación de los programas informáticos de contabilidad. Para mitigar estos riesgos, la creación de las UGP mediante decretos ministeriales, la contratación de personal clave y la instalación de los programas informáticos de contabilidad se han establecido como condiciones de desembolsos.

Cuadro 4

Calificación general de los riesgos

<i>Esferas de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Considerable	Considerable
Políticas y estrategias sectoriales	Moderado	Moderado
Medio ambiente y clima	Moderado	Moderado
Alcance del proyecto	Moderado	Moderado
Capacidad institucional de ejecución y sostenibilidad	Considerable	Considerable
Gestión financiera	Alto	Alto
Adquisiciones y contrataciones en el marco del proyecto	Moderado	Moderado
Impacto ambiental, social y climático	Bajo	Bajo
Partes interesadas	Considerable	Considerable
Riesgo general	Moderado	Moderado

B. Categoría ambiental y social

26. El riesgo ambiental y social del proyecto se califica como moderado. Se modificó sobre la base de las actividades del informe sobre el diseño del proyecto, que se centraron en la optimización del uso del agua, y no en la ampliación de las redes de riego o el aumento del consumo. Solo la fase básica del proyecto formó parte del proceso de examen y calificación de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática (PESAC), mientras que es probable que la segunda fase del proyecto comprenda una financiación paralela que complemente la iniciativa básica. Las instituciones financieras internacionales pertinentes determinarán las salvaguardias ambientales y sociales. Desde una perspectiva social, los posibles riesgos se relacionan principalmente con las condiciones de trabajo y mano de obra. La función inclusiva y activa de las mujeres y la gente joven en las actividades del proyecto reducirá al mínimo el riesgo de socavar las buenas prácticas laborales.

C. Clasificación del riesgo climático

27. El riesgo climático es moderado. A medida que los agricultores incrementen su capacidad de adaptación y resiliencia, estarán en condiciones de usar los recursos naturales de una manera más eficiente, emplear la energía solar y fortalecer la sostenibilidad de las cadenas de valor. Las intervenciones están concebidas para reducir los riesgos relacionados con el cambio climático y fomentar la adaptación a los futuros efectos, así como mejorar los medios de vida promoviendo las prácticas agrícolas sostenibles, con la finalidad de disminuir la vulnerabilidad de las poblaciones objetivo a los peligros climáticos.

D. Sostenibilidad de la deuda

28. De acuerdo con un informe de sostenibilidad de la deuda del Fondo Monetario Internacional y el Banco Mundial (agosto de 2024), la deuda pública de Egipto es sostenible, pero presenta riesgos altos de tensión de la deuda soberana. El Gobierno está aplicando políticas macroeconómicas centradas en la resiliencia ante las perturbaciones internas y externas, incluidas las reformas monetarias, fiscales y comerciales. Las iniciativas están en consonancia con la visión de Egipto para 2030 encaminada a reducir la deuda pública, fortalecer los mercados financieros y mejorar la comerciabilidad y la liquidez de la deuda. Estas medidas tienen la finalidad de fomentar el acceso a los mercados internacionales, reducir los riesgos y reforzar la resiliencia financiera apoyando el crecimiento económico sostenible. La atención se centra en subsanar las vulnerabilidades de la deuda pública interna, a la vez que se propicia la estabilidad económica.

IV. Ejecución

A. Marco organizativo

Gestión y coordinación del proyecto

29. El proyecto será ejecutado por dos organismos principales: el Ministerio de Recursos Hídricos y Riego y el Ministerio de Agricultura y Recuperación de Tierras. Cada ministerio se encarga de su propia parte del proyecto. En el seno de los dos ministerios se crearán dos UGP que supervisarán la ejecución oportuna del proyecto, la gestión de los recursos financieros y la colaboración con las provincias. En la segunda fase, la gestión de las líneas de crédito se transferirá al Organismo para el Desarrollo de las Micro, Pequeñas y Medianas Empresas y el Programa para el Desarrollo de la Agricultura. Para evitar dudas, cada UGP preparará por separado sus propios documentos: i) el plan operacional anual y presupuesto conexo; ii) el plan anual de adquisiciones y contratación; y iii) los informes de seguimiento y evaluación. Las UGP se coordinarán estrechamente para consolidarlos y presentárselos al FIDA. Cada UGP presentará por separado los estados financieros anuales auditados y sin auditar correspondientes a las actividades de que se encarga. La UGP del Ministerio de Recursos Hídricos y Riego

se encargará de determinadas tareas, como la consolidación del plan operacional anual y presupuesto correspondiente, el plan nacional de adquisiciones y contratación, los informes de seguimiento y evaluación, así como la consolidación y la presentación de los estados financieros anuales auditados y no auditados. Además, este ministerio contratará los servicios de la empresa de auditoría externa para que realice la auditoría anual del proyecto.

30. Un comité directivo del proyecto orientará la dirección estratégica y estará compuesto por altos funcionarios ministeriales y representantes de los sectores pertinentes, incluidas las provincias y las partes interesadas del sector privado. Este comité directivo estará presidido por el Ministro de Planificación, Desarrollo Económico y Cooperación Internacional, e incluirá a representantes de las provincias donde se ejecuta el proyecto (inicialmente Beni Suef y Minya), funcionarios del Ministerio de Medio Ambiente, del Ministerio de Agricultura y Recuperación de Tierras, el Ministerio de Recursos Hídricos y Riego y, si fuera necesario, determinados representantes del sector privado (exportaciones y agronegocios).

Gestión financiera, adquisiciones y contrataciones, y gobernanza

31. Cada una de las dos UGP contará con un equipo de gestión financiera encabezado por un responsable de la gestión financiera. Este equipo estará secundado ya sea desde dentro de los ministerios o será contratado mediante un proceso competitivo. Cada equipo de las UGP estará a cargo de la gestión de sus respectivas asignaciones, los retiros de fondos, la presentación de informes y la auditoría. El proyecto mantendrá sus cuentas de conformidad con las Normas Internacionales de Contabilidad del Sector Público (IPSAS) según el principio de caja, y cada UGP comprará e instalará un sistema informático contable para registrar los ingresos y gastos del proyecto. Una empresa, o empresas, de auditoría privada se encargará del informe de auditoría anual de cada UGP, de conformidad con las Normas Internacionales de Auditoría.
32. Las adquisiciones y contrataciones del proyecto se realizarán de acuerdo con las reglamentaciones de Egipto en la materia, en la medida en que sean congruentes con las Directrices para la adquisición de bienes en el ámbito de los proyectos y el Manual para la adquisición de bienes y la contratación de obras y servicios del FIDA.
33. Las entidades encargadas de la ejecución garantizarán que se respeten las políticas y normas del FIDA y se haga clara referencia a ellas: la Política del FIDA en materia de Prevención del Fraude y la Corrupción en sus Actividades y Operaciones; la Política del FIDA sobre Prevención y Respuesta frente al Acoso Sexual y la Explotación y los Abusos Sexuales; la Política del FIDA de Lucha contra el Blanqueo de Dinero y la Financiación del Terrorismo, y los PESAC del Fondo.

Participación y observaciones del grupo objetivo y resolución de reclamaciones

34. Los mecanismos de recopilación de observaciones y opiniones estarán en funcionamiento a partir de las primeras etapas de la ejecución del proyecto, en consulta con las personas pobres de las zonas rurales, a fin de garantizar que las diferentes categorías del grupo objetivo estén informadas y sean consultadas. Para cada zona objetivo, se elaborará un informe de resumen de los resultados de las actividades de consultas con las diferentes partes interesadas. Durante la ejecución, el grupo objetivo tendrá acceso a diversos mecanismos para brindar opiniones: buzones de sugerencias anónimas, facilitadores y mentores locales (puntos de contacto); los mentores, trabajadores de extensión y facilitadores utilizarán teléfonos móviles y grupos de WhatsApp para recibir las opiniones.

Resolución de reclamaciones

35. Las opiniones recibidas se examinarán y analizarán de forma periódica, aproximadamente cada seis meses. El responsable del seguimiento y la evaluación y de la gestión de los conocimientos y el especialista en género e inclusión social se encargarán de sistematizar la información recibida y elaborar un informe. El proyecto seguirá el procedimiento de reclamación del FIDA, que vela por el establecimiento de los mecanismos adecuados para permitir que las personas y las comunidades se comuniquen directamente con el Fondo y presenten una reclamación si consideran que pueden haberse visto afectadas adversamente por un proyecto o programa financiado por el FIDA.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación

36. La estrategia del proyecto, el marco lógico y el marco de resultados más amplios respetarán la planificación. Se elaborarán los planes operacionales anuales y presupuestos correspondientes basados en los resultados mediante un enfoque participativo que comprenda todas las principales partes interesadas y los asociados en la ejecución, incluidas las provincias que ejecutan el proyecto. Estos planes se ajustarán a los planes operacionales anuales, actividades detalladas, presupuestos y calendarios de ejecución del Ministerio de Agricultura y Recuperación de Tierras y el Ministerio de Recursos Hídricos y Riego. El proyecto asignará los fondos para contar con un sólido sistema de seguimiento y evaluación con el que se haga el seguimiento de los avances y las repercusiones. A través de una estrategia integrada de comunicación y gestión de los conocimientos, se establecerán los objetivos de gestión de los conocimientos del proyecto, con especial atención a la mejora de los resultados del proyecto, la documentación de las innovaciones y la promoción de los productos del conocimiento con vínculos claros con la potenciación de los efectos directos.

Innovación y ampliación de escala

37. Los modelos elaborados para mejorar las prácticas agronómicas y de riego a través del uso de diferentes modelos y técnicas innovadores de riego tendrán una importancia esencial. El proyecto respaldará la transferencia de conocimientos innovadores entre agricultores mediante la organización de visitas de intercambio en los *mesqas* adyacentes o las zonas de intervención, y soluciones digitales innovadoras para facilitar el envío de mensajes de extensión, el acceso a los insumos, la información de mercado y los servicios financieros y de comercialización.

C. Planes de ejecución

Preparación para la ejecución y planes para la puesta en marcha

38. El equipo del FIDA en el país ayudará al Gobierno a crear dos UGP en el Ministerio de Recursos Hídricos y Riego y el Ministerio de Agricultura y Recuperación de Tierras, así como unidades de ejecución del proyecto en las provincias. Para la ejecución del proyecto, se seleccionarán las zonas de intervención en coordinación con los dos ministerios competentes. En la segunda fase, se brindará orientación a las entidades bancarias mayoristas (el Organismo para el Desarrollo de las Micro, Pequeñas y Medianas Empresas y el Programa para el Desarrollo de la Agricultura) respecto de las modalidades de asociación y el proceso de selección de las instituciones financieras asociadas.

Supervisión, examen de mitad de período y planes de finalización

39. El proyecto estará supervisado directamente por el FIDA. Cada año se realizarán una misión de supervisión y una misión de apoyo a la ejecución. Al final del cuarto año, los dos organismos principales del proyecto, el Fondo y los asociados en la ejecución llevarán adelante de forma conjunta el examen de mitad de período. El FIDA estará a cargo de organizar la elaboración de un examen final del proyecto.

V. Instrumentos jurídicos y facultades

40. Un convenio de financiación entre la República Árabe de Egipto y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario. Una copia del convenio de financiación negociado se adjunta como apéndice I.
41. La República Árabe de Egipto está facultada por su legislación para recibir financiación del FIDA.
42. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

VI. Recomendación

43. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta con arreglo a lo dispuesto en la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones ordinarias a la República Árabe de Egipto por un monto equivalente a cuarenta y seis millones doscientos setenta y cuatro mil euros (EUR 46 274 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este documento.

RESUELVE ADEMÁS: que el Fondo conceda un préstamo en condiciones ordinarias a la República Árabe de Egipto por un monto equivalente a once millones novecientos cuarenta y seis mil euros (EUR 11 946 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este documento.

Álvaro Lario
Presidente

Negotiated financing agreement

(Negotiations concluded on 07 November 2024)

Loan No:

Loan No:

Project name: Climate-Resilient On-Farm Water Management in the Nile Valley ("CROWN") or (the "Project")

The Arab Republic of Egypt (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS:

A. On November 8, 2022, the Borrower and the Fund entered into a partnership agreement on Egypt's country platform for the Nexus of Water, Food, and Energy (the "NWFE - نُؤْفِي") in order to establish a mutually beneficial framework to facilitate collaboration in common areas of interest particularly for the implementation NWFE food pillar;

B. CROWN is one of the first steps in the operationalisation of the food systems ambitions articulated in the NWFE;

C. In the context of the Project and for the support of the Project implementation, IFAD and the Borrower are envisaging to mobilise additional resources in the form of grants from IFAD resources and respective international donors and financiers in areas related to but not limited to technical assistance, capacity building and policy support activities;

D. The Borrower requested financing from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement; and

E. The Borrower has undertaken to provide thirty-two million one hundred thirty thousand United States Dollars (29.5 million EUR) equivalent for the Project.

WHEREAS, the Fund has agreed to provide financing for the Project;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this present financing agreement (the "Agreement"): this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Tables (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of

this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide two loans (individually defined as "Loan A" and "Loan B" and collectively defined as the "Financing") to the Borrower, which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The total amount of the Financing shall be fifty eight million two hundred and twenty thousand Euro (EUR 58 220 000) out of which: i) forty-six million two hundred seventy-four thousand Euro (EUR 46 274 000) shall be taken from Performance Based allocations (PBAs); and ii) eleven million nine hundred forty-six thousand Euro (EUR 11 946 000) shall be taken from the borrowed resources mechanism (BRAM).

2. The Financing shall be granted on ordinary terms and shall be subject to interest on the principal amount outstanding of each Loan rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of 18 years, including a grace period of 5 years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

3. The Loan Service Payment Currency shall be in EUR.

4. The first day of the applicable Fiscal Year shall be July 1st.

5. Payments of principal and interest shall be payable on each 15 April and 15 October.

6. The Borrower will open and maintain two (2) Designated Accounts at the Central Bank of Egypt to receive funds from the Financing. There shall be one (1) pool Designated Account for MoWRI and one (1) Designated Account for MoALR. The Borrower shall inform the Fund of the officials authorized to operate the Designated Accounts.

7. There shall also be two (2) Project Accounts in Egyptian Pound (EGP) open in the Central Bank of Egypt to receive funds transferred from the respective Loans Designated Accounts.

8. The Borrower shall provide government contribution for the Project both (cash and in-kind) in the amount of twenty-nine million five hundred thirty thousand EUR (29.53 million EUR) equivalent to cover for taxes, customs duties, and project activities.

Section C

1. There shall be two (2) Lead Project Agencies: i) the Ministry of Water Resources and Irrigation (MoWRI); and ii) the Ministry of Agriculture and Land Reclamation (MoALR). Each Lead Project Agency will be solely responsible for the implementation of their part of the Project as further explained in Schedule 1 to this Agreement and specified in the Project Implementation Manual (the "PIM").

2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the seventh (7th) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as agreed between the Parties.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

Section D

1. The Fund will administer the Financing and supervise the Project.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

The PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.

2. The following are designated as conditions precedent to withdrawal:

- a. The IFAD no objection to the Project Implementation Manual (PIM) shall have been obtained;
- b. The establishment of each of the two (2) Project Management Units (the "PMUs") within each of the two (2) Lead project Agency shall be made via the issuance of the relevant Ministerial Decrees, in line with the applicable national law and legislation;
- c. The appointment of competent staff in each of the two (2) PMUs of the: i) Project Coordinator; ii) Finance Expert/ Manager; iii) Procurement Expert; iv) M&E expert; and v) Environment and Climate Assessment Specialist (together referred to as the "Key Project Personnel"); and
- d. The purchase and installation of the accounting software system(s) at both PMUs.

4. This Agreement is subject to ratification by the Borrower.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the [Borrower]:

[click and type title of the representative]

[click and type the name and address of the ministry]

For the Fund:

[click and type Title]

International Fund for Agricultural Development

Via Paolo di Dono 44

00142 Rome, Italy

[Copy to:]

[If applicable, The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.]

This Agreement, [dated _____] has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the [Borrower].

THE ARAB REPUBLIC OF EGYPT

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* The Project has a total outreach for its initial phase of 90,000 households, for approximately 378,000 people (of which 148,000 women and 69,000 youth) shall benefit. There are three main socio-economic groups: Group 1: Poor, subsistence and semi-subsistence farmers with no more than one feddan (approximately 50-60% of the target group, average 0.5 feddan and not exceeding 1 feddan). Group 2: near poor or vulnerable smallholder farmers owning more than 1 feddan – typically 2 to 3 feddan and not exceeding 5 feddan (approximately 30% of the target group, average 2.4 feddan). Group 3: Commercially-oriented and middle-sized farmers (approximately 5 to 10% of the target group); this group includes farmers owning up to 10 feddan typically found in new lands (average 5 feddans).
2. *Project area.* The Project will cover initially the Minya and Beni Sweif governorates in Middle Egypt. Core CROWN will be in two to three command areas in Beni Sweif and Minya governorates covering the area of up to 30,000 feddans with more focus on old lands (25,000 feddans), with new lands mainly being pilots (5,000 feddans). Gradually CROWN will expand to additional governorates in Middle Egypt and Upper Egypt.
3. *Goal.* The goal of the Project is to sustainably increase poor rural households' resilience through more efficient water use, driving higher farm productivity and profitability.
4. *Objectives.* The objective of the Project is to increase the income and improve the livelihood of smallholder farmers involved in competitive and sustainable value chains leading to increased food security.
5. *Components.* The Project shall consist of the following Components:
6. Component 1 aims to bolster climate resilience through irrigation infrastructure and Climate Smart Agriculture (CSA), uniting MALR and MWRI efforts. It comprises three subcomponents: 1.1 focuses on upgrading irrigation systems; 1.2 on CSA training and input access; and 1.3 on supporting farmers' organizations and land use consolidation. Substantial activities include awareness-raising, demand analysis, training sessions, and capacity building for stakeholders. These initiatives seek to enhance collaboration, resource utilization, and decision-making among relevant parties, promoting sustainable agricultural practices in the face of climate challenges.
7. Component 2 - "Resilient and inclusive value chains," aims to fortify value chains, prioritizing women and youth. Subcomponents include: 2.1: integrating smallholders into value chains; 2.2: ensuring access to finance; and 2.3: fostering women and youth's resilience through enterprise. Activities range from market linkages to financial partnerships and addressing social norms. Initiatives seek to enhance participation, access to resources, and economic opportunities for marginalized groups, thereby promoting inclusive and sustainable development. Component 2 shall be financed by the government's contribution as further defined in Section B, paragraph 8 of this present Agreement.
8. Component 3 focuses on enhancing irrigation methods and climate-smart agriculture for productivity and profitability. It emphasizes evidence-based approaches and stakeholder engagement. Key activities include documenting effective irrigation methods, modelling climate-smart practices, and partnering with the private sector for investment. It also involves coordinating water management and supporting the implementation of water laws. Component 3 aims to optimize water use, improve agricultural practices, and strengthen value chains, ensuring sustainable water management and regulatory compliance through stakeholder collaboration.

II. Implementation Arrangements

1. There shall be two (2) Lead Project Agencies: i) the Ministry of Water Resources and Irrigation (MoWRI); and ii) the Ministry of Agriculture and Land Reclamation (MoALR). Each Lead Project Agency will be solely responsible for the implementation of their part of the Project as further specified in the Project Implementation Manual (the "PIM").

For the avoidance of doubt, each PMU shall prepare its own separate: i) Annual Work Plan and Budget (AWPB); ii) annual procurement plan; and iii) M&E reporting.

PMUs shall coordinate closely to consolidate the above and submit them to IFAD.

For the activities under their responsibility, each PMU shall submit separate annual unaudited and audited financial statements.

2. *Project Management Units (PMUs)*. Two Project Management Units (PMUs) will be established within CROWN, one at MoWRI and one at MoALR, for project management. Each PMU will oversee timely implementation, and financial resource management of their part of the Project and will ensure appropriate collaboration with the respective governorates. Key tasks include securing financing, reporting, procurement, and managing assets in compliance with this agreement

3. *Project Steering Committee (PSC)*. A dedicated CROWN PSC will be established. It will be composed of high-ranking ministerial staff responsible for translating NFWE guidance into policy decisions at the national level. The Ministry of Planning, Economic Development & International Cooperation will designate the Chair of the PSC. Members of the PSC will include representatives of the governorates implementing CROWN (initially Beni Sweif and Minya), MoE, MoALR, MoWRI, if needed, selected private sector representatives (agribusinesses, exporters). The PSC shall follow up with the PMUs for the consolidation required under paragraph 1 above.

4. *Monitoring and Evaluation*. A robust M&E system will ensure effective project monitoring and impact assessment. It will include a Results Management Framework, monitoring and evaluation tools, Management Information System (MIS), and dedicated M&E staff in the two PMUs.

5. *Knowledge Management*. An integrated Knowledge Management (KM) and Communication Strategy will be developed by each of the PMUs during the start-up phase of the Project. This strategy aims to support the achievement of CROWN's goals by establishing systems, processes, and responsibilities to generate, capture, analyse, document, package, and disseminate knowledge and lessons learned both internally and externally. It will outline CROWN KM goals, strategic objectives, and products, focusing on improving project performance, scaling up successes, sharing lessons learned, influencing policy, and promoting innovations.

6. *Project Implementation Manual*. The PIM will be finalized in the start-up phase of the Project and is to be used by the PMUs for the implementation of the CROWN. The PIM shall be approved by the Borrower and agreed with IFAD. In the course of Project implementation, amendments and additions may be made in the PIM based on the needs in efficient Project implementation. Proposals on amendments to the PIM may be proposed by the PMUs. All amendments made in PIM shall be agreed with IFAD.

Schedule 2

Allocation Table

1. Allocation of the Financing Proceeds.

The Table below sets forth the Component of Eligible Expenditures to be financed by the Financing and the allocation of the amounts to each Component. All amounts are net of taxes, government, and beneficiaries contributions.

Component	PBAS Loan Amount Allocated (Expressed in EUR)	BRAM Loan Amount Allocated (Expressed in EUR)
I. Ministry of Water Resources and Irrigation		
I. Climate Resilience through irrigation infrastructure and CSA	22 535 000	10 751 000
II. Policy support and project management	1 585 000	
Unallocated	2 684 000	1 195 000
Total – Ministry of Water Resources and Irrigation	26 804 000	11 946 000
II. Ministry of Agriculture and Land Reclamation		
I. Climate Resilience through irrigation infrastructure and CSA	16 485 000	
II. Policy support and project management	1 035 000	
Unallocated	1 950 000	
Total - Ministry of Agriculture and Land Reclamation	19 470 000	
TOTAL	46 274 000	11 946 000

In the context of the Project and for the support of the Project implementation, IFAD and the Borrower are envisaging to mobilize additional resources from IFAD's resources and respective international donors and financiers in areas related to, but not limited to, supporting the Lead Project Agencies in implementing consultancies under Component I, Component II and Component III.

2. Start-up Costs

Withdrawals in respect of eligible expenditures for start-up costs incurred before the satisfaction of the condition's precedent to withdrawal (as specified in Section E paragraph 3 of this present Agreement) shall be permitted up to an overall amount of EUR 100 000 (EUR 50 000 for each PMU), under Component III. These funds are intended to exclusively provide for the purchase and installation of an appropriate accounting software and MIS system. The start costs are subject to IFAD's approval.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a) (xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Financing Account(s), if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Accounting Software.* Within 6 months of entry into force of the Agreement, each PMU will purchase and install a customize accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.

2. *Planning, Monitoring and Evaluation.* Each of the PMUs shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

3. *Gender.* Each of the PMUs shall ensure that gender mainstreaming as promoted under the Project will be pursued to ensure that women voices with key focus on labour conditions, and economic opportunities are promoted throughout the Project interventions. The Project will also take measures to ensure the protection of women's safety and security.

4. *Anticorruption Measures.* Each of the PMUs shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

5. *Sexual Harassment, Sexual Exploitation and Abuse.* Each of the PMUs and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

6. *IFAD Client Portal (ICP) Contract Monitoring Tool.* Each of the PMUs shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). Each of the PMUs shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. Each of the PMUs shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project.

II. IFAD's Social, Environmental and Climate Assessment Procedures ("SECAP") Provisions

I. General

The Project presents moderate social, environmental and climate risks.

Each of the PMUs shall carry out the implementation of the Project in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs) if required and the Environmental, Social and Climate Management Plans (ESCMPs). An integrated pest management (IPM) and solid waste management (SWM) plan have been prepared and annexed to the ESCMP. ESCMPs, IPMs and SWM shall collectively be referred to as the "Management Plan(s)". Both IPM and SWM plans will be

detailed once the command area and specific crops have been selected. It will require a more local level analysis of pesticide and fertilizer use, access to alternative organic products, and adopting a participatory approach involving consultation with local communities.

II. Project Specific

1. Each of the PMUs shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).
2. Each of the Lead Project Agencies shall not, shall cause all their contractors, sub-contractors, and suppliers not to commence implementation of any works, unless all Project affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.
3. Each of the PMUs shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project -affected area, in a form and language understandable to Project -affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).
4. Each of the PMUs shall ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.
5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:
 - (i) has direct or potential material adverse effect;
 - (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
 - (iii) gives rise to material potential liabilities.

In the occurrence of such event, each of the PMUs shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project -affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project -level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Project activities.

Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. Each of the PMUs shall ensure and cause its contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Each of the Lead Project Agencies shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis.
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. Each Lead Project Agencies will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the present Agreement, the present Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach Outreach in terms of beneficiaries, corresponding households reached and total number of HH members (based on an average size of 4.2 members per HH)	1 Persons receiving services promoted or supported by the project				M&E system: Beneficiary database	semester/annual	M&E officer	CI1: Out of the rural (formal) employee in agriculture, 92% are rural men and 8% are rural women across the three selected clusters. 30% of youth to be targeted CI 1.a: Assuming that canal rehabilitation under component 1 will benefit to all people in the household ; CI 1.b: Assuming an average household size of 5 persons. Youth considered are between 18-29 years
	Males - Males	0	60000	154000				
	Females - Females	0	50000	148000				
	Young - Young people	0	20000	69000				
	Total number of persons receiving services - Number of people	0	110000	302000				
	1.a Corresponding number of households reached				M&E system	Annual/Semi Annual	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists;	
	Households - Households	0	30000	90000				
	1.b Estimated corresponding total number of households members				M&E system/Beneficiary database	Continuous	M&E officer	
Household members - Number of people	0	126000	378000					
Project Goal To sustainably increase poor rural households' resilience through more efficient water use that will drive higher farm productivity and profitability	Households reporting an increase in resilience and recovery to shocks				COI survey	baseline, midterm, completion	Service provider	Political and macro-economic stability.
	Households - Percentage (%)	0	10	25				
	Households - Number	0	3000	22500				
Development Objective To increase the income and improve the livelihood of smallholder farmers	Households experiencing economic mobility (proxied by asset indicators i.e. Household, durable, productive, and livestock, natural, human)				COI survey	Baseline, Midterm, Completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs	Political stability, Macro-economic conditions remain stable.
	Households - Number		3000	22500				

involved in competitive and sustainable value chains leading to increased food security	Households - Percentage (%)	0	10	25			M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	Households reporting at least 20% increase in incomes deriving from agriculture-based activities				COI survey	Baseline, mid term, completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	HH - Percentage (%)	0	20	40				
	Households - Number	0	6000	36000				
Outcome Outcome 1 Increased smallholder productivity and resilience through more efficient water management and Climate Smart Agriculture	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI HH survey	baseline, midterm, completion	Service provider	Farmers are willing to switch to and adopt more water efficient irrigation technologies and practices
	Total number of household members - Number of people	0	37800	264600				
	Households - Percentage (%)	0	30	70				
	Households - Households	0	9000	63000				
	1.2.4 Households reporting an increase in production				COI HH survey			
	Total number of household members - Number of people	0	50400	302400				
	Households - Percentage (%)	0	40	80				
	Households - Households	0	12000	72000				
	1.2.3 Households reporting reduced water shortage vis-à-vis production needs				COI survey	Baseline, Mid term, Completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact	
	Households - Percentage (%)	0	40	80				
	Households - Households	0	10560	72000				

	Total number of household members - Number of people	0	44352	110880			assessment contractors	
	Supported rural farmers' organizations reporting new or improved services provided by their organization and/or extension workers				COI POs survey	Baseline, Mid term, Completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	Farmers Organizations - Number	0	100	258				
	FO Members total Number - Number	0	1050	2640				
	Women FO members - Number	0	210	530				
	Male FO Members - Number	0	840	2110				
	Young FO Members - Number	0	310	790				
	SF.2.1 Households satisfied with project-supported services							
	Household members - Number of people		37800	283500				
	Households (%) - Percentage (%)		30	75				
	Households (number) - Households		9000	67500				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers							
	Household members - Number of people		37800	283500				
	Households (%) - Percentage (%)		30	75				
	Households (number) - Households		9000	67500				
Output Output 1.1 Climate resilient irrigation infrastructure constructed/rehabilitated	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				M&E system	semester/annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,	
	Hectares of land - Area (ha)	0	5000	12600				

	3.1.4 Land brought under climate-resilient practices				M&E system	Annual/Semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists, MoALR and MoWRI	
	Hectares of land - Area (ha)	0	5000	12600				
Output Output 1.2 Smallholder farmers capacitated and accessing technology and inputs	1.1.3 Rural producers accessing production inputs and/or technological packages				M&E system	semester/annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,	Strong coordination mechanisms are established to reduce any risk of unclear implementation responsibilities across two ministries (MoALR and MoWRI) and allow for a smooth implementation
	Males - Males	0	7500	18750				
	Females - Females	0	2500	6250				
	Young - Young people	0	3000	7500				
	Total rural producers - Number of people	0	10000	25000				
	1.1.4 Persons trained in production practices and/or technologies				M&E system	semester/ annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,	
	Total number of persons trained by the project - Number of people	0	7200	18000				
	Men trained in crop - Males	0	4500	11250				
	Women trained in crop - Females	0	1500	3750				
	Young people trained in crop - Young people	0	1800	4500				
	Men trained in livestock - Males	0	360	900				
	Women trained in livestock - Females	0	840	2100				
	Young people trained in livestock - Young people	0	360	900				
	Total persons trained in crop - Number of people	0	6000	15000				

	Total persons trained in livestock - Number of people	0	1200	3000				
	2.1.2 Persons trained in income-generating activities or business management				Service provider records, system M&E	Annual/Semi-annual	Service provider; Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,	
	Males - Males	0	5600	14000				
	Females - Females	0	2400	6000				
	Young - Young people	0	3200	8000				
	Persons trained in IGAs or BM (total) - Number of people	0	8000	20000				
	Rural farmers' organizations supported							
	Rural FOs supported - Number							
	Total size of FOs - Number of people							
Output Output 1.3 Supporting farmer organizations and strengthening government extension services	Community members and extension workers capacitated				M&E system	Annual/Semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,	The project is able to develop a strong consensus among farmers in contiguous command areas thanks to an effective participatory planning, and farmers' involvement in designing irrigation solutions to address concerns of limited ownership and delayed benefits at the farm level.
	Community members and Extension workers - Number	0	500	1200				
	Community members and Extension workers - Males	0	140	350				
	Community members and Extension workers - Females	0	360	850				
	Community members and Extension workers - Young people	0	240	610				
	Rural farmers' organizations supported				M&E system	Annual/semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs	
	Rural FOs supported - Number		130	323				

	Total size of FOs - Number of people		1300	3300			M&E specialists, MoALR and MoWRI Governorate Implementation Units M&E officers, Component leads.	
	Males - Number		970	2640				
	Females - Number		330	660				
	Young - Number		390	990				
Outcome Outcome 2 Strengthened farmers', women and youth's participation in inclusive and environmentally sustainable value chains and better access to finance and markets	2.2.1 Persons with new jobs/employment opportunities				COI Outcome Survey	baseline, midterm, completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	Agri-businesses have an interest in developing collaborative arrangements with farmers to source increased volumes of improved quality of produce. Farmers (including women and youth) have strong incentives to intensify market-oriented production, invest in and adopt climate resilient technologies and practices and engage in collective organization due to secure and profitable markets along with business development and financial support.
	Males - Males	0	520	1300				
	Females - Females	0	1560	3900				
	Young - Young people	0	1040	2600				
	Total number of persons with new jobs/employment opportunities - Number of people	0	2080	5200				
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities⁶				COI survey	baseline, midterm, completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	Households reporting improved physical access to markets - Percentage (%)	0	25	50				
	Size of households - Number of people	0	8715	34860				
	Households reporting improved physical access to processing facilities - Percentage (%)	0	25	50				
	Size of households - Number of people		8715	34860				

⁶ Market/storage facilities - Phase 1 – 140,000 (70,000 market facilities, 70,000 Storage facilities), Phase 2 – 1,800,000

	Households reporting improved physical access to storage facilities - Percentage (%)	0	25	50				
	Size of households - Number of people		8715	34860				
	Households reporting improved physical access to markets - Households		2075	8300				
	Households reporting improved physical access to processing facilities - Households		2075	8300				
	Households reporting improved physical access to storage facilities - Households		2075	8300				
	1.2.6 Partner financial service providers with portfolio-at-risk ≥30 days below 5%				Partner Financial Institutions system	Annual/Semi-annual	Partner Financial Institutions; Coordination unit M&E Manager	
	Percentage - Percentage (%)	0	100	100				
	Farmers engaged in formal partnerships/agreements or contracts with public or private entities				COI survey	Baseline, Midterm, Completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	Farmers - Number of people	0	6880	17200				
	Women - Number	0	1780	4450				
	Men - Number	0	5100	12750				
	Young - Number	0	2744	6860				
Output Output 2.1 Market and	2.1.6 Market, processing or storage facilities constructed or rehabilitated				M&E system	semester/annual	Coordination unit M&E Manager,	

post-harvest infrastructure established	Total number of facilities - Facilities	0	11	28			MoALR and MoWRI PMUs M&E specialists,				
	Market facilities constructed/rehabilitated - Facilities	0	10	25							
	Storage facilities constructed/rehabilitated - Facilities	0	1	3							
	Formal or informal Marketing groups established/strengthened								M&E system	Annual/Semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists,
	MOs supported - Number	0	320	800							
	Total size of MOs (number of people) - Number	0	4800	12000							
	Female - Number	0	1200	3000							
	Male - Number	0	3600	9000							
	Young - Number	0	1920	4800							
	Contract farming arrangements and Agri-PPPs established/strengthened										
Contract farming arrangements - Number	0	160	400								
Agri-PPPs - Number	0	1	1								
Output Output 2.2 Loans for innovative investments disbursed	1.1.5 Persons in rural areas accessing financial services				M&E system	Annual/Semi-annua	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists, Component Lead, PFIs				
	Men in rural areas accessing financial services - credit - Males	0	2800	7000							
	Women in rural areas accessing financial services - credit - Females	0	1200	3000							

	Young people in rural areas accessing financial services - credit - Young people	0	1200	3000				
	Total persons accessing financial services - credit - Number of people	0	4000	10000				
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas				M&E system	Annual/Semi-annua	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists, Component Lead, PFIs	
	Service providers - Service Providers	0	5	10				
Output Output 2.3 Supporting youth and women	Women and youth accessing business development services and matching grants				M&E system	Annual/Semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists, Component Leads	
	Total Number of persons - Number		4000	10000				
	Female - Number of people		2000	5000				
	Female Youth - Number		1000	2500				
	Male Youth - Number		1000	2500				
	Rural enterprises established or supported				M&E system	Annual/Semi-annual	Coordination unit M&E Manager, MoALR and MoWRI PMUs M&E specialists, Component Leads	
Rural Enterprises - Number		80	200					
Outcome Outcome 3 Influencing and promoting policies and government practices that increase smallholder farmers resilience and profitability	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				Qualitative assessment	Baseline, Midterm, Completion	Coordination unit M&E Manager; MoALR and MoWRI PMUs M&E specialists; Baseline, Mid-term and Impact assessment contractors	
	Number - Number	0	0	1				
	Policy 1 Policy-relevant knowledge products completed					semi-Annual	M&E Unit	

<p>Output Output 3.1 Evidencing of policies, relevant knowledge products and practices of efficient irrigation, climate smart agriculture practices and public private partnerships</p>	<p>Number - Knowledge Products</p>		<p>2</p>	<p>5</p>	<p>M&E system, Project records</p>			
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Integrated project risk matrix

Risk Categories and Subcategories	Inherent	Residual
Country Context	Substantial	Substantial
Political Commitment	Substantial	Substantial
<p>Risk(s): The December 2023 presidential elections in Egypt concluded with President Abdel Fattah al-Sisi winning a third term in office with 90% of the vote. This victory follows a constitutional amendment made in 2019 that extended the presidential term from four to six years and allowed President Sisi to stand for a third term. While the victory may instil some political stability, a government reshuffle is expected in a context of already high institutional fragmentation and high ministerial and staff turnover which could negatively affect the communication between IFAD and the Government, as well as implementation capacity.</p>		
<p>Mitigations: The re-election displays a strong commitment to provide support for national programs that promote climate action and to cooperate with international partners under the NWFE. IFAD as the lead of the food pillar continues to coordinate with other IFIs that have pledged for CROWN financing. During the design, all potential co-financing partners were consulted through a joint meeting to discuss modalities for aligning their respective activities under CROWN. Although specific financial commitments are yet to be defined and materialized, this reduces the interdependence of funding sources for CROWN project implementation and offers a modular approach for scaling up project activities both in terms of geographical expansion and impact. Additionally, MoPEDIC views CROWN as a platform for achieving sustainable development goals and reducing carbon emissions as part of the National Climate Change Strategy 2050, which illustrates the political commitment of the government.</p> <p>As concerns high staff turn-over IFAD will work with the government to protect PMU and PIU staff from frequent transfers and institute clear procedures and working modalities that will increase institutional memory and thus reduce the impact of staff turnover.</p>		
Governance	Substantial	Substantial
<p>Risk(s): Egypt's government maintains a highly centralized power structure. This concentration of power creates the following risks: Lack of Accountability: Decisions are often made without sufficient transparency or input from civil society. This risks major decisions being poorly conceived or lacking broad support. Policy Volatility: Changes in leadership or priorities can lead to abrupt policy shifts, disrupting economic activity and impacting foreign investment. Limited channels for public expression: This can lead to simmering resentment and potential social unrest. Elevated levels of corruption: This is especially so in large scale infrastructure projects.</p>		
<p>Mitigations: To mitigate against the risks of the application of top-down approaches in implementation of irrigation infrastructure investments and against the persisting high perception of corruption (Transparency International) CROWN will apply participatory planning approaches to irrigation development and address concerns of limited ownership and delayed delivery of benefits at farm level. In addition, the CROWN project will establish a programme steering committee (PSC) under the NWFE food pillar and composed of representatives from the governorates (initially Beni Sweif and Minya). This will reduce the chances of governance failures, which is accompanied by accessible recourse and dispute resolution mechanisms.</p>		
Macroeconomic	High	High
<p>Risk(s): Risk: A main risk is that the government will not be able to take on the IFAD loan, given the debt distress of Egypt. Besides IFAD loan proceeds, the CROWN financing envelope includes more than US\$1.5 billion loan financing which are still to be formally requested by the GoE from ERBD, EIB, IsDB, AIIB and AfDB.</p>		
<p>Mitigations: Debt vulnerabilities in Egypt are primarily due to domestic public debt. The country's external debt, though it represents a smaller share, is on the rise and may also pose future risks to the sustainability of its debt profile. The main policy measures to reduce public debt are aligned with the Egypt 2030 Vision, which includes improving liquidity and tradability of debt instruments, strengthening non-banking financial markets and gaining access to international financial markets. The country's macroeconomic outlook shows strong initiatives to implement structural reforms by the government. The rollover risk and debt</p>		

path remain macroeconomic concerns even though CROWN is exploring different financing terms for channeling co-financing. Inflation and exchange risk will be factored in the overall project financial and economic analysis.		
Fragility and security	Substantial	Substantial
Risk(s): The geo-political situation has deteriorated drastically, including the conflict in Gaza, maritime insecurity in the Red Sea and state collapses in neighbouring Libya and Sudan. Armed conflict and instability could spill over, even if Egypt until now has avoided any significant contagion. There is continuity at the Head of State level with the recent election of the incumbent President for a third term, assuring some level political stability and continuity,		
Mitigations: Egypt retains an inherent fragility risk, based on the Fragility State Index. However, at the local level, CROWN will mitigate conflict risks by implementing participatory planning methods and building institutional and capacity structures (of CDAs, WUAs, etc.) as well as leverage existing community-based grievance redress mechanisms associated with irrigation development.		
Sector Strategies and Policies	Moderate	Moderate
Policy alignment	Low	Low
Risk(s): The risk that the government will not have the resources or will to implement the core strategic plans incl.: the National Water Resources Plan, the Sustainable Agricultural Development Strategy this would undermine the modernizing of irrigation.		
Mitigations: CROWN aims to address water scarcity as one of the greatest and most imminent threats to Egypt and takes a holistic (nexus) approach realizing the interconnectedness with aspects of food security and energy efficiency. The relevant policies align with the COSOP and IFAD 12 strategic framework. At national level, CROWN aligns with the National Water Resources Plan, and the Sustainable Agricultural Development Strategy which prioritize modernizing and increasing irrigation efficiency and improving resource productivity. CROWN addresses IFAD's priorities of youth and gender sensitivity by promoting job opportunities and entrepreneurship. IFAD's climate financing priority will be ensured by linking rural finance with climate-resilient and renewable technologies.		
Policy development & implementation	Moderate	Moderate
Risk(s): There is a risk that projects interventions could not be effectively scaled up/sustainable due to the not conducive policy environment. In particular, within the on-going policy reforms agenda of Egypt, water availability is becoming a growing issue and concern for IFAD target group and IFAD project outputs delivery.		
Mitigations: Agriculture policies are based on solid evidence that water availability is declining in the sector. This requires joint action at all levels, including farmers investing in better practices for the in-field water distribution. Among the key components of the project will be building and strengthening local institutions (e.g., water users' associations and farmers' representations at branch canal levels), which have been foreseen in recent regulatory changes (amended Water Resources and Irrigation Law No. 147 of 2021 and its bylaws ratified in January 2023) but have not yet been fully implemented. This project will build upon farmers' increased awareness of their role and the additional opportunities brought about by the project. MoWRI and MoALR will also be required to adopt and own their role as change facilitators during this process.		
Environment and Climate Context	Moderate	Moderate
Project vulnerability to environmental conditions	Moderate	Moderate
Risk(s): Water scarcity is the main environmental problem in Egypt that is combined with inefficient irrigation techniques and inefficient management of irrigation infrastructure. The project might also operate in areas characterized with soil/water salinity. The combination of less water availability and low soil quality threatens the agriculture sector's sustainability and thus the country's food security.		
Mitigations: The project is expected to have major environmental and social benefits related to water conservation, stronger institutions to manage natural resources, more profitable agricultural investments and wider involvement for women and youth. The environmental focus of the project under NWFE allows for large investments in supporting youth and women-led enterprises that focus on processing agricultural waste - recycling, upcycling, composting and other forms of waste utilization will make use of material that is normally burned or disposed and causes numerous environmental problems. In addition, climate smart agricultural production techniques that promote water saving irrigation methods, use of adapted crop varieties and land preparation methods will be encouraged. Runoff and contamination of groundwater tables may also pose environmental		

challenges downstream. As such, monitoring at system level (groundwater and drains) will also mitigate the environmental risks of salinity at farm level.		
Project vulnerability to climate change impacts	Moderate	Moderate
Risk(s): The projected increase in temperature, climate variability and extreme events combined with sea level rise are the main climate hazards for Egypt that threaten the country's food security. The existing water scarcity in the country increases its exposure to these hazards. The country has a moderate adaptive capacity thanks to presence of a strong climate change policy framework and a good rural infrastructure basis.		
Mitigations: The Project will increase agricultural productivity, combat water scarcity, increase water use efficiency, and maintain and manage soil fertility (through CSA practices such as mulching, shifting crop calendars). The project will invest in efficient irrigation infrastructure, promotion of climate smart agriculture techniques (addressing production inefficiencies affected by fragmented land), sustainable value-chain oriented agricultural activities, improved linkage to markets and demand-oriented advisory services to increase the resilience of selected value chains (horticulture, MAPs, cereals, livestock, etc.) to climate change.		
Project Scope	Moderate	Moderate
Project relevance	Low	Low
Risk(s): There is a risk that the programme will not be able to convince farmers to switch to more effective and efficient production regimes, in particular water saving methods. This is the core of the programme and also a key policy objective.		
Mitigations: The project focus is aligned with the Sustainable Agriculture Development Strategy Towards 2030, by supporting water-efficient agricultural production, demonstrating climate-resilient farming and enhancing the marketing capabilities of smallholder farmers and building capacity for micro-enterprises. The project support to Egypt's agriculture transition to modern and efficient irrigation for improved resources productivity is a key element of the GoE's updated National Water Resources Plan to 2037, designed to address water scarcity as the most pressing and potentially devastating threat for Egypt in the next decade.		
Technical soundness	Moderate	Moderate
Risk(s): CROWN hinges on the ability to find suitable, profitable, scalable and acceptable solutions to increased water scarcity, that will simultaneously economise on water while improving incentives to farmers to adopt the new technologies. However, the most effective incentive, that of putting a price on water, is not an option as that is against government policy. Hence there is a risk that the solutions suggested may not be sufficiently convincing.		
Mitigations: Through CROWN, IFAD's past achievements and those of the government will be built upon and scaled up. There are several key lessons learned from past projects, including OFIDO, IIP, IIIMP, PRIME and SAIL. Participatory irrigation management designed to improve the knowledge, management, and technical capacity of existing WUAs regarding water efficiency and equity will be the first pillar of a long-term strategy. The implementation of an M&E system will also lead to a unified information management system, as well as the development of appropriate tools and methodologies for monitoring and identifying areas for improvement. Additionally, in the absence of water pricing, the project will have to convince farmers about the benefits of modern irrigation for long-term sustainability of proposed investments in irrigation infrastructure. CROWN will establish demonstration plots for modern irrigation and improved furrow irrigation to collect detailed information on the costs, benefits and irrigation efficiency of the water-saving irrigation technologies. The results of the demonstration plots will allow farmers to take free, prior and informed decisions on investing in irrigation equipment. The project will provide a groundwater well at the mesqa pump station as a backup water source that will ensure that water is available when needed for irrigating the crops.		
Institutional Capacity for Implementation & Sustainability	Substantial	Substantial
Implementation arrangements	Substantial	Substantial
Risk(s): The main risks of the implementation arrangements are related to ensuring proper coordination and collaboration during implementation, especially concerning the two-line ministries, MoALR and MoWRI. If this collaboration is compromised it will be difficult to ensure implementation progress and overall project effectiveness.		
Mitigations: The Programme Steering Committee (PSC) for the food pillar of the NWFE will guide the CROWN program on policy and strategic direction. To handle the broad scope of the NWFE, a dedicated CROWN PSC will be established, comprising senior ministerial staff tasked with translating NWFE guidance into		

national policies. The Minister of MoPEDIC will appoint the PSC Chair, and members will include representatives from Beni Sweif and Minya governorates, as well as officials from MoPEDIC, MoE, MoALR, MoWRI, PFI, and selected private sector agribusiness and export representatives (if required). Two Lead Project Agencies will oversee project implementation: the Ministry of Water Resources and Irrigation (MoWRI) and the Ministry of Agriculture and Land Reclamation (MoALR) and two PMUs will be established at the two Ministries.. In Phase II, the credit line will be implemented by the wholesaler MSMEDA and ADP with their existing structure.		
M&E arrangements	Moderate	Moderate
Risk(s): There is a risk that the COWN's M&E processes and systems will not be able to monitor, validate, analyse and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner. This is especially critical as CROWN will need robust evidence to be able to provide scalable models to ensure that the benefits are replicated.		
Mitigations: All project components and sub-components will use a simple target group monitoring tool to track socio-economic characteristics of the project's target group. To measure poverty outreach, 50% of beneficiaries should be classified as poor in the T&K database. ADP and MSMEDA will provide consolidated progress reports quarterly. In addition to collecting data and case study material for CSA demonstrations, enterprise development etc., the M&E team will manage knowledge management activities.		
Project Financial Management	High	High
Organization and staffing	High	Substantial
Risk(s): lack of dedicated FM staff to carry out the programme.		
Mitigations: qualified FM staff to be seconded or recruited based on agreed TORs in, PMUs of MoALR and MoWRI on full time basis and to be trained by IFAD on financial management policies and procedures. The appointment/recruitment of key FM staff will be condition for disbursement.		
Project budgeting	High	High
Risk(s): a) many layers within the budget creation and approval process leading to delays in finalization and submission of AWPB; b) Overruns and unrealistic budgets and weak monitoring and controls over actual against budget.		
Mitigations: a) Each of the two PMUs to prepare own AWPB, and PMUs/agencies involved in the implementation of the programme will receive assistance to ensure that the budgets are prepared in a realistic and appropriate manner; b) steering committee meetings to be held to discuss budgets and implementation progress. c) Interim financial reports, prepared by each PMU/agency showing progress against budgets to be submitted to IFAD.		
Project funds flow/disbursement arrangements	High	High
Risk(s): funds are not requested and channelled in a timely manner to meet disbursement needs.		
Mitigations: a) dedicated designated account(s) for each PMU/agency; b) submission of quarterly WAS based on IFRs/cash forecast by each PMU and training of FM team on IFAD's procedures for withdrawal.		
Project internal controls	High	High
Risk(s): a) absence of Financial Management manual tailored to the operation to reflect the internal control system; b) Weak control structures magnified with vast distances between Centre and governorates; c) absence of risk based internal auditor function		
Mitigations: a) a draft FM manual has been prepared and to be updated and maintained by PMUs/agencies at the start-up/ implementation phase as needed; b) collaboration between finance and M&E teams on physical missions; and include verification of sample of end beneficiaries and civil work in the TORs of external auditor		
Project accounting and financial reporting	High	Substantial
Risk(s): lack of accounting software system to facilitate recording and reporting as per IFAD requirements; b) inconsistency between different PMUs in the accounting standard adopted for preparation of the accounts		
Mitigations: An accounting software system to be purchased and installed by each PMU; b) training on IPSAS cash basis for financial management teams of both PMUs		
Project external audit	High	High
Risk(s): noncompliance with IFAD requirements in term of quality, timing and scope		

Mitigations: a) Engage a private audit firm to conduct external audit for each agency; and ensure yearly pre- audit and post-audit meetings to discuss with selected firm the scope and deliverables including agreed upon procedures based on cleared TORs by IFAD.		
Project Procurement	Moderate	Moderate
Legal, regulatory and policy framework	Moderate	Moderate
Risk(s): Egypt has a well-functioning procurement framework despite challenges in operationalizing the complaints, and e-tender systems. National SPDS have some variances from minimum IFAD requirements.		
Mitigations: The Project will rely on National PP Law and Regulations to the extent not conflicting with IFAD Rules. National SPDS for simple and national-level procurement can be adapted to meet minimum requirements. ICB and Consulting Services will follow IFAD rules and SPDS.		
Institutional Framework and Management Capacity	Moderate	Moderate
Risk(s): Key risks relate to publicity and access to the e-tenders platform, weakness of training programs, and absence of procurement monitoring/review reports and data.		
Mitigations: PIU staff will sit for BUILDPROC and any other needed training; publicity of procurement opportunities will be maximized; Support and supervision missions will be intense at project starting period; mandatory standstill period will be adopted. OECD Pillar III – Public Procurement Operations and Market Practices		
Public Procurement Operations and Market Practices	Moderate	Moderate
Risk(s): The procurement market is functioning well, but with absence of strategic planning and key role allocations internally and externally.		
Mitigations: PIU capacities in strategic planning and strategic market engagement should be strengthened coupled with extensive GPN dissemination and robust staffing practices.		
Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
Risk(s): The effectiveness of complaints, audit and performance review functions is not evident in presence of multiple agencies (GAGS, ASA, ACA, Complaints Bureau, etc.).		
Mitigations: IFAD will exercise review and control through IS and SM's as well as the daily support by the Country Team. IFAD's policies and reporting hotlines will be accessible to all bidders and interested parties.		
Assessment of Project Complexity	Moderate	Moderate
Risk(s): Risks of non-interoperable or incongruent outputs is high in case procurement is segregated.		
Mitigations: Strategic Packaging is of critical importance as well as the coordination of procurement by various PIUs.		
Assessment of Implementing Agency Capacity	Moderate	Moderate
Risk(s): The Rating on PIU has been derived tentatively from analyzing the SAIL PIU; it should be updated once the PIU is set-up.		
Mitigations: Proper selection of PIU staff and continuous training commencing with start-up are of critical importance; the role of the IFAD country team is critical to handhold and support especially in the early years of the project.		
Project Procurement Overall	Moderate	Moderate
Risk(s): Egypt has a developed procurement framework with some deviations from IFAD's and international mainstream systems and has a well-functioning market; however, the institutional setup has its limitations especially with respect to access to opportunities from abroad, roles and responsibilities for audit and monitoring and complaints management. The sector has a sufficient supply of experienced practitioners with the national system, but attracting high qualifications to procurement positions and training such staff is a critical success factor. Critical areas in capacity building include strategic planning, consulting services procurement, contract management and SECAP.		
Mitigations: A PIM will elaborate on areas where the national system deviates from minimum IFAD requirements; ICB and consulting services will follow IFAD rules that must also be respected with regards to policies, self-certification, reporting hotlines and mandatory standstill. Staff recruitment and training will be reviewed by IFAD and a sufficient number of support and supervision missions will be conducted. PIU staff will need to embrace the PIM and PS in order to strategize procurement delivery, SECAP integration, etc. International access to etenders.gov.eg should be resolved to ensure open and free worldwide access.		

Environment, Social and Climate Impact	Low	Low
Biodiversity conservation	Low	Low
Risk(s): The project will not intervene in protected areas or areas of significant biodiversity. The project will not also utilise genetically modified organisms or introduce alien species.		
Mitigations: N/A		
Resource efficiency and pollution prevention	Moderate	Moderate
Risk(s): The project may inadvertently increase the use of fertilisers and pesticides as a result of the increase in agricultural activity following irrigation infrastructure investments.		
Mitigations: The project will raise awareness on the negative agricultural practices that can lead to environmental externalities such as resource inefficiencies and pollution. As such, the project will aim to decrease pollution due to optimized agrochemical use. This includes trainings on climate smart agricultural practices which will emphasize the use of organic fertilizers and integrated pesticide management techniques to mitigate this risk and contribute to sustainable natural resources management. An Integrated Pest Management (IPM) and Solid waste management (SWM) plan have been developed and annexed to the ESCMP.		
Cultural heritage	Low	Low
Risk(s): The project will not intervene in areas with cultural significance nor have an impact on the intangible cultural heritage. However, Egypt is rich in archaeological and cultural sites, and project activities building infrastructure (collection centres, warehouses etc.) could possibly be involved in such a process.		
Mitigations: Although the project is not working in areas with cultural significance nor have an impact on the intangible cultural heritage, the Archaeological Chance Find procedure has been developed as part of the SECAP		
Indigenous Peoples	Low	Low
Risk(s): The project will not intervene in areas with indigenous people or vulnerable ethnic groups.		
Mitigations: N/A		
Community health and safety	Moderate	Moderate
Risk(s): The project will not cause any significant adverse impacts on the physical, mental, nutritional or social health/safety status of an individual, group, or population, including because of gender based violence.		
Mitigations: Instituting a gender sensitivity training and employment system for all participating Ministries, Departments and Agencies to ensure sexual harassment policy at all levels in the project. Incorporate administrative and legal measures against those workers who commit GBV and sexual harassment. Ensure that the GRM system is accessible to women and that immediate action is taken in case of documented GBV in the project's area. This includes a sensitization of men on gender equality issues, by integrating gender sensitization and training in FFSs and extension curricula		
Labour and working conditions	Moderate	Moderate
Risk(s): There is a moderate risk that child labour maybe involved in some of the project activities given the context of the agriculture sector in Egypt.		
Mitigations: The ESCMP developed includes measures linked to raising awareness on the impact of labour on children during trainings, the inclusion of terms prohibiting child labour in all procurement contracts and monitoring the execution of activities and reporting any cases to the project and relevant government stakeholders. The start-up workshop shall also highlight this to all stakeholders.		
Physical and economic resettlement	Low	Low
Risk(s): No physical or economic resettlement will result from any of the project activities.		
Mitigations: N/A		
Greenhouse gas emissions	Low	Low
Risk(s): GHG emissions because of some of the construction and transport activities will be negligible. However, indirect emissions may arise from an increased use of chemical fertilizers and pesticides		
Mitigations: The project is expected to reduce GHG emissions through investments in solar energy for pumping, warehouses and collection centres. In addition, the project will promote waste valorisation (i.e. use of livestock manure as organic fertilizer) which will reduce the use of chemical fertilizers and pesticides		

(fossil fuel based). CROWN will track the renewable energy activities supported under the project and provide GHG emission reduction potential of the project interventions following the default, Tier 1 approach of the Intergovernmental Panel on Climate Change (IPCC) Guidelines on National GHG Inventories.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate	Moderate
Risk(s): The increased productivity targeted by the project may cause a rise in the agricultural investments as the sector becomes more profitable. This may cause these investments to be vulnerable to the increasing climate change impacts caused by increase in temperatures, seasonal variations, increase in pests and diseases, sea level rise and more frequent extreme weather events.		
Mitigations: Using more efficient irrigation methods and climate-smart agriculture techniques (varieties that are more resistant to heat, salinity, and pests), the project will build the adaptive capacity of communities in the target areas. Additionally, by improving irrigation networks, managing land resources effectively, enhancing agro-industry and marketing systems, and building capacities for institutions and rural communities, CROWN is well aligned with the National Strategy for Adaptation to Climate Change and Disaster Risk Reduction.		
Stakeholders	Substantial	Substantial
Stakeholder engagement/coordination	Substantial	Substantial
Risk(s): The risk that relevant stakeholders are not identified, both in terms of potential financiers (e.g. other IFIs wanting to contribute) but also in terms of marginalised potential beneficiaries. This could jeopardise both expansion of the CROWN and its reach in terms of depts and impact on rural poverty reduction.		
Mitigations: The full design includes a clear implementation modality with clear roles and responsibilities for MoALR, MoWRI and other key stakeholders. The institutional analysis has been updated based on the consultations held during the design phase. The Coordination mechanism (e.g., project steering committee) and other bodies have been defined. These will also be assessed during implementation for their effectiveness and inclusiveness. Moreover, all development partners and IFIs (potential co-financiers) have been consulted and kept informed of the progress of the project.		
Stakeholder grievances	Moderate	Moderate
Risk(s): There is relatively limited experience in Egypt on the existence of and even less so, the use of grievance and redress mechanism which could render them ineffective, leading to unaddressed stakeholder complaints that may undermine CROWN implementation and achievement of project development objectives		
Mitigations: The ESCMP includes a proposed Grievance and Redress Mechanism (GRM) that is project specific. The start-up workshop will make amendments to the GRM based on the feedback from the different stakeholders to better fit the project context. The GRM will be part of the M&E system and a database for complaints will be created including what actions were taken to address them.		