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Investir dans les populations rurales

République arabe d'Égypte

Programme d'options stratégiques pour le pays 2019-2024

Note pour les représentants au Conseil d'administration

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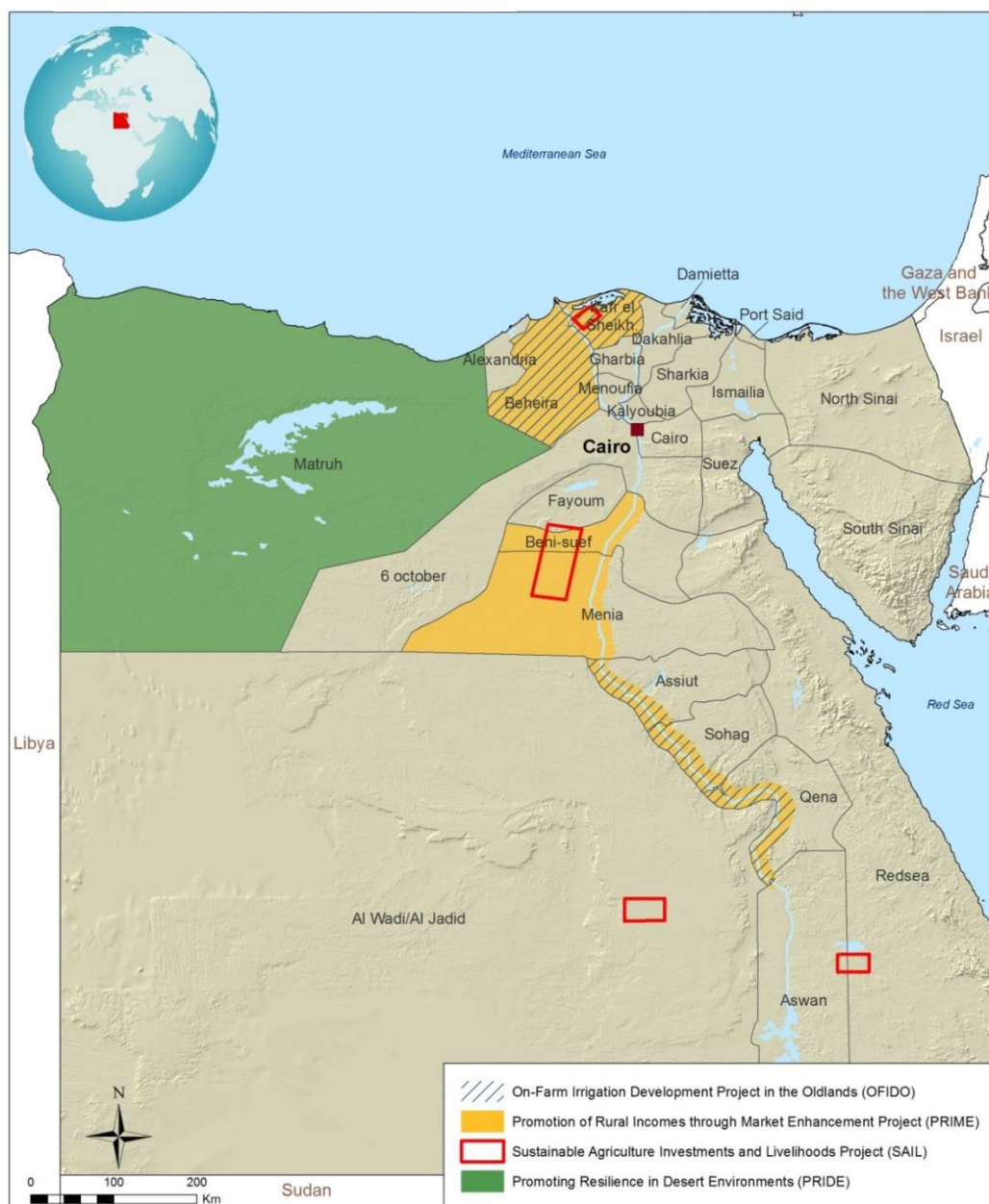
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Sigles et acronymes

ADC	Association de développement communautaire
COSOP	Programme d'options stratégiques pour le pays
FIDA11	Onzième reconstitution des ressources du FIDA
ODD	Objectif de développement durable
S&E	Suivi-évaluation

Carte du pays indiquant les zones d'intervention du FIDA

République arabe d'Égypte
Opérations financées par le FIDA
COSOP



Source: FIDA; 25/06/2018

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé

1. L'Égypte, qui fait partie des pays à revenu intermédiaire de la tranche inférieure, a entrepris récemment un certain nombre de réformes importantes, notamment la ratification de sa Constitution en 2014 et le lancement d'un vaste programme de redressement économique. Ce programme comprend des mesures d'assainissement budgétaire, la libéralisation du marché des changes, des réformes des activités commerciales et un certain nombre de mesures de protection sociale en faveur des personnes démunies¹.
2. Si la croissance du PIB égyptien – soutenue par ces réformes – devrait atteindre 6,5% par an à moyen terme, le pays est encore loin d'entrer dans la catégorie des pays à revenu intermédiaire de la tranche supérieure, du moins au cours de la mise en œuvre du programme d'options stratégiques pour le pays (COSOP) entre 2019 et 2024, étant donné que son taux de croissance démographique (2,6%) reste assez élevé.
3. Près de 57% de la population vit dans les zones rurales, où le taux de pauvreté est trois fois plus élevé que dans les zones urbaines. Environ 32,3% de la population rurale est pauvre. La Haute-Égypte, où le taux de pauvreté atteint 50%, est la région la plus touchée.
4. Le secteur agricole, qui fait vivre 55% de la population, est extrêmement vulnérable aux effets des changements climatiques. Le pays est frappé par une grave pénurie d'eau qui risque de s'aggraver. La sécurité de l'approvisionnement en eau d'irrigation est menacée par des problèmes de prélèvements en amont, d'infiltration d'eau salée et de gestion côtière.
5. Dans ce contexte, le présent COSOP constitue pour le FIDA un cadre stratégique à moyen terme lui permettant d'aider l'Égypte à progresser sur la voie du développement et à initier une transformation plus durable et inclusive du monde rural.
6. L'objectif général du COSOP est de contribuer à améliorer durablement les revenus et les moyens d'existence résilients des populations rurales égyptiennes. Dans cette optique, deux objectifs stratégiques complémentaires ont été fixés, le premier étant centré sur l'amélioration des moyens d'existence des ménages ruraux et le second sur l'élargissement de la marge d'action politique en faveur d'une transformation durable et inclusive du monde rural. Cette approche stratégique sur deux fronts permettra au FIDA de mettre à profit ses investissements fondés sur des projets pour produire des résultats concrets sur le terrain tout en ouvrant la voie à la mise en œuvre de mesures sectorielles transformatrices. Une telle stratégie permettra au FIDA de maximiser les effets catalyseurs de son engagement en Égypte.

Objectif stratégique 1: Améliorer les moyens d'existence des hommes et des femmes dans les zones rurales en augmentant la productivité et la rentabilité des activités liées à l'agriculture.

7. Cet objectif stratégique porte sur la question centrale de l'amélioration des revenus des populations rurales. Il consiste à donner aux ménages ruraux vivant de l'agriculture les moyens de produire et de commercialiser leurs produits de manière compétitive et rentable. Des services sur mesure de conseil aux entreprises et d'amélioration des infrastructures sociales et productives ainsi que des services financiers en faveur des pauvres seront mis en place à cette fin. Toutes les interventions seront menées de manière intelligente face aux changements

¹ Banque mondiale, Perspectives économiques – avril 2017.

climatiques et contribueront à promouvoir et à élargir le rôle des femmes et des jeunes.

Objectif stratégique 2: Élaborer des mesures renforcées à l'appui d'une transformation inclusive et durable du monde rural.

8. Il est essentiel d'élaborer et de faire appliquer des mesures efficaces de gestion de l'eau d'irrigation et de promouvoir un financement rural inclusif si l'on veut faire en sorte que le FIDA contribue aux efforts déployés par le pays pour atteindre les objectifs de développement durable (ODD), en particulier dans les domaines de la lutte contre la pauvreté rurale et de la sécurité alimentaire. Dans cette optique, le COSOP doit permettre au Fonds de jouer un rôle plus décisif dans le soutien à l'élaboration de ces mesures et aux ajustements nécessaires. Un tel engagement stratégique dans le pays reposera à la fois sur nos instruments de prêt et sur nos instruments autres que les prêts.
9. Le présent COSOP fixe le cadre stratégique des investissements couvrant deux cycles de prêt au titre de la Onzième reconstitution des ressources du FIDA (FIDA11) et de FIDA12. Le Système d'allocation fondé sur la performance (SAFP) prévoit un montant d'environ 58,4 millions d'USD pour FIDA11, et un montant proche pour FIDA12. D'autres ressources sous forme de dons serviront à financer diverses activités hors prêts. Le COSOP prévoit également l'établissement et le développement de partenariats stratégiques. Des objectifs de cofinancement ont été fixés pour faire en sorte que le financement relativement limité du FIDA stimule un cofinancement important de la part du Gouvernement et des principaux partenaires de développement. Les investissements ruraux prévus dans le cadre du présent COSOP pourront ainsi atteindre le niveau nécessaire pour faire face aux difficultés qui se posent en matière de développement.

République arabe d'Égypte

Programme d'options stratégiques pour le pays

I. Diagnostic concernant le pays

Contexte socioéconomique

1. L'Égypte a entrepris récemment un certain nombre de réformes importantes, notamment la ratification de sa Constitution en 2014 et le lancement d'un vaste programme de redressement économique. Ce programme comprend des mesures d'assainissement budgétaire, la libéralisation du marché des changes, des réformes visant le milieu des affaires et un certain nombre de mesures de protection sociale en faveur des personnes démunies².
2. Le taux de croissance annuel du PIB égyptien était de 4,2% en 2017 et devrait atteindre 5,4% en 2018 et 6,5% en 2022³. L'inflation globale annuelle a atteint des niveaux record en juillet 2017 (33%), mais est descendue à environ 11,4% en mai 2018⁴ et devrait continuer à baisser.
3. Le taux de croissance démographique annuel en Égypte est de 2,6%⁵, et la population devrait atteindre 151 millions d'habitants d'ici à 2050⁶. Cette croissance rapide entraîne l'empiètement des zones urbaines sur les terres agricoles et de fortes pressions, notamment sur les ressources en eau.
4. L'Égypte est vulnérable face aux risques que posent les changements climatiques et est exposée à des variations climatiques extrêmes. Cette situation a des répercussions directes sur la production agricole. Une augmentation de la température moyenne de 1,5 à 2 °C d'ici à 2040, qui est prévue, aurait pour conséquences une diminution de la production de blé de 12%, de maïs de 47%, de riz de 26% à 47% et de légumes de 28%⁷.
5. L'Égypte est classée 115^e sur 188 pays selon l'indice de développement humain (IDH) de 2017, avec un indice de 0,696. Si on inclut le critère de l'inégalité, l'IDH tombe à 0,491. Le pays a un indice de Gini de 31,8, qui a peu évolué récemment. Les inégalités entre les zones rurales et urbaines sont les principaux facteurs de l'inégalité globale.
6. Le taux de pauvreté reste élevé en Égypte depuis la révolution de 2011. Environ 27,8% de la population vit sous le seuil de pauvreté officiel⁸, contre 25,2% en 2010, et le taux de pauvreté extrême atteint 5,3%. La pauvreté dans les zones rurales est trois fois plus élevée que dans les zones urbaines. Dans les zones rurales de Haute-Égypte, 56,8% environ des habitants n'ont pas les moyens de subvenir à leurs besoins essentiels, alors qu'ils sont 19,7% dans les zones rurales du delta du Nil. En 2017, 73,6% des habitants de la Haute-Égypte étaient extrêmement pauvres⁹. Dans ces régions, le taux d'analphabétisme avoisine 38% chez les hommes et 62% chez les femmes. Les causes structurelles de la pauvreté sont notamment la petite taille des propriétés foncières, l'insuffisance des

² *Ibid.*

³ The Economic Intelligence Unit (septembre 2018).

⁴ Banque centrale d'Égypte.

⁵ FNUAP – Egypt's Demographic Opportunity (Preliminary Assessment Based on 2017 Census).

⁶ FNUAP – Population Situation Analysis Egypt 2016.

⁷ Troisième communication nationale à la Convention-cadre des Nations Unies sur les changements climatiques. Bureau égyptien des questions environnementales. Le Caire, 2016.

⁸ Agence centrale de mobilisation de l'opinion publique et de statistique. Le seuil de pauvreté officiel est fixé en moyenne à 482 EGP (environ 54 USD) par mois, et le seuil de pauvreté extrême à 322 EGP (environ 36 USD).

⁹ *Ibid.*

infrastructures publiques, les faibles niveaux d'accumulation de capital privé et le manque d'investissements en capital humain.

7. L'insécurité alimentaire résulte du manque de pouvoir d'achat. On constate que 22,3% des enfants de moins de 5 ans souffrent d'un retard de croissance et que 9,5% sont touchés par l'émaciation¹⁰. Par contraste, plus de 20% des adultes sont obèses. Le taux d'anémie chez les femmes en âge de procréer atteint 28,5%. La malnutrition dans le pays se caractérise par des problèmes de dénutrition, de carences en micronutriments et d'obésité. Les problèmes nutritionnels sont notamment liés au manque de revenus, aux prix élevés des denrées alimentaires, aux insuffisances de la production agricole et à une mauvaise alimentation.
8. **Problématique femmes-hommes.** Le principe de l'égalité des sexes dans l'exercice de tous les droits civils, politiques et économiques est inscrit dans la Constitution de 2014¹¹. Les femmes ont obtenu 87 sièges au Parlement aux dernières élections. Conformément à la Constitution, elles doivent représenter 25% des membres des conseils locaux. Si ces progrès sont encourageants, des écarts importants subsistent entre les sexes. L'Égypte est classée 134^e sur 144 pays selon l'indice mondial des disparités entre hommes et femmes de 2017. Les femmes ont toujours moins accès à l'éducation, à la santé, à l'emploi et aux ressources productives que les hommes. Elles sont plus vulnérables à la pauvreté, à l'insécurité alimentaire et aux problèmes de santé. En 2017, le taux d'activité des femmes était de 24%, contre 42%¹² pour les hommes, et le taux d'alphabétisation des femmes était de 67%, contre 83% pour les hommes¹³.
9. Les inégalités entre les sexes sont plus tenaces en milieu rural, bien qu'en 2016 le taux d'activité des femmes dans le secteur agricole ait en fait été supérieur (38%) à celui des hommes (22%)¹⁴. La lutte contre les inégalités entre les sexes est une des priorités de la Stratégie de développement durable à l'horizon 2030 (SDD 2030) fixée par le Gouvernement.
10. **Jeunes:** La part des jeunes dans la population égyptienne augmente rapidement. Environ 23,6% de la population a entre 18 et 29 ans¹⁵. Près de 48,5% des jeunes sont actifs et environ 34% sont sans emploi¹⁶, alors que le taux de chômage global est de 13,4%. Environ 37,7% des jeunes sans emploi ont un diplôme universitaire. La population des zones rurales est très jeune. Plus de la moitié des habitants de la Haute-Égypte ont moins de 29 ans, et un tiers ont entre 15 et 29 ans¹⁷. Plus d'un tiers des jeunes de ces régions font partie du quintile de richesse le plus bas.
11. **Secteur agricole:** Le secteur agricole assure la subsistance de 55% de la population et emploie directement environ 29% de la population active¹⁸. Une grande partie de cette population travaille de manière informelle dans le cadre de tâches familiales ou de subsistance non rémunérées. La superficie cultivée en Égypte couvre 7,2 millions de feddans¹⁹, soit seulement 3% de la superficie totale du pays. Bien que sa contribution au produit intérieur brut (PIB) ait diminué au fil du temps, l'agriculture représente toujours 13,2% du PIB et 20% des exportations. Les activités liées à l'agriculture, telles que la transformation, la commercialisation et la fourniture d'intrants, représentent 20% supplémentaires du PIB.

¹⁰ État de la sécurité alimentaire et de la nutrition dans le monde 2018.

¹¹ Articles 9, 11, 17, 27, 53.

¹² Portail de données de la Banque mondiale pour 2017.

¹³ Portail de données de la Banque mondiale pour 2013.

¹⁴ Portail de données de la Banque mondiale sur l'égalité hommes-femmes (2018).

¹⁵ Agence centrale de mobilisation de l'opinion publique et de statistique, 2017.

¹⁶ Educated but Unemployed: The Challenge Facing Egypt's Youth; Brookings Policy Brief, juillet 2016.

¹⁷ Banque mondiale. Young People in Upper Egypt: New Voices, New Perspectives, 6 septembre 2012.

¹⁸ CGIAR 2018.

¹⁹ Unité de surface utilisée en Égypte, approximativement 4 200,833 mètres carrés (environ 1 038 acres).

12. Le climat en Égypte est aride. Les précipitations annuelles moyennes varient de 60 à 190 millimètres (mm) le long de la côte méditerranéenne et de 25 à 60 mm dans le delta du Nil. En Haute-Égypte, elles sont inférieures à 25 mm par an. La disponibilité d'eau douce par habitant, qui était de 711,0 m³ en 2008, devrait passer à 550 m³ en 2030²⁰. La pénurie aiguë d'eau dans le pays risque de s'aggraver sous les effets de la croissance démographique et des changements climatiques. Presque toutes les cultures du pays sont irriguées. La sécurité de l'approvisionnement en eau d'irrigation se dégrade en raison de prélèvements en amont, d'infiltrations d'eau saline et de problèmes de gestion côtière. Les méthodes d'irrigation, principalement par submersion et par sillons, sont inefficaces. La demande d'eau augmente à mesure que l'irrigation gagne de nouvelles terres.
13. Les filières traditionnelles, opportunistes et informelles de commercialisation des produits ruraux sont encore utilisées, en dehors de certains produits destinés à l'exportation. Pour les agriculteurs, les coûts de transaction restent relativement élevés et les marges réduites.
14. Dans les zones rurales, l'accès au financement reste difficile. Les problèmes tiennent notamment aux exigences en matière de garanties et au manque de développement des systèmes de financement des chaînes de valeur. Les associations de développement communautaire (ADC) ont une capacité limitée de financement des entreprises rurales non agricoles. Des coopératives d'épargne et de crédit sont actives dans certaines localités, mais leurs résultats sont mitigés.
15. Les populations rurales manquent de moyens efficaces d'acquérir les compétences voulues en matière de gestion d'entreprise et de commercialisation. Les institutions au service des populations rurales ne sont pas en mesure de donner à ces dernières les moyens d'accroître durablement leurs revenus. Au niveau national, le manque de coordination entre les principales institutions au service du secteur agricole entraîne des dysfonctionnements et des contradictions.
16. **Défis et risques:** La principale préoccupation concernant les zones rurales est l'impact que devraient avoir les changements climatiques. La température annuelle moyenne dans le pays a augmenté d'environ 1°C au cours des 50 dernières années et devrait encore augmenter de 1,5°C en 2060 et de 2°C en 2080. La chaleur augmentera l'évapotranspiration et la consommation d'eau et accentuera encore la pénurie d'eau déjà grave. Les fluctuations de débit du Nil liées au climat sont un risque majeur en Égypte, qui en est fortement dépendante. Les projections climatiques pour le bassin du Nil ne permettent toujours pas de déterminer avec certitude si son débit augmentera ou diminuera (Butts *et al.*, 2016). Selon des études récentes, le débit moyen du Nil devrait augmenter de 10 à 15% au cours du XXI^e siècle²¹. Ce scénario est très réjouissant, vu la perspective d'une augmentation de 50% de l'écart type annuel du débit, et les crues et les sécheresses plus catastrophiques qui en découleraient.
17. L'incertitude générale concernant le contexte politique est inquiétante. Une instabilité politique pourrait retarder les réformes, créer de l'instabilité monétaire et faire monter l'inflation. Les activités menées dans le cadre du COSOP pourraient être perturbées si le Gouvernement changeait à nouveau ou si la situation économique du pays se détériorait. Une instabilité se propageant dans tout le pays compromettrait la reprise des investissements étrangers et du tourisme et entraverait la poursuite des réformes.

²⁰ Stratégie de développement agricole durable à l'horizon 2030.

²¹ Mohamed S. Siam, Elfatih A. B. Eltahir. Climate Change Enhances Interannual Variability of the Nile River Flow. Nature Climate Change, 2017.

18. La mobilisation d'un financement adéquat pour réaliser une transformation substantielle dans les zones visées est également hasardeuse. Le financement des interventions structurelles profondes nécessaires dans les zones cibles pourrait se révéler insuffisant. Les zones concernées par les activités du COSOP en Haute-Égypte sont particulièrement exposées aux problèmes de disparités femmes-hommes, démographiques et géographiques qui existent dans le pays. Pour les financer adéquatement, une stratégie de mobilisation a été élaborée dans l'optique d'explorer les diverses sources de financement auprès des donateurs existants, d'élargir la base de donateurs – en particulier le secteur privé et les fondations – et de renforcer la collecte de fonds en collaboration avec d'autres partenaires de développement.

II. Enseignements et résultats précédents

19. Les principales connaissances sont issues de l'expérience du FIDA en Égypte, ainsi que de l'évaluation thématique de la stratégie et du programme de pays du FIDA pour 2006-2016 menée par le Ministère de l'investissement et de la coopération internationale et de l'évaluation de la stratégie et du programme de pays (ESPP) en Égypte menée par le Bureau indépendant de l'évaluation du FIDA (IOE). Ces données se sont ajoutées aux observations et aux analyses de la mission du COSOP.
20. Le programme du FIDA en Égypte a porté sur deux grands thèmes et groupes d'activités: l'aide à la colonisation des terres gagnées sur le désert (les nouvelles terres) et l'aide à l'amélioration de la productivité dans les anciennes terres de la vallée du Nil et du delta du Nil. Les projets du FIDA, qui ont été principalement axés sur les petits exploitants agricoles, se sont progressivement étendus au secteur rural non agricole, compte tenu de la diversification croissante des moyens d'existence des populations rurales.
21. Les projets du FIDA ont bénéficié à 1,3 million de ménages, soit 7 millions de personnes, et ont porté sur 447 000 feddans (188 000 hectares). Dans les nouvelles terres, des projets du FIDA tels que le Projet d'établissement à Beheira ouest ont permis de mettre en place des communautés agricoles viables, dotées de toutes les infrastructures et de tous les services nécessaires. Le Projet de développement rural de Noubaria ouest a permis de faire passer le taux de peuplement de 25 à 100% dans les nouvelles terres. Environ 80% des agriculteurs bénéficiaires du projet ont augmenté leurs revenus, contre 44% seulement dans un groupe témoin. Le nombre de ménages dont les revenus sont assurés par des femmes a triplé. Le Projet de développement rural en Haute-Égypte, récemment achevé, a permis à environ 40 000 bénéficiaires d'accroître leurs actifs. Dans les gouvernorats de Qena et d'Assiut, les bénéficiaires du projet ont augmenté leurs revenus et leurs dépenses dans des domaines clés comme l'éducation, la santé et l'alimentation. Les projets du FIDA en Égypte ont mis un accent particulier sur l'intégration de la problématique femmes-hommes. Plus de 70% des prêts de microfinancement (plus de 50% en valeur) accordés grâce au FIDA ont été obtenus par des femmes.
22. Le COSOP a été élaboré dans le cadre d'un processus participatif et ouvert à tous. Les premières idées ont été émises lors d'un atelier organisé en collaboration avec IOE et le Ministère de l'investissement et de la coopération internationale au cours du quatrième trimestre de 2017. Le COSOP intègre les recommandations de l'ESPP contenues dans l'accord conclusif. Plus particulièrement, le COSOP permet de:
- Mieux cibler la pauvreté et resserrer la couverture géographique en concentrant les futurs projets d'investissement dans un ou deux gouvernorats de la même région.

- b) Mieux cerner les priorités thématiques et renforcer encore la viabilité des projets: cette question a été traitée grâce au formulaire d'identification de projet proposé, en accordant une attention particulière aux infrastructures hydrauliques rurales, à l'accès aux marchés et au financement et à l'adaptation aux changements climatiques. Toutes les activités feront l'objet d'une analyse de faisabilité portant notamment sur la durabilité de l'utilisation des ressources naturelles.
 - c) Consolider les mécanismes de mise en œuvre: l'équipe de pays, en collaboration avec le Ministère de l'investissement et de la coopération internationale et le Ministère de l'agriculture et de la mise en valeur des terres, renforcera la coordination du programme pour faciliter la transition vers une meilleure approche programmatique.
 - d) Mettre les connaissances acquises dans le cadre des programmes de prêt et don au service de la formation et de l'innovation. Des ressources sous forme de dons seront sollicitées auprès des fonds pour le climat – le Fonds pour l'environnement mondial, le Fonds vert pour le climat et le Fonds pour l'adaptation –, et seront assorties de composantes relatives aux connaissances et à la participation à l'élaboration des politiques pouvant être incluses dans des activités financées par des prêts.
23. Les choix stratégiques proposés pour le COSOP ont été validés dans le cadre d'un atelier national organisé en 2018 avec la participation des ministères concernés, notamment le Ministère de l'investissement et de la coopération internationale et le Ministère de l'agriculture et de la mise en valeur des terres, les partenaires de développement et les organismes d'exécution. Les enseignements et l'expérience du FIDA et des partenaires concernés ont été passés en revue. Il en ressort notamment qu'il faut:
- Utiliser plus efficacement les ressources en terre et en eau**
24. Les mesures d'incitation à la conservation de l'eau sont insuffisantes. Le statut juridique des associations d'usagers de l'eau n'est pas clair et leurs capacités sont limitées. L'absence de systèmes d'entretien régulier entraîne d'importants problèmes de durabilité. Dans ce contexte, les activités du COSOP en Égypte viseront à optimiser l'utilisation de l'eau à grande échelle et à favoriser le recours aux énergies renouvelables pour l'irrigation. Elles viseront en outre à gérer rationnellement les ressources en eau, à renforcer les capacités en la matière et à éclairer les processus d'élaboration des politiques et les décisions d'investissement dans le secteur agricole sur cette question essentielle.
- Rationaliser la finance rurale**
25. Le financement rural doit être amélioré. Les procédures d'obtention de prêts sont encore trop longues et compliquées, et les garanties et autres exigences imposées sont inadaptées aux communautés rurales. Pour résoudre ces problèmes, le COSOP favorisera une plus grande concurrence en matière d'accès au financement rural. Il utilisera à cette fin des procédures de refinancement ciblées et s'abstiendra d'attribuer des allocations ex ante aux institutions financières participantes. De nouvelles mesures viseront en outre à renforcer les capacités des ADC, qui joueront un rôle essentiel dans le domaine du microfinancement dans les zones rurales.
- Créer des liens plus forts avec les chaînes de valeur et le domaine de la vente**
26. Les opérations précédentes du FIDA ont permis d'établir des liens fructueux avec les chaînes de valeur et les marchés d'exportation. Les retombées financières n'ont cependant pas été systématiquement mesurées et analysées. La coordination entre les fermes-écoles et les associations paysannes de commercialisation ainsi que les possibilités d'agriculture contractuelle sont limitées, encore que les participants aux

fermes-écoles soient généralement membres d'une association paysanne de commercialisation. Toutes les activités liées aux fermes-écoles intégreront une composante d'analyse financière destinée à faire connaître les incidences financières des changements ou des innovations en matière de production agricole. Le COSOP améliorera la coordination entre les fermes-écoles et les associations paysannes de commercialisation. Une attention particulière sera accordée aux systèmes de vulgarisation mis en place dans le cadre de partenariats public-privé (PPP) et à la généralisation des systèmes d'agriculture contractuelle.

Continuer à mettre l'accent sur la question de l'égalité des sexes

27. Si le FIDA accorde une grande importance à l'égalité des sexes dans le cadre de ses programmes actuels, notamment en menant des activités en la matière dans tous ses projets, il subsiste en Égypte de grands obstacles structurels qui entravent la réalisation de ce principe. Dans le cadre du COSOP, l'accent continuera d'être mis sur l'intégration de l'analyse de la problématique femmes-hommes et des stratégies y afférentes dans la planification et la conception des projets, en accordant une attention particulière aux ménages dirigés par une femme. Les prochaines mesures viseront à donner aux groupes de femmes les moyens de surmonter les obstacles culturels qui entravent leur pleine participation aux activités rurales. Les activités menées dans le cadre du COSOP auront pour objet de développer les compétences et l'aptitude à l'emploi des femmes en fonction des qualifications les plus recherchées dans les gouvernorats visés.

III. Objectifs stratégiques

Objectifs et résultats

28. Le COSOP constitue un cadre stratégique pour les activités que mènera le FIDA en Égypte de 2019 à 2024, et se fonde sur une théorie du changement précise (voir figure). Le but premier est de contribuer à améliorer durablement les revenus ruraux et les moyens d'existence résilients en Égypte.
29. Pour y parvenir, deux objectifs stratégiques complémentaires ont été fixés, le premier étant centré sur le renforcement des moyens d'existence des ménages ruraux et le second sur l'élargissement de la marge d'action en faveur d'une transformation durable et inclusive du monde rural. Cette approche stratégique sur deux fronts permettra au FIDA de mettre à profit ses investissements fondés sur des projets pour produire des résultats concrets sur le terrain tout en ouvrant la voie à la mise en œuvre de mesures sectorielles porteuses de changements. Une telle stratégie permettra au FIDA de maximiser les effets catalytiques de son engagement en Égypte.

Objectif stratégique 1: Améliorer les moyens d'existence des hommes et les femmes dans les zones rurales en augmentant la productivité et la rentabilité des activités liées à l'agriculture

30. Cet objectif stratégique est centré sur l'amélioration des revenus ruraux. Il consiste à permettre aux ménages ruraux vivant de l'agriculture de produire et de commercialiser leurs produits de manière compétitive et rentable. Des services sur mesure de conseil aux entreprises et d'amélioration des infrastructures sociales et productives ainsi que des services financiers en faveur des personnes démunies seront mis en place à cette fin. Toutes les actions seront menées de manière intelligente face aux changements climatiques et contribueront à promouvoir et à élargir le rôle des femmes et des jeunes. Le COSOP favorisera une plus grande concurrence en matière d'accès au financement rural. Il utilisera à cette fin des procédures de refinancement ciblées et s'abstiendra de consentir des allocations ex ante aux institutions financières participantes. De nouvelles mesures viseront en outre à renforcer les capacités des ADC, qui joueront un rôle essentiel dans le domaine du microfinancement dans les zones rurales.

31. Le COSOP favorisera l'accès des petits exploitants aux informations concernant les techniques de production, de gestion après récolte et de commercialisation dans le cadre d'une approche plus systématique de l'agriculture contractuelle et du recours aux partenariats public-privé-producteurs (4P).
32. Les résultats attendus de la mise en œuvre de l'objectif stratégique 1 sont notamment:
- a) une meilleure productivité de l'eau, des terres et de la main-d'œuvre;
 - b) un meilleur accès aux marchés rémunérateurs et formels;
 - c) une plus grande inclusion financière des ménages ruraux pauvres; et
 - d) le renforcement et l'autonomisation des institutions communautaires.

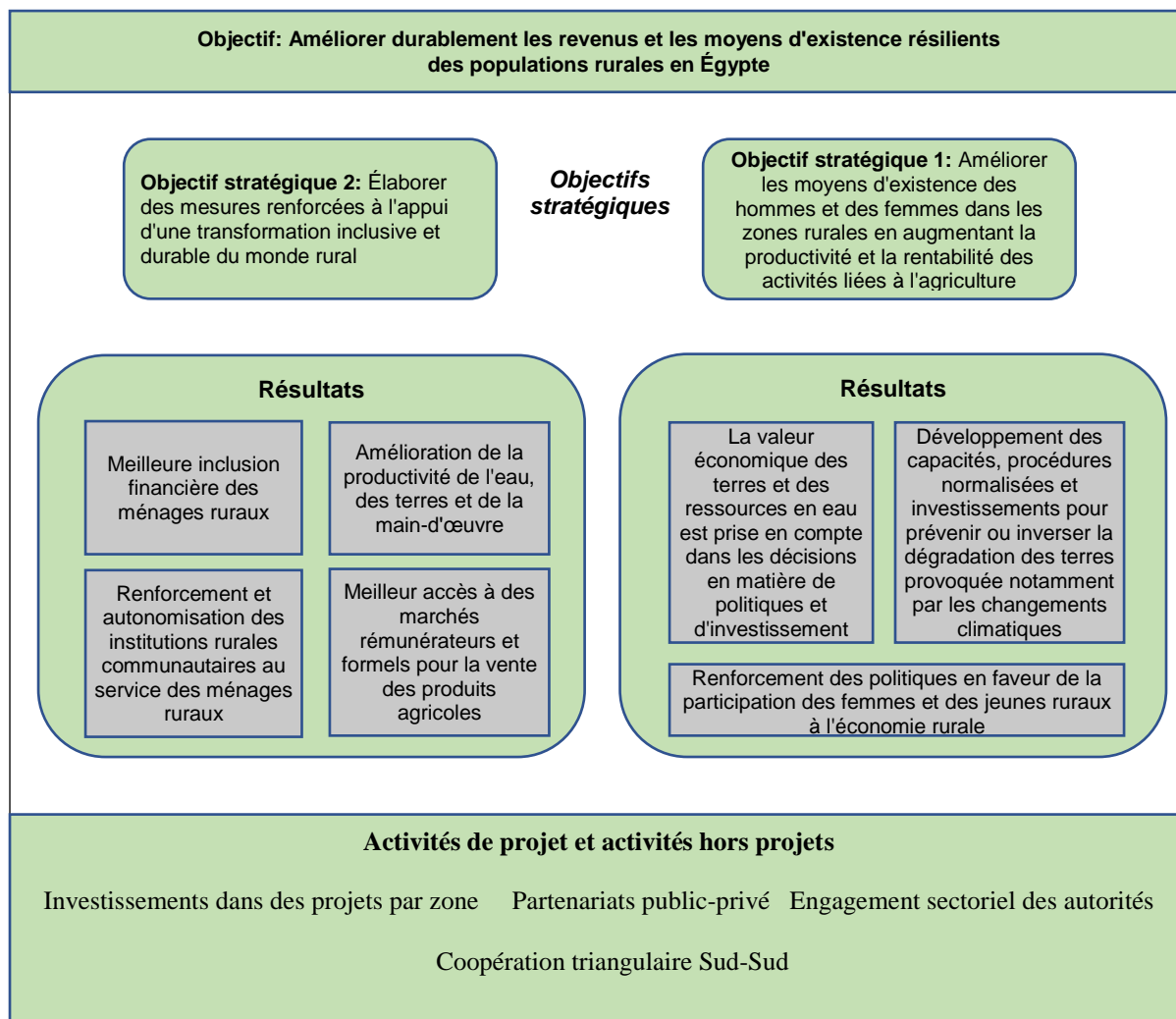
Objectif stratégique 2: Élaborer des mesures renforcées à l'appui d'une transformation inclusive et durable du monde rural

33. Il est essentiel d'élaborer et de faire appliquer des mesures efficaces de gestion de l'eau d'irrigation et de promouvoir un financement rural inclusif si l'on veut réussir nos interventions dans le pays. Le COSOP doit permettre au FIDA de jouer un rôle plus proactif dans le soutien à l'élaboration et aux ajustements nécessaires de ces mesures. Un tel engagement stratégique dans le pays reposera à la fois sur nos instruments de prêt et sur nos instruments autres que les prêts. Les investissements financés par des prêts serviront à mettre en lumière les techniques de maximisation de la productivité de l'eau et des terres. Les résultats et les enseignements qui en découleront seront ensuite dûment communiqués aux organismes publics, aux partenaires de développement et aux entités du secteur privé concernés en vue d'une transposition à plus grande échelle. On mettra également en évidence l'importance d'élaborer des politiques favorisant l'inclusion des femmes et des jeunes.

Les résultats attendus de la mise en œuvre de l'objectif stratégique 2 sont notamment:

- a) la prise en compte de la valeur économique des ressources en terres et en eau dans les décisions politiques et d'investissement;
- b) le renforcement des capacités, l'élaboration de procédures normalisées et la réalisation d'investissements permettant de prévenir la dégradation des terres induite par les changements climatiques et d'autres facteurs ou d'y remédier; et
- c) le renforcement des politiques en faveur de la participation des femmes et des jeunes ruraux à l'économie rurale.

Figure
Théorie du changement



Alignement stratégique et justification

34. Le FIDA mène des activités en Égypte depuis 1979 dans le cadre de toute une série de projets. Il est considéré par le Gouvernement et d'autres partenaires dans le pays comme étant l'un des principaux acteurs de la transformation bénéfique des zones rurales. Il peut apporter les ressources nécessaires à la conception et à la mise en œuvre d'un ensemble d'investissements ruraux en faveur des pauvres, qui se renforcent mutuellement et sont suffisamment élevés pour permettre d'agir. Le présent COSOP élargira le champ d'action du Fonds et lui permettra de renforcer, d'améliorer et de rationaliser ses interventions dans le pays.
35. Des activités de projet et d'autres activités seront menées dans le cadre du COSOP pour optimiser les investissements et les interventions. Elles porteront notamment sur le développement des moyens d'existence et l'élaboration des politiques. Des

modèles d'investissement efficaces et reproductibles seront mis au point dans cette optique.

36. Le COSOP a été élaboré en tenant compte des priorités fixées dans le cadre de FIDA11, afin de maximiser sa contribution à la réalisation des ODD, dans laquelle il devrait jouer un rôle important en Égypte. Sa mise en œuvre contribue en particulier à la réalisation des ODD 1 (pas de pauvreté) et 2 (faim zéro), conformément au Cadre de gestion des résultats de FIDA11. Les investissements du FIDA contribueront en outre à la réalisation des ODD suivants: ODD 5 (égalité entre les sexes), ODD 6 (eau propre et assainissement), ODD 7 (énergie propre et d'un coût abordable), ODD 8 (travail décent et croissance économique), ODD 9 (industrie, innovation et infrastructure), ODD 10 (inégalités réduites), ODD 13 (mesures relatives à la lutte contre les changements climatiques) et ODD 15 (vie terrestre).
37. Le COSOP est conforme à la stratégie globale de développement durable de l'Égypte à l'horizon 2030, en particulier aux deux piliers du développement économique et de l'environnement. Il concorde également avec la Stratégie de développement durable de l'agriculture à l'horizon 2030 élaborée en 2009 et avec le Plan-cadre des Nations Unies pour l'aide au développement (PNUAD) 2018-2022 qui a été approuvé. La mise en œuvre du COSOP contribue aux efforts que déploie le pays pour gérer ses ressources naturelles d'une manière inclusive, durable et productive afin d'atténuer les risques environnementaux et de promouvoir une économie et une société plus écologiques.

IV. Résultats durables

A. Ciblage et problématique femmes-hommes

38. Ciblage géographique: les investissements appuyés par le FIDA se concentreront sur un ou deux gouvernorats prioritaires, qui seront choisis avec le Gouvernement égyptien. Les critères suivants sont appliqués: i) taux de pauvreté et d'insécurité alimentaire les plus élevés; ii) effets de synergie entre les anciens et les nouveaux investissements fonciers; iii) vulnérabilité géographique; iv) risques climatiques et environnementaux; v) possibilités d'inclusion productive; vi) capacités des organisations économiques rurales; et vii) risques locaux élevés. Cette stratégie permettra de concentrer et de cibler les efforts pour maximiser l'efficacité des interventions, qui pourront être reproduites et transposées à plus grande échelle.
39. Groupe cible: les investissements se concentreront sur les ménages ruraux pauvres, qui sont actuellement ou potentiellement actifs économiquement. Ceux-ci bénéficieront de mesures spéciales d'inclusion des petits exploitants cultivant moins d'un feddan (0,42 hectare), des travailleurs sans terre, des jeunes sans emploi et des ménages dirigés par une femme.
40. Stratégie et plan d'action en matière d'égalité des sexes: l'égalité des sexes et l'autonomisation des femmes, qui sont deux des objectifs prioritaires de tous les nouveaux investissements, seront renforcées grâce: i) à la pleine participation des femmes aux activités des projets, notamment dans le domaine de la finance rurale; ii) à un environnement propice aux débouchés agricoles et à un niveau élevé de participation des femmes; iii) au développement des capacités et des compétences des femmes dans les zones rurales pour leur donner les moyens de se créer des débouchés professionnels. La stratégie du FIDA en faveur de l'égalité des sexes s'appuiera sur des interventions telles que l'adoption du plan d'action en faveur de l'égalité des sexes dans le cadre de la Stratégie nationale pour l'autonomisation des femmes égyptiennes à l'horizon 2030, ainsi que du plan d'action du FIDA pour l'égalité entre les sexes.

B. Reproduction à plus grande échelle

41. La reproduction à plus grande échelle sera l'un des grands principes de notre action. Le COSOP consolidera l'approche programmatique suivie jusqu'à présent. Les investissements se feront d'abord dans une zone géographique limitée et s'étendront à d'autres zones en fonction des résultats obtenus, en utilisant les ressources dont le Fonds disposera alors en plus des co-investissements des partenaires de développement.
42. Le FIDA utilisera des outils de communication modernes pour diffuser en temps voulu les bonnes pratiques et les possibilités d'exploitation des innovations aux parties prenantes et aux partenaires. Les possibilités de reproduction à plus grande échelle sont notamment:
 - a) la mise en œuvre d'un programme intégré de développement et de soutien des communautés des nouvelles terres dans le cadre des nouveaux projets proposés et de certains projets en cours;
 - b) des interventions climatiquement rationnelles, notamment grâce à l'application de critères intelligents face aux changements climatiques dans le cadre de tous les investissements en matière d'irrigation;
 - c) les programmes axés sur la nutrition et les moyens d'existence dans la région de Matrouh, notamment les programmes d'aide aux femmes dans les ménages et les écoles pour filles, seront transposés à plus grande échelle par les partenaires, comme le Fonds international de secours pour les enfants des Nations Unies et le Programme alimentaire mondial.

C. Participation à l'élaboration des politiques

43. La participation à l'élaboration des politiques avec les principaux ministères et organismes gouvernementaux, ainsi qu'avec les partenaires de développement, est l'un des piliers du COSOP, comme le montrent ses objectifs stratégiques et les résultats correspondants. Les priorités en la matière seront clairement établies, dans un nombre limité de domaines, en fonction de l'expérience acquise et des possibilités qui se présentent. Il s'agira dans un premier temps d'évaluer les résultats obtenus sur le terrain et d'apporter une assistance technique pour la réalisation d'analyses et la formulation de recommandations.
44. Une plus forte présence du FIDA dans le pays grâce au centre régional du Caire favorisera une plus grande participation aux groupes de travail existants et permettra de réunir de nouveaux groupes axés sur les questions techniques et politiques déterminantes en matière de renforcement de la productivité. Le directeur de pays, le personnel spécialisé du FIDA et les principaux responsables des programmes participeront aux comités et forums pertinents pour en assurer la coordination et faciliter la collaboration, tout en apportant des données et des exemples afin d'éclairer la concertation sur les politiques.

D. Ressources naturelles et changements climatiques

45. L'Égypte est particulièrement vulnérable aux effets des changements climatiques. Les températures devraient augmenter considérablement à l'avenir. Les phénomènes météorologiques extrêmes tels que les crues soudaines sont déjà plus fréquents. L'augmentation des températures et les modifications des cycles saisonniers pèseront sur la production alimentaire nationale. Les changements climatiques devraient également avoir pour effet de modifier la propagation, la fréquence et l'intensité des infestations de ravageurs et des maladies des végétaux. Le phénomène de salinisation provoqué par l'élévation du niveau de la mer menace les terres agricoles dans la partie nord du delta du Nil. Les risques et les problèmes particuliers dans les zones géographiques choisies par le Gouvernement et le FIDA pour les investissements futurs seront analysés en détail.

46. Les objectifs du COSOP s'inscrivent dans le cadre de la contribution prévue déterminée au niveau national de l'Égypte, qui vise à rationaliser la gestion de l'eau dans le secteur agricole au moyen de systèmes modernes d'irrigation et de drainage, à promouvoir des pratiques économes en énergie et à renforcer les moyens institutionnels et réglementaires de lutte contre les changements climatiques.

E. Agriculture et développement rural sensibles aux enjeux nutritionnels

47. Dans le cadre du programme de pays actuel, des projets de lutte contre la malnutrition et d'agriculture sensible aux enjeux nutritionnels sont menés et se poursuivront durant les activités à venir. Le Projet de promotion de la résilience en milieux désertiques et le Projet en faveur d'investissements et de moyens d'existence durables dans le secteur agricole permettent de traiter les questions de nutrition à travers des interventions et des prestations de ressources qui tiennent compte de la problématique femmes-hommes. Ces activités se poursuivront dans le cadre du COSOP et seront renforcées en mettant davantage l'accent sur la viabilité des ADC qui les gèrent.
48. Les enseignements tirés de ces deux projets éclaireront les nouveaux investissements. Toutes les interventions dans le domaine de la nutrition seront assurées par les organisations communautaires, et le matériel de communication sera élaboré et validé en collaboration avec le Fonds des Nations Unies pour l'enfance (UNICEF). L'examen à mi-parcours du COSOP inclura une évaluation de la situation nutritionnelle.
49. Il a été remarqué qu'il pourrait y avoir un lien entre les subventions alimentaires et la malnutrition, en particulier dans la mesure où elles contribuent à l'obésité. Cette question sera analysée avec le Gouvernement.

V. Réussite de la mise en œuvre

A. Cadre de financement

50. Le présent COSOP constitue le cadre stratégique des investissements pour les deux cycles de prêt que sont FIDA11 et FIDA12. Selon le SAFP du FIDA, le montant de l'allocation du Fonds pour l'Égypte pendant FIDA11 est de 58,4 millions d'USD, sur une base indicative, et devrait être le même pour FIDA12. D'autres ressources sous forme de dons seront mobilisées pour appuyer diverses activités hors prêts.
51. Le Gouvernement soutiendra les programmes du FIDA en les cofinçant grâce à des ressources publiques ou en faisant appel aux partenaires de développement. Le FIDA a en outre commencé à négocier avec la Banque africaine de développement, la Banque mondiale, la Banque islamique de développement et le Fonds de l'OPEP pour le développement international, ainsi qu'avec des partenaires bilatéraux et les interlocuteurs des fonds pour le climat. La stratégie de cofinancement devra viser un ratio global de cofinancement de 1/1,4. Le cofinancement national représentera 60% du montant, et le reste sera mobilisé auprès de sources internationales de financement du développement.

B. Suivi-évaluation

52. Dans le cadre du COSOP, il est prévu de renforcer les mécanismes de suivi-évaluation (S&E) des projets. Les investissements seront conçus de façon à garantir la prise en charge conjointe de ces mécanismes par tous les responsables des interventions du programme. Si la responsabilité générale de la mise en œuvre des mécanismes de S&E incombera aux directeurs de projet nationaux et régionaux, il faudra néanmoins veiller à ce que tous les exécutants des projets les comprennent et les utilisent.

53. Le Cadre de gestion des résultats du COSOP comporte des indicateurs relatifs à sa mise en œuvre et des moyens de vérification. Les résultats du S&E des projets contribueront à l'enrichir. Les données quantitatives et qualitatives en la matière permettront de comparer les progrès concrets et les résultats obtenus par rapport aux objectifs fixés et de prendre des mesures appropriées. Les indicateurs seront ventilés par sexe et par âge. Ils seront en outre conformes aux nouveaux indicateurs de base du FIDA et au Système de gestion des résultats opérationnels en ligne.

C. Gestion des savoirs

54. Les deux projets régionaux de gestion des savoirs menés actuellement en partenariat avec le Centre international de recherches agricoles dans les zones arides et l'Institut international de recherche sur les politiques alimentaires (IFPRI) contribueront activement aux activités en la matière que prévoit le COSOP. On peut notamment souligner le projet d'analyse des investissements arabes dans le domaine du développement, mené conjointement par le FIDA et l'IFPRI, qui a pour objet d'analyser les stratégies et les investissements ruraux pour favoriser des prises de décisions plus efficaces et plus concrètes par les pouvoirs publics. Il permettra de collecter des informations utiles et de les communiquer aux parties prenantes. Le processus de gestion des savoirs reposera sur la tenue d'ateliers et d'événements d'apprentissage conjoints. Sa mise en œuvre et la communication seront confiées au FIDA, au Gouvernement et au personnel du projet. Les prestataires de services qui y participeront seront également chargés de partager les enseignements tirés et de communiquer des études de cas particuliers et des notes d'apprentissage.

D. Partenariats

55. Le COSOP fournit au FIDA la possibilité d'étendre et d'intensifier les partenariats établis dans le pays, tout en prêtant une attention particulière à sa collaboration avec les autres organismes ayant leur siège à Rome. Les différents partenariats en place et ceux prévus durant la période couverte par le COSOP (2019-2024) sont présentés dans le dossier clé 3.
56. Le FIDA jouera un rôle clé dans la coordination des activités des donateurs et des partenaires de développement, notamment grâce à la plateforme régionale du Caire. Le COSOP visera notamment à recenser les possibilités de partenariat avec les donateurs et le secteur privé. De tels partenariats contribueront non seulement à accroître les ressources, mais aussi à créer des synergies et à faire concorder le programme de pays du FIDA avec d'autres programmes de donateurs. Le COSOP est complémentaire des travaux menés par d'autres partenaires de développement, et met l'accent sur l'inclusion sociale, l'adaptation aux changements climatiques et le développement de chaînes de valeur en Haute-Égypte. À cette fin, il faudra :
- agir en complémentarité avec les activités commerciales financées par l'Agence allemande de coopération internationale;
 - faire en sorte que la participation aux décisions politiques relatives à la durabilité des ressources naturelles et la coordination entre les ministères de l'agriculture et de l'irrigation s'inspirent des travaux précédents des donateurs, comme l'initiative des Pays-Bas de tenir des consultations annuelles entre ces ministères;
 - poursuivre la collaboration avec la Banque africaine de développement, dont l'étude de faisabilité sur l'utilisation de l'énergie solaire dans les systèmes d'irrigation entrera en ligne de compte dans le cadre des investissements prévus dans le COSOP.

E. Innovations

57. Ce COSOP permet d'exploiter plusieurs innovations importantes, notamment:
- a) l'introduction d'outils de finance rurale améliorés ainsi que de nouveaux canaux de distribution et l'utilisation de nouveaux produits tels que le crédit-bail financier et le financement des chaînes de valeur;
 - b) l'élaboration d'un système viable de 4P pour aider les agriculteurs à obtenir des conseils et un soutien spécialisés leur permettant de participer à des chaînes de valeur agricoles viables – une approche novatrice dans le pays; et
 - c) la création et la mise en œuvre d'une unité de gestion de programme unique, au lieu de plusieurs unités distinctes, afin de répondre aux besoins communs de tous les projets/programmes appuyés par le FIDA dans les domaines de la passation de marchés, de la gestion financière, de l'élaboration, du S&E des politiques et de la gestion des savoirs.

F. Coopération Sud-Sud et triangulaire

58. Le Cadre stratégique du FIDA pour 2016-2025 indique que le Fonds envisage de renforcer son avantage comparatif et d'élargir son action dans le domaine de la coopération Sud-Sud et triangulaire. L'accent sera mis sur les possibilités de développement des petites entreprises agricoles (notamment grâce à l'assistance technique intégrée, aux jumelages et aux plateformes de concertation sur les politiques) et sur les activités nouvelles ou novatrices qui favorisent la transformation du monde rural et l'amélioration des moyens d'existence. La mise en œuvre du COSOP y contribuera grâce à:
- a) des interactions avec certains projets menés conjointement avec le FIDA dans plusieurs pays de l'ex-Union soviétique (par exemple la République de Moldova) en vue d'examiner les mécanismes possibles de refinancement dans les zones rurales;
 - b) des interactions avec les projets menés conjointement avec le FIDA au Ghana en vue d'examiner des exemples de PPP fonctionnels et la fourniture par les banques de fonds propres pour le financement rural;
 - c) des interactions possibles avec des projets d'irrigation de petits exploitants soutenus par le FIDA au Kenya et en Éthiopie pour échanger des idées sur des projets durables, économes en eau et commercialement viables;
 - d) des interactions possibles avec les projets d'adaptation aux changements climatiques menés conjointement avec le FIDA dans la région Proche-Orient et Afrique du Nord; et
 - e) la participation éventuelle à deux initiatives régionales sur la coopération Sud-Sud et triangulaire appuyées par la Division Proche-Orient, Afrique du Nord et Europe et mises en œuvre par le Bureau des Nations Unies pour la coopération Sud-Sud en collaboration avec l'Institut national de la recherche agronomique d'Algérie.
59. Les transferts potentiels de connaissances de l'Égypte sont notamment: i) la mise en place d'infrastructures rurales d'approvisionnement en eau améliorées et de systèmes d'irrigation modernes; ii) l'intégration des infrastructures et des institutions communautaires dans les systèmes d'irrigation nouvellement créés.

COSOP results management framework

Country Strategy Alignment	Key Results			Indicative Activities
	Strategic Objectives	Outcome Indicators	Milestone Indicators	
<p>Sustainable Development Goals (SDGs): SDG1 (to end poverty) and SDG2 (food and nutrition security and sustainable agriculture). It and also contributes to many of the other SDGs.</p> <p>Egypt SADS2030 strategic objectives: (i) Sustainable use of natural agricultural resources; (ii) Increasing the productivity of both the land and water units; (iii) Raising the degree of food security of the strategic food commodities; (iv) Increasing the competitiveness of agricultural products in local and international markets; (v) Improving the climate for agricultural investment; and, (vi) Improving the living standards of the rural inhabitants and reducing poverty rates in the rural areas.</p> <p>Egypt-United Nations Development Assistance Framework (UNDAF: 2018-2022 Strategic programme framework that is guiding the cooperation between the GOE (2018-2022): (i) more efficient and sustainable use of scarce water and agricultural land resources;</p>	<p><u>GOAL</u></p> <p>to contribute to the sustainable improvement of rural incomes and resilient livelihoods in Egypt</p>	<p>Reduced rural poverty in targeted areas</p> <p>% of targeted households with improvements in asset ownership</p> <p>% of malnourished children</p>	<p>% increase in incomes by mid-term (men and women). SDG Target, 1.1, 1.2, 1.4, 5.A</p> <p>% increase in HH assets by completion. SDG Target, 1.1, 1.2, 1.4, 2.3, 2.4</p> <p>% reduction in malnourished children. SDG Target, 2.1 2.2</p>	<p>Lending/Investment and Non-lending activities for next 6 years:</p> <p>Lending Activities</p> <p>STAR:</p>
	<p><u>SO1</u></p> <p>Livelihoods of rural men and women are improved by enhancing productivity and profitability of agriculture-related activities</p>	<p>Enhanced water, land and labour productivity</p>	<p>No. of hectares of farmland under water-related infrastructure constructed or rehabilitated (drainage and irrigation facilities). SDG Target 2.3, 2.4, 6.4, 9.1</p> <p>No. of on farm irrigation equipment provided (related to water-use efficiency, crop productivity, reducing salinity risks and cost of water application). SDG Target 2.3, 2.4, 9.1, 13.1</p> <p>The construction of a competitively accessed rural refinancing fund. SDG Target, 1.4, 8.10</p> <p>No. of financial institutions able to make direct disbursement to on farm investments. SDG Target, 1.4, 8.10, 9.3</p>	<p>Total financing: USD million from:</p> <ul style="list-style-type: none"> IFAD under 2019-2021 PBAS cycle (USD 60 million) <p><u>Additional financing:</u></p> <ul style="list-style-type: none"> Co-financing to be mobilised (value TBC) <p>Non-lending/non-project activities</p> <p>Under the coordination of GOE and IFAD, collaborate in international SSTC programs.</p> <p>Resources will be mobilised by IFAD and partners to support the</p>
		<p>Access provided to rural men and women to remunerative and formal markets for produce</p>	<p>No. of PPPs developed that facilitate viable value chains to produce and market entities. SDG Target, 2.3, 2.A, 8.5, 8.6</p> <p>No. of farmers (men and woman) and rural micro entrepreneurs trained on business methods, cost accounting and risk</p>	

Country Strategy Alignment	Key Results			Indicative Activities
	Strategic Objectives	Outcome Indicators	Milestone Indicators	
(ii) promotion of agricultural productivity through supporting refinement and operationalization of agricultural, food security and nutrition policies and strategies; (iii) development and implementation of national and sectoral climate change adaptation plans, tools and programmes; also (i) innovative financing mechanisms for women's empowerment; (ii) increasing the capacity of women to engage in productive economic activity, including in agriculture and the informal economy, (iii) promoting active youth participation in the agricultural sector			assessment. SDG Target, 5.5, 8.5, 9.3	policy engagement agenda
		Enhanced financial inclusion for rural households	No. of farmers reporting using rural financial services (savings, credit, insurance, remittances, etc.). SDG Target, 1.4, 2.3, 9.3, 10.2 No. of women farmers with access to financial services tailored to their particular needs. SDG Target, 1.4, 5.1, 5.A, 9.3 No. of financial service providers delivering outreach strategies, and financial services to target areas. SDG Target, 1.4, 8.10, 9.3	
		Strengthened and empowered community based rural institutions to serve the rural households	No. of community based institutions trained to provide tailored services (for men women and youth) fitted to the needs of their rural households. SDG Target, 1.3, 1.4, 2.2 No. of rural households (male and female headed households) receiving services by community based institutions. SDG Target, 1.3, 1.4, 2.2	
	<u>SO2</u> Development of enhanced policies that support inclusive and sustainable rural transformation is fostered	Recognized economic value of land and water resources in policy and investment decisions	No. of policies announced and implemented that use the value of land and water to induce more efficient use and higher productivity. SDG target, 1.B, 2.3, 2.4, 6.4, 6.B, 13.2, 13.3 No. of communication programs developed on informing investors in the target areas on the value of land and water to induce more efficient use and higher productivity. SDG Target, 2.4, 4.B, 13.3	

Country Strategy Alignment	Key Results			Indicative Activities	
	Strategic Objectives	Outcome Indicators	Milestone Indicators		
		Developed capacities, standard procedures and investments to prevent or reverse land degradation induced by CC and other factors	No. of farmers supported to sustainably manage natural resources and climate related risks. SDG Targets, 1.5, 2.4,13.1		No. of ToTs trained on improved agricultural adaption methods. SDG Targets, 1.5, 2.4,13.1
		Enhanced policies that support rural women and youth participation in the rural economy	No. of policies developed targeting financial and social inclusion of women and youth. SDG Targets, 1.2, 2.3, 5.A, 5.C, 8.3, 8.6		
Partnership strengthening	Joint SSTC initiatives with partnership countries	No. of SSTC initiatives launched by mid-term. SDG Targets 17.3			

Agreement at completion point of last country programme evaluation

Agreement at Completion Point

A. Introduction

1. This is the second country strategy and programme evaluation (CSPE) for the Arab Republic of Egypt and it covers the period from 2005 to 2016. Its objectives are to assess the results and performance of the previous country strategic opportunities programmes (COSOPs) since 2005 and to generate findings and recommendations for the upcoming COSOP, to be prepared in 2018. The CSPE country mission took place in October 2016 and included field visits to eight governorates in Upper, Middle and Lower Egypt.
2. The Agreement at Completion Point (ACP) reflects the understanding between the Government of Egypt and IFAD Management of the main Egypt CSPE findings and recommendations. In particular, it comprises a summary of the main evaluation findings in Section B, whereas the agreements are contained in Section C. The ACP is a reflection of the Government's and IFAD's commitment to adopt and implement the CPE recommendations within specific timeframes.
3. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.
4. The ACP will be signed by the Government of Egypt (represented by H.E. the Minister of Investment and International Cooperation) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). IOE's role is to facilitate the finalization of the ACP. The final ACP will be submitted to the Executive Board of IFAD as an annex to the new COSOP for Egypt. It will also be included in the final Egypt CSPE report.

B. Key findings

5. The IFAD portfolio has addressed relevant issues of rural poverty over the period, in line with Government and IFAD priorities. IFAD's programme has brought localized solutions to address big development issues of rural unemployment and scarcity of land and water resources.
6. Following the recommendations of the last CPE, the country programme has shifted its focus to the poorer governorates in Upper Egypt and since 2006 a larger number of these governorates in Upper Egypt have received project support. The programme had an overall focus on smallholders, the landless, unemployed youth, and women, but projects often did not have specific strategies for targeting those groups and their participation was not systematically monitored.
7. Concentrated delivery of an integrated package of support, including infrastructure, has made projects effective in the new lands. The approach to integrated farming systems research and extension and the use of farmer field schools was highly effective. The main achievements of the country programme were the high outreach through agricultural extension, micro-loans and infrastructure and the large number of community organizations that were established or strengthened. In addition, the provision of irrigation and new cropping systems has made a contribution to improved land and water management practices.
8. Results could have been better if the main factors limiting project effectiveness had been prevented or resolved upfront, in particular, the time gap between design and implementation, slow start-up and implementation and complicated institutional arrangements with resulting coordination problems.
9. Credit was a key mechanism for delivering benefits to smallholder farmers. Over the review period, progress has been made in identifying and involving new partners in the rural credit components. Community development association

(CDA) loans disbursed through the Social Fund for Development have performed well and had some good poverty and gender impacts. However, the provision of microloans through CDAs is not sustainable yet and will require further support and capacity building. Partnerships with commercial banks are much needed to ensure the sustainability of the approach.

10. Insufficient allocation of funding for capacity development was a recurrent shortcoming of project designs, and this has led to bottlenecks in the implementation of project activities at the community level. It has ultimately limited the results of the components, including rural finance, irrigation and marketing. The portfolio supported a range of community-level organizations, but they often remained too weak to be effective. If the portfolio had a coherent and longer-term strategy to building the capacities of community organizations and had allocated sufficient funds to capacity building, its effectiveness would have been much enhanced.
11. Though overall disbursement rates have been constant over the period, disbursements were slow and at times problematic and projects had to be extended beyond their original closure date, to allow more time to disburse. The move towards larger projects did not result in efficiency gains. The recent projects have a larger geographic spread, covering villages in a larger number of governorates and higher management costs. Both have contributed to higher costs per beneficiary.
12. The various community-level organizations established or strengthened by the projects are only partly sustainable. In the new lands the CDAs continue to play a role in the maintenance of social infrastructure, although their financial sustainability may not be assured. The capacities of the water user associations (WUAs) are often weak and they lack the legal status which would enable them to open bank accounts, for example. A joined-up strategy to establish a clear role and legal status for the WUAs, coordinated between the Ministry of Agriculture and Land Reclamation (MALR) and the Ministry of Water Resources and Irrigation (MWRI), would be a major milestone to ensure their sustainability.
13. Efficient use of land and water resources has been a major theme in the portfolio from the outset. Yet environmental sustainability was not always addressed in a coherent way. Issues of comprehensive water management, including drainage, water reuse and water quality, as well as sanitation and waste water treatment were not consistently addressed.
14. Partnerships with key implementing partners, in particular MALR, have been strong, but few opportunities have opened to engage with new strategic partners at national level. The central project management unit in MALR was efficient and provided a reliable point of entry into Government. But its capacity was insufficient to convene sector-wide coordination and dialogue. Co-funding partnerships with the World Bank and the Italian Debt Swap (IDS) were important in the early period, but were not followed up later. Other forms of partnerships with bilateral donors could have been developed, given the strong complementarities and mutual interest.
15. Grants targeted areas that were of relevance to the country context, which included climate change and natural resource management, access to markets, rural finance and knowledge sharing networks. But, they did not create effective linkages that would have enabled uptake of findings through local partnerships or loan operations. Mechanisms for lesson-learning and scaling up are weak at country level and until now there have been few examples where grant funded innovations have been taken up by the loan portfolio. Loan component grants could have been used more effectively for capacity building and innovation.

C. Agreement at Completion Point

16. IFAD and Government will prepare a new COSOP for Egypt in 2018, which will build on the findings and relevant CSPE recommendations jointly agreed in this ACP, and provide the foundation of the main areas of intervention in the context of a renewed partnership and cooperation between the Fund and Egypt.
17. **Recommendation 1: Sharpen poverty and geographic focus and refine poverty targeting.** IFAD should reduce the geographic coverage of further interventions to fewer governorates within the same region. The interventions should target the poorest governorates *and* communities, based on relevant poverty indicators, and they should include explicit strategies for targeting different groups of the poor (e.g. marginal farmers, youth, and women). Targeting strategies will have to be based on good poverty analysis and followed up through appropriate monitoring of disaggregated data. New project designs and the upcoming COSOP should therefore include a poverty analysis that justifies the focus on the poorest governorates and communities, together with explicit strategies for targeting marginal farmers, youth and women.
18. **Agreed follow-up to Recommendation 1:** IFAD and the Government of Egypt (GoE) broadly agree with this recommendation. According to GoE priorities, development assistance needs to target the lagging rural regions, including areas in the Upper Egypt and Marsa Matrouh; these regions have the country's highest poverty rates and suffer from insufficient services. The COSOP, to be finalised in 2018, will accordingly develop a holistic approach to plan future interventions. Also, the new project Design Promoting Resilience in Desert Environments (PRIDE) is targeting one priority governorates as compared to previous projects (4 to 6 governorates). IFAD interventions target the poorest governorates and communities. The target groups include women, the formerly landless and vulnerable communities being resettled in new lands. Poverty analysis will be used to identify the communities for interventions, including the PRIDE project. IFAD will ensure the inclusion of a gender and poverty specialist during the detailed design mission to ensure enhanced integration of these issues. The approach adopted in PRIDE will be integrated in the COSOP as well. GoE and the Near East, North Africa and Europe Division of IFAD (NEN) will ensure that monitoring systems are enhanced in the projects. The officers will be sensitized in collecting gender and youth disaggregated data. The new design will include specific analysis on gender, poverty and nutrition (given the linkage of food insecurity and nutrition with overall poverty and vulnerability). Specific roles and responsibilities for all relevant stakeholders for poverty analysis, monitoring and evaluation will be identified across all future projects.
Responsible partners: MIIC, MALR, IFAD.
Timeline: IFAD and GoE to implement the agreed actions through the design of PRIDE in 2017 and the COSOP in 2018.
19. **Recommendation 2: Sharpen thematic focus and improve feasibility of design.** There are good reasons for IFAD to focus on thematic areas where it has demonstrated a comparative advantage (e.g. agricultural research and extension; sustainable management of water and land) and deepen its engagement there, for example by addressing issues of institutional sustainability, equal participation of women and youth, access to land, water and credit. There is also scope to better integrate climate-smart practices into the loan portfolio. The CSPE recommends that IFAD should be more selective with regard to the thematic areas and proactively seek strategic partners to overcome the lack of sufficient implementation experience, in particular related to marketing support and SME loans. The upcoming COSOP should include a selective focus on a few thematic areas where IFAD will be able to add value through innovation and change together with identified partners.

20. **Agreed follow-up to Recommendation 2:** IFAD and GoE broadly agree with this recommendation. The new design for PRIDE will integrate water management technologies in line with the recommendation to focus on IFAD's comparative advantage. The design for the project will also include an environmental specialist to specifically assess climate-related risks and vulnerabilities and recommend integration of climate-smart practices. According to IFAD International Rural Finance Strategy, decision tools for rural finance activities will be employed to assess the financial sector on the micro, meso and macro levels. The upcoming COSOP will identify areas where IFAD can add value through future operations. Needs assessment for targeted communities will be conducted for future interventions, with clear division of responsibilities across different actors. In this context; IFAD will develop better selection mechanisms for lending institutions in order to ensure the effective implementation of lending activities.
- Responsible partners: MIIC, IFAD.
- Timeline: IFAD and GoE to implement agreed actions by end-2018 through the new project design and the COSOP.
21. **Recommendation 3. Establish a structure for effective coordination and technical support within a progressing programmatic approach.** The call for fewer and larger projects together with the urgent need to address the overall poor performance and low efficiency justify the need for a programmatic approach. Integrating complementary projects and interventions into a programmatic approach would enable effective links between projects that are currently working in parallel or are following up on other projects. With or without a programmatic approach, there is an urgent need for a sufficiently resourced and capacitated programme coordination unit at central level. The structure will require a degree of autonomy and impartiality to be able to act as go-between for different ministries and implementing partners; it requires a clear line of accountability to the borrower (MIIC) and the main executing partner(s) (MALR); it also needs to be able to bring in professional expertise where gaps exist in project implementation, in particular on M&E, procurement and financial management, gender and rural institutions. As an immediate step, MIIC, MALR and IFAD should establish a working group to prepare a proposal for endorsement by the relevant ministries and IFAD Management.
22. **Agreed follow-up to Recommendation 3:** GoE recognizes the importance of enhanced coordination among different actors, and agrees on the need to adopt a holistic and programmatic approach in future programs. However, it does not wish to create additional bureaucratic layers that would negatively affect the operation of projects. GoE agrees that project/program coordination unit(s) require urgent technical and financial resources and support, however, their operation within the institutional structure as well as their accountabilities to line-ministries is crucial. While there is a degree of independence required for effective project implementation, accountability to ministries and the national executive is important. GoE and IFAD would work jointly to emphasize that project implementing agencies operate with the autonomy and expertise required, which is feasible with current structures. In particular, the MIIC agrees that coordination is sometimes a challenge in IFAD's as well as other development partners' projects. However, MIIC strongly calls for more effective mechanisms in selecting PMU staff on a competitive and full time basis. Financial as well as technical support for PMUs should be available to enhance the capacities and efficiency of national entities to perform the required duties. Meanwhile, the follow-up and supervisory role of the IFAD Country Office is crucial and thus it should, together with the MIIC desk officers, play a more active role in the monitoring and coordination.
- Responsible partners: MIIC, IFAD

Timeline: The agreed actions will be implemented as part of the design of PRIDE (2017).

23. **Recommendation 4. Manage knowledge from loans and grants to support learning and innovation.** IFAD should become an honest knowledge broker, supporting systematic learning from success and failure, facilitating learning partnerships that involve partners from loans and grants, and preparing good practices and strategic lessons for policy engagement and scaling up. IFAD should establish clear roles and responsibilities for knowledge management (KM) within the country (including ICO, government partners and projects) and at regional level. Based on the NEN regional KM strategy, the country programme should create effective links between grants and loans, M&E, implementing partners (local research institutes), and strategic partners (such as think tanks and development partners). As an immediate step, the NEN KM officer should support the ICO in the preparation of a KM action plan with clear responsibilities and allocated resources.
24. **Agreed follow-up to Recommendation 4:** IFAD and GoE broadly agree with this recommendation. Accordingly, IFAD and MIIC will ensure best practices from successes and failures are exchanged across national stakeholders. Lessons learned from IFAD experience will be integrated into the new portfolio, including the new project, from the concept note stage. Therefore the MIIC recommends the development of a database for lessons learnt to ensure knowledge sharing. At the IFAD regional level, the KM officer will ensure best practices are disseminated across the region and to a broader audience if relevant. The NEN regional KM strategy will be used to create linkages across the region. MIIC highlights that loans and grants' allocations on the regional levels and their links to national institutions and needs are hard to trace. Thus, specific KPIs for research objectives as well as efficient monitoring system need to be advanced to ensure effective fund allocations and knowledge management. Responsible partners: IFAD
Timeline: IFAD and GoE to implement by end-2018.
25. **Recommendation 5. Prepare a strategy for effective capacity building of community-level institutions with a perspective on scaling up under the new COSOP.** The programme should take stock of the existing institutions and the legal and policy framework with support from a rural institutions specialist. The stock-taking exercise could also involve a joint workshop or conference with other development partners, which would have the added benefit of experience sharing and partnership building. Based on this analysis, the COSOP would include a strategy for effective capacity building and policy engagement on rural institutions supported by IFAD. To mitigate the shortcomings in the ongoing projects, some immediate actions should be taken, whereby existing project component grants are better deployed for capacity building. For the upcoming projects, IFAD must ensure that the design includes a sufficient budget for capacity building from loans *and* grants. It must also ensure transparent planning and reporting on the use of project component grants for capacity building. As an immediate action, IFAD should plan a stock-taking exercise as part of the COSOP preparation process and follow-up on the proper use of project grants for capacity building.
26. **Agreed follow-up to Recommendation 5.** IFAD and GoE broadly agree with the recommendation. GoE agrees with the stocktake exercise on existing institutions and the legal and policy framework under the supervision and coordination MIIC and relevant government entity. Participatory workshops and/or conferences could be good opportunities to highlight needs and gaps so as to guide future interventions. MIIC notes that the legal, regulatory and functional framework for rural institutions needs to be enhanced, especially with regards to the WUAs, farmers' marketing associations, CDAs and cooperatives. This can be accomplished through a well targeted strategy for effective capacity building in the new COSOP as well as stronger coordination with development partners who are already

Appendix I

EC 2017/99/W.P.5

experienced in this area. IFAD and GoE agree that WUAs should be developed before infrastructure is established. However, the specific timeline for establishing community groups is an operational decision that will have to be taken as per an assessment of local contexts. Project grants will be used for capacity building where required. In future design of grants and loans, special attention will be paid to capacity building. IFAD will undertake a stock-taking exercise of the entire portfolio, including the grant portfolio as part of the COSOP preparation process. This stock-taking will assess the use of grants for capacity building, but will also reflect the other priorities of IFAD's Policy for Grant Financing.

Responsible partners: IFAD, MALR, MWRI

Timeline: The agreed sub-recommendation on stock-taking will be implemented as part of the COSOP process over 2017 and 2018.

Signed by:

H.E. Dr Sahar Nasr
Minister of Investment and International Cooperation
Government of Egypt, Cairo

Signature:



Mr Perin Saint Ange
Associate Vice President
Programme Management Department
IFAD, Rome

Signature:



COSOP preparation process including preparatory studies, stakeholder consultation and events

The Director of Near East, North Africa and Europe Division sent a letter dated 29 March 2018 to H.E. Minister of Agriculture and Land Reclamation of the Arabic Republic of Egypt announcing that IFAD will be fielding a mission from 22 April to 7 May 2018. The COSOP team included:

Abdelkarim Sma: NEN Regional Economist
Andrew Macpherson: Consultant/Mission Leader

Preliminary desk studies were undertaken during April 2018. The COSOP Mission visited from 22nd April to 7th May 2018. The Mission's work programme was as follows:

Date		Activities
Sunday	22 April	Mission arrival to Cairo
Monday	23 April	Meeting with Minister of Agricultural and Land Reclamation Meeting with Ministry of Investment and International Cooperation Meeting with IFAD Project Coordinators
Tuesday	24 April	Meeting with Agricultural Bank of Egypt (ABE) Meeting with Micro, Small and Medium Enterprises Development Agency - MSMEDA (Formerly SFD) Meeting with National Bank of Egypt (NBE) Meeting with Agricultural Development Program (ADP) Meeting with Commercial International Bank (CIB)
Wednesday	25 April	Meeting with UNDP Meeting with WFP
Thursday	26 April	Meeting with Egyptian Financial Supervisory Authority (EFSA) Meeting with JICA Meeting with International Centre for Agricultural Research in the Dry Areas (ICARDA)
Friday	27 April	Meeting with SAIL PMU in Alexandria
Saturday	28 April	Field visits - SAIL Project (Kafr El Sheikh Governorate)
Sunday	29 April	Field visits PRIME Project – (Behaira Governorate)
Monday	30 April	Meeting with EU Meeting with DRC Meeting with Ministry of Foreign Affairs
Tuesday	1 May	Meeting with UN resident coordinator Meeting with FAO
Wednesday	2 May	Analysis and report preparation COSOP team meeting
Thursday	3 May	Meeting with KfW Meeting with GIZ Meeting with (Contract Farming Dept. – MALR) Meeting with Ministry of State for Environmental Affairs, Egyptian Environmental Affairs Agency (EEAA)
Friday	4 May	Analysis and report preparation COSOP team meeting
Saturday	5 May	Preparation of presentation COSOP team meeting
Sunday	6 May	Stakeholder Workshop Wrap up meeting with Minister of Agricultural and Land Reclamation
Monday	7 May	Mission departure from Cairo

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Natural resources management and climate change adaptation: Background, national policies and IFAD intervention strategies

1. The following section presents the main environmental challenges and solutions in agriculture that are featured in the government strategies of the ministries for irrigation, agriculture and environment. More details can be found in the Environmental and Climate Assessment Preparatory Study (SECAP).

Use of land and water resources

2. The government of Egypt emphasizes the significance of water security as a great part of the Egyptian national security (SDS 2030). The country faces the following challenges in use of land and water resources.
3. Limited water resources. Egypt's total water requirement amounts to 76 billion cubic meters per year, but only 82% is sourced from fresh water resources. The shortfall between water resources and water needs of around 13 billion cubic meters is bridged by the recycling of agricultural water and industrial sewage water (CAMPAS 2017). However, this comes at the cost of water quality. One billion cubic meters come from non-renewable subterranean water in the deserts (AQUASTAT). The SDG2017 lists the overuse of non-renewable groundwater as a threat to water security taking into consideration that groundwater has a great importance as a strategic reserve.
4. Low water-use efficiency. Inefficient water use is very common. The mean efficiency of field irrigation systems is estimated at 50% (SAD2017). Most farmers use surface irrigation systems (applied on 76% of the cultivated area (AQUASTAT)) instead of modern water-efficient irrigation techniques (NAPA 2011). There is little economic incentive to reduce water consumption, because farmers do not pay for irrigation water itself. Many farmers also believe wrongly that excessive water use increases crop production. Water-use efficiency in agriculture has also declined as a result of a 30% reduction in the efficiency of water transport (NAPA 2011). Excessive irrigation in some fields lead to higher water losses, waterlogging and salinity problems in addition to representing a missed opportunity for increased agricultural production in new lands.
5. Deterioration of water quality. Water quality in the Nile is deteriorating along the course of the river. The main causes are the discharge of untreated, or partially treated, industrial and domestic wastewater and the excessive application of irrigation water that leads to the leaching of salts, pesticides and residues of fertilizer. Drainage return flows to the Nile increase the salinity of the water from 250 ppm (mg/l) at Aswan to 2,700 ppm at the delta barrages (TNC 2016). The Egyptian National Action Program to Combat Desertification from 2005 estimates 30% of the irrigated farmland to be salt-affected. High levels of organic substance cause eutrophication and stimulate the growth of water hyacinth that flourishes in nutrient-rich water bodies and clogs up canals.
6. Waste management. Egypt is challenged by its deficiency in waste collection, recycling, disposal and sewage systems. Society's awareness of the risks of bad waste management practices is low. About only half of all households in Egypt have access to safe sanitation services. This proportion falls to only 24% in rural areas where 59% of the population still depends on sewer trenches (UNDP 2015). Around 10% of the rural population do not have access to 'at least basic' sanitation (WASHwatch). Open-air burning of wastes, whether municipal or agricultural, is one of the main reasons for air-polluting emissions. High environmental pollution rates from agricultural wastes of about 26-28 million tons per year are reported in the SDS 2030. Rice straw, a residue considered to be an agricultural waste, is often burnt (though forbidden) or is dumped near canals where it slides into the canal and

clogs it. Solid waste disposal is also a problem. 50% of households in rural Upper and 46% rural Lower Egypt dump their waste into the street or a canal (PRIME PDR WP3).

7. Encroachment on agricultural land. Urban and peri-urban areas are encroaching on the fertile land especially within the Nile valley and delta. The land infringement is estimated to exceed about 20 thousand acres annually (SDS 2030). The National Water Resource Plan from 2005 estimated this number to be 45,000 feddan per year.
8. The described challenges lead to land degradation, loss in productivity and loss of agricultural land. They have serious negative impacts on environmental and human health. Pollution is listed by the National Biodiversity Strategy as one of the main threats to biodiversity. Poor water quality raises food safety concerns and could trigger scandals impacting food exports and causing great economic losses. The inefficient use of water resources pushes for the usage of non-renewable fossil water that is in some cases difficult to extract and of poor quality. Climate change, population growth, planned expansions of irrigation and geopolitical tensions (e.g. the establishment of the Ethiopian Renaissance Dam) add further pressures on water and land resources.

Solutions to promote water use efficiency and waste management

9. The SADS 2017 aims to improve water use efficiency from 50% to 80% and to reduce the average share of irrigation water per feddan, per year, from 6,900 to 5,565 cubic meters by the year 2030. The following list of measures extracted from the strategies for water, agriculture and environment and climate change increase water-use efficiency and water quality in the agricultural sector:
 - Promoting modern irrigation and drainage systems
 - Reducing water losses in water conveyance and distribution systems
 - Promoting farming systems and crops that require less water
 - Encouraging the use of environmental friendly agricultural methods
 - Increasing the efficiency in agrochemical usage
 - Promoting awareness and providing training services on water conservation and waste management
 - Promoting sanitation in rural communities
 - Improving agricultural waste management by composting and anaerobic digestion
 - Promoting waste collection and disposal systems for solid household wastes.

Climate change

10. Egypt is in particular vulnerable to climate change, because of its dependence on the Nile River as the primary water source, its large traditional agricultural base, and its long coastline.

Main climate change hazards

11. Temperature increase. The mean annual temperature in the country has increased by about 1 degree C in the last 50 years. For the future, projections from global climate models suggest a medium-strong increase in temperature. For the end of the century, a warming in the range of 1.8 to 5.2°C (compared to the reference period from 1971 to 2000) is likely (GERICS 2015).
12. Sea level rise. Egypt's long coastlines are vulnerable to changes in sea level. For the period 1955-2003, an increase of about 1.4 mm / yr (or 6.7 cm in total) has been observed for the eastern Mediterranean, which has accelerated in the last decade. Projections of changes in future mean sea level from global atmosphere-ocean general circulation model simulations suggest a sea level rise near Alexandria in the range from +0.38 to +0.82 m by 2090 for the high emission scenario (GERICS 2015).

that the city of Damietta, Ras el-Barr, Gamasa, the areas around Al-Burullus Lake, Al-Manzala Lake and Bardaweel Lake are expected to be inundated between 2040 and 2050.

17. Without vigorous adaptive actions, agriculture will become more and more challenging. Smallholder households may be forced to abandon farming. Rural communities will face higher unemployment, greater poverty and food insecurity. Climate change may have a great impact on agricultural value chains which will lead to a decline in GDP, increased food prices and consequent threats to national food security and social peace.
18. Climate change impacts all sectors, notably tourism. Storms, heat waves and flash floods can cause serious damage to infrastructure and result in the loss of human life.

Climate change adaptation and mitigation

19. Enhanced resilience to climate change will have to involve responding to water scarcity, increasing land and water productivity and livelihood diversification. Adaptation measures are mapped out in Egypt's Sustainable Agricultural Development Strategy for 2030, its Nationally-Determined Contribution (INDC) and the National Strategy for Adaptation to Climate Change And Disaster Risk Reduction (NAPA). Adaptation measures in agriculture include:
 - Changing sowing dates and crop patterns
 - Changing cultivars to those that are more tolerant to heat, salinity and pests and water efficient
 - Promoting climate-resilient, low-emission and environmental friendly farming systems (agro-ecology, organic farming, conservation agriculture and integrated crop management)
 - Improving soil health and fertility management
 - Improving on-farm irrigation and drainage
 - Improve livestock production (better animal feed, feeding technology, adapted productive breeds and manure management)
 - Operating pumps using renewable energy sources
 - Recycling and reuse of agricultural waste (composting and biogas)
 - Reducing pre- and post-harvest food losses
 - Integrated pest management that closely monitor insect and disease occurrence
 - Mitigation of carbon through reducing the area of rice cultivation

Country at a glance

Country Profile				
	1990	2000	2010	2016
World view				
Population, total (millions)	57.41	69.91	84.11	95.69
Population growth (annual %)	2.5	1.8	2.0	2.0
Surface area (sq. km) (thousands)	1,001.5	1,001.5	1,001.5	1,001.5
Population density (people per sq. km of land area)	57.7	70.2	84.5	96.1
Poverty headcount ratio at national poverty lines (% of population)	..	16.7	25.2	27.8
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	7.4	2.0	3.0	1.3
GNI, Atlas method (current US\$) (billions)	42.48	97.28	196.21	326.40
GNI per capita, Atlas method (current US\$)	740	1,390	2,330	3,410
GNI, PPP (current international \$) (billions)	213.66	413.21	796.13	1,051.09
GNI per capita, PPP (current international \$)	3,720	5,910	9,470	10,980
People				
Income share held by lowest 20%	8.7	8.9	9.1	9.1
Life expectancy at birth, total (years)	65	69	70	71
Fertility rate, total (births per woman)	4.7	3.2	3.2	3.3
Adolescent fertility rate (births per 1,000 women ages 15-19)	82	54	52	51
Contraceptive prevalence, any methods (% of women ages 15-49)	48	56	60	59
Births attended by skilled health staff (% of total)	37	61	79	92
Mortality rate, under-5 (per 1,000 live births)	86	47	29	23
Prevalence of underweight, weight for age (% of children under 5)	10.5	9.4	6.8	7.0
Immunization, measles (% of children ages 12-23 months)	86	98	96	95
Primary completion rate, total (% of relevant age group)	73	88	101	94
School enrollment, primary (% gross)	89.1	91.0	103.6	103.6
School enrollment, secondary (% gross)	72	79	69	86
School enrollment, primary and secondary (gross), gender parity index (GPI)	1	1	1	1
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.1	0.1	0.1
Environment				
Forest area (sq. km) (thousands)	0.4	0.6	0.7	0.7
Terrestrial and marine protected areas (% of total territorial area)	11.6
Annual freshwater withdrawals, total (% of internal resources)	..	3,168.3	4,100.0	4,100.0
Urban population growth (annual %)	2.2	2.0	1.9	2.2
Energy use (kg of oil equivalent per capita)	562	581	863	815
CO2 emissions (metric tons per capita)	1.32	2.02	2.41	2.20
Electric power consumption (kWh per capita)	663	962	1,551	1,658
Economy				
GDP (current US\$) (billions)	43.13	99.84	218.89	332.93
GDP growth (annual %)	5.7	5.4	5.1	4.3
Inflation, GDP deflator (annual %)	18.4	4.9	10.1	6.2
Agriculture, forestry, and fishing, value added (% of GDP)	18	16	13	12
Industry (including construction), value added (% of GDP)	27	31	36	32
Exports of goods and services (% of GDP)	20	16	21	10
Imports of goods and services (% of GDP)	33	23	27	20
Gross capital formation (% of GDP)	29	20	20	15
Revenue, excluding grants (% of GDP)	23.0	24.3	24.8	21.0
Net lending (+) / net borrowing (-) (% of GDP)	-2.0	-6.7	-7.7	-10.7
States and markets				
Time required to start a business (days)	..	40	13	15
Domestic credit provided by financial sector (% of GDP)	99.8	89.0	69.4	119.6
Tax revenue (% of GDP)	13.2	13.4	14.1	12.5
Military expenditure (% of GDP)	3.6	2.7	2.1	1.7
Mobile cellular subscriptions (per 100 people)	0.0	1.9	84.0	102.2
Individuals using the Internet (% of population)	0.0	0.6	21.6	41.2
High-technology exports (% of manufactured exports)	..	0	1	0
Statistical Capacity score (Overall average)	86	88
Global links				
Merchandise trade (% of GDP)	37	20	36	24
Net barter terms of trade index (2000 = 100)	101	100	140	147
External debt stocks, total (DOD, current US\$) (millions)	33,016	29,195	36,834	67,214
External debt stocks, total (DOD, current US\$) (millions)	33,016	29,195	36,834	67,214
Total debt service (% of exports of goods, services and primary income)	28.6	9.8	6.1	18.9
Net migration (thousands)	-460	-74	-275	-275
Personal remittances, received (current US\$) (millions)	4,284	2,852	12,453	18,699
Foreign direct investment, net inflows (BoP, current US\$) (millions)	734	1,235	6,386	8,107
Net official development assistance received (current US\$) (millions)	6,065.2	1,370.8	599.2	2,130.3

Project Identification Form (PIF)

Country	Egypt
Full Project Name	Sustainable Transformation for Agricultural Resilience in Upper Egypt (STAR)
Project ID number in GRIPS	2000002202
Estimated Project Costs	US\$ 85 million
Estimated Co-financing	GEF estimated US\$ 15 million, US\$ 10 million GoE co-financing in the form of tax exemption. Additional GoE co-financing to be sought.
Is this an Additional Financing operation to fill in a Financing Gap?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is this an Additional Financing to scale up a well performing project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is this a Phase II project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is the project expected to be operating in a fragile situations or affected by political conflict and/or macro-economic instability in the country?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Using a Complex approach? <i>Such as a: Programmatic approach; Results- based lending ; Regional operations, 4Ps approach; and or operating in a new country etc.</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
In the current or past portfolio, are there systematic start-up delays, or recurrent major project management issues.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Will Fast Implementation Start Up (FIPS) Funds be used?	P-FIPS <input type="checkbox"/> T-FIPS <input type="checkbox"/> No <input checked="" type="checkbox"/>
Contributions to IFAD strategic Objectives (select only one)	SO1 <input checked="" type="checkbox"/> SO2 <input type="checkbox"/> SO3 <input type="checkbox"/>
Target Groups	Farmers <input checked="" type="checkbox"/> Organizations <input checked="" type="checkbox"/> Women <input checked="" type="checkbox"/> Youth <input type="checkbox"/> IPs <input checked="" type="checkbox"/> Others : Men
Development Problem	Poverty and hunger
Project Description	<p>STAR would be located in 1 or 2 Governorates in rural Upper Egypt, which is in line with IFAD's targeting mandate. About 56.8% of those living in Upper Egypt's rural areas cannot meet their basic needs, compared to 19.7% in the Nile Delta's rural areas. The region includes about 38 percent of Egypt's population and 67 percent of it is poor. The number of direct beneficiaries is tentatively estimated at around 50,000 rural HHs (or about 300,000 beneficiaries). The project will adopt an inclusive targeting approach, focusing on Female Headed Households and female youth. The goal of STAR is: to support the government to contribute to the sustainable improvement of rural incomes and resilient livelihoods in Egypt. The development objective is: enhanced resilience and incomes of smallholders through increased productivity and integration in sustainable marketing and rural finance systems.</p> <p>The expected outcomes include:</p> <ol style="list-style-type: none"> 1. Enhanced on-farm productivity; 2. Enhanced resilience to climate change; 3. Enhanced access to markets through 4P partnerships; 4. Enhanced access to rural financial products for both smallholders and pro-poor agri-businesses.

Project approach: thematic areas <i>Select up to 3 from the list</i>	Rural Enterprise Development & Non-farm employment opportunities	<input type="checkbox"/>
	Natural Resource Management	
	Land	<input type="checkbox"/>
	Water	<input type="checkbox"/>
	Energy	<input type="checkbox"/>
	Biodiversity	<input type="checkbox"/>
	Support to rural producers organizations	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>
	Rural infrastructure	<input type="checkbox"/>
	Technical and vocational skills development	<input type="checkbox"/>
	Improved agricultural technologies (depending on ADB study)	<input checked="" type="checkbox"/>
	Effective production services	<input type="checkbox"/>
	With Livestock	<input type="checkbox"/>
With Aquaculture / Fisheries	<input type="checkbox"/>	
Inclusive financial services	<input type="checkbox"/>	
Integration of poor rural people within value chains	<input checked="" type="checkbox"/>	
Food security and Nutrition	<input type="checkbox"/>	
Project CD/CPM	Dina Saleh	
Project Technical Lead	Wafaa El Khoury	

COSOP Support for Policy Engagement

I. Review of Government Policies for Agriculture and Rural Development.

Background

1. The rapidly increasing population size, water scarcity, dependency on food imports, and levels of extreme poverty in the rural areas are the key elements that shape agriculture and rural development policies in Egypt.
2. Agriculture is an important sector in the Egyptian economy and a key pillar for food security. The sector contributes an average of 13.2% to the GDP²². Over 80% of Egypt's water supply is used in agriculture with most of it coming from the Nile. A significant supply also comes from groundwater while less than 2% cultivation is rain-fed. The sector employs around 29% of the population²³. Also, agricultural and rural development policies are of particular importance because of their impact on other domains such as food security, water, the environment, jobs, poverty levels and the economy.
3. Egypt's constraints in achieving overall sustainable agriculture and food security include water insufficiency for agricultural purposes, extreme poverty among small-scale farmers, lack of coordination and integration between various stakeholders, complicated local administration system, unclear direction in agricultural development, declined governmental investments in the agriculture sector, weak infrastructure, as well as deficiencies in the design of specific intervention policies such as the long-standing universal food consumption subsidies.
4. Increasing productivity of land and water through more efficient use of those limited resources is necessary for increasing agricultural production. Land reclamation projects that had been conceived in the 1990s have been revived in the aftermath of the 2007/08 spikes in food prices, together with the modernization of irrigation systems and related infrastructure, as well as the recognition of the need for pricing and recycling of water.
5. Access to finance continues to be an issue for small-scale farmers and to the rural population. Although the legal and regulatory framework is coming into place, gaps still exist and what is currently available remains unfavourable to easy access to financial services particularly in the rural areas.
6. Despite what looks like a bleak picture in agriculture and rural development, Egypt has a unique climate, ecology and location which provides it with great potential for increasing agriculture production and for growing incomes in the rural areas. Unlocking the potential of the Egyptian agriculture sector requires taking full advantage of the recent series of economic reforms that liberated the Egyptian pound, introduced the value-added tax, and decreased energy subsidies. At this juncture, Egypt has a unique opportunity to focus on sector level policies including those within agriculture.

A. Major Strategies and Policies for Rural and Agricultural development

7. Food self-sufficiency has long been a key policy goal for Egypt. Article 79 of the 2014 constitution, for example, notes: "Each citizen has the right to healthy, sufficient

²² An Agricultural Policy Review of Egypt, First Steps Towards a New Strategy (CGIAR 2018)

²³ World Bank 2017

amounts of food and clean water. The state shall provide food resources to all citizens. It also ensures food sovereignty in a sustainable manner, and guarantees the protection of agricultural biological diversity and types of local plants to preserve the rights of generations²⁴”

8. Agricultural strategy in Egypt emphasizes the establishment and promotion of the physical base of agricultural activities in old lands and more specifically in the new lands to respond to the growing and changing population and export food needs. It also focuses on (i) maximizing productive efficiency from the limited resources available specially water, ii) providing expansion to redistribute population for demographic, economic, social and political reasons, iii) establishing new rural settlements in the new reclaimed lands, and iv) developing capacities of rural communities. Below are main strategies that cover Agriculture and Rural development:

B. The Sustainable Development Strategy (SDS)

9. The SDS is the overarching Egyptian Development Strategy until 2030. It has followed the sustainable development principle as a general framework for improving the quality of lives and welfare, taking into consideration the rights of new generations in a prosperous life; thus, dealing with three main dimensions; economic, social, and environmental. In addition, the SDS is based upon the principles of “inclusive sustainable development” and “balanced regional development”; emphasizing the full participation in development, ensuring its yields accrue to all parties. The strategy, as well, considers equal opportunities for all, closing development gaps, and efficient use of resources to ensure the rights of future generations.
10. For the agricultural sector, the SDS places emphasis on increasing self-sufficiency with regard to the agricultural products that contribute much to consumption, such as wheat and maize, with the objective of making the most of the water and land resources in a sustainable way. This strategy is at odds with the low economic value of cereals in relation to water used and Egypt’s limitations in increasing production of these crops due to severe scarcity of land and water resources. Modest progress towards production targets so far suggests that the dependency on imports in basic food stuffs will persist. At the same time, tapping the potential exportable production in high value crops remains a challenge due to lack of specific policies in support of this. Some of the specific objectives of the SDS are to:
 11. Develop a unified long-term political, economic and social vision as the base for short and medium-term development plans at the national, local and sectorial levels.
 12. Align national development objectives with those of the post-2015 United Nations Sustainable Development Goals (SDGs) and the Sustainable Development Strategy for Africa 2063.
 13. Enable the civil society organizations and Parliament members to monitor the implementation of the strategy, its objectives, KPIs, targets, programs and projects implemented according to a specific timeline.
 14. Egypt has identified five engines of growth: manufacturing industry, tourism, agribusiness, ICT, and the micro, small and medium enterprise (MSME) sector. A critical element is labor market policies that ensure adequate education and skill formation, increased productivity, and decent job opportunities, with emphasis is on youth employment.

C. Sustainable Agricultural Development Strategy 2030 (SADS 2030)

²⁴ Constitution 2015:26 of the Egyptian Constitution

15. The SADS 2030 is a strategic planning approach that sets ways and means to support the development of the agricultural sector in Egypt. The need to incorporate socioeconomic issues, in particular those related to the improvement of farmers and rural household livelihoods, is high among the SADS 2030 priorities.
16. The Government has formulated a new Sustainable Agriculture Development Strategy (SADS) towards 2030 in recognition of the fact that transformation of the agriculture sector is key for economic growth and development. The SADS is fully aligned with the SDS. The main thrusts of the strategy are the promotion of growth in the efficient and environmentally sustainable management of land and water, market development and the promotion of the private sector, better involvement of rural women in the development process, and reforms that make agricultural institutions more responsive to the needs of farmers. In particular, the strategy identifies the need to: (a) strengthen producer associations and make market information more freely available; (b) enact and enforce laws and regulations on product standards; (c) link agricultural extension more closely to research; and (d) develop the extension role of the private sector.
17. SADS 2030 links rural development to the improvement of credit facilitation services through village-level banks and presents a set of recommendations for policy reform to enhance agricultural productivity. According to the SADS' business plan from 2009-2010 to 2016-2017, six specific strategic objectives were identified, two of which were related to rural finance: (1) improving the livelihood of the rural inhabitants and reducing poverty rates in rural areas; and (2) improving the climate for agricultural investment.
18. In addition, the SADS sets forth recommendations for policy reforms such as the introduction of new concessional credit lines for reclaiming and developing new areas, and the introduction of credit lines for providing farmers with suitable and timely loans using contract farming as collateral. The concessional credit line for reclaiming and developing new lands communities was introduced through the IFAD supported West Noubaria Rural Development Project (WNRDP) and Sustainable Agriculture Investments and Livelihoods Project (SAIL) with the objective of catering financial products to the needs of rural enterprises and small farmers. In this way, IFAD's interventions have been deemed consistent with the strategy's vision for policy reforms.

D. Rural Financial Policy

19. The rural financial services policy which is under the economic dimension of the SDS, and as part of the monetary policy reform emphasizes the importance of increasing the effectiveness of financial intermediaries and achieving financial inclusion through: supporting the private sector and SMEs, and enhancing the rural banking system.
- 20.
21. The National Strategy for Microfinance (2005-2009) was developed under the World Bank project entitled "Building a National Strategy for Microfinance in Egypt: A Sector Development Approach" with the aim of improving financial inclusion and diversifying the range of microfinance services accessible to the poor. The strategy identified the primary areas for intervention at the micro, meso and macro levels for the provision of a variety of services to underserved market segments, including women, youth, start-ups and the rural poor. It emphasized the role of non-conventional financial institutions, such as banks, NGOs, Cooperatives and credit-only financial institutions, as well as the adoption of a multi-tiered financial system to facilitate access to microfinance.
22. Egypt was about to introduce its first microfinance law in 2011 when the political unrest took place and derailed the process. Finally, the new legislation was introduced in November 2014 and provided many changes to the small microfinance industry. The Microfinance law no. 141 of 2014 aims to regulate microfinance activities in Egypt and allows new stakeholders, including the private sector, to be actively involved in this field.

Under the supervision of Egyptian Financial Supervisory Authority (EFSA), the law specifies the legal and administrative procedures that condition the work of financial intermediaries such as NGOs and Community Development Associations (CDAs) in microfinance. A number of decrees were issued to specify good practices standards that ensure the protection of all lending parties.

E. Water policies in irrigation

23. Water conservation and increasing efficiency in agricultural are major objectives to the Egyptian government. Given that the amount of arable land available in Egypt is almost fixed, with limited capacity to expand it, the strategy has focused on the sustainable use of existing agricultural land, reclaiming desert areas, and increasing productivity through improved irrigation and cultivation methods.
24. The National Water Resources Plan for Egypt 2017-2037 (NWRP 2017-2037) aims at improving overall water use efficiency in agriculture, improving water allocation and distribution of Nile water, preventing or reducing emissions, and treatment of wastewater.
25. The Economic Reform and Structural Adjustment Program in the 1990s, brought restructuring of the institutional apparatus surrounding irrigation water. Law 12/1984 declared water as a public good delivered by the government to farms at no cost. The law also mandated that the flow of water past mesqas²⁵ should be integrated into a private system managed by water users²⁶. This decision reduces the government involvement in the operation and maintenance of public irrigation systems and, to a lesser extent, drainage services.
26. Law 213/1994 defines the use and management of public and private sector irrigation and drainage systems, including main canals, feeders, and drains. Article 71 of that law recognized and legalized Water Use Associations (WUAs) as specialized associations performing functions related to water management, while Ministerial Decree 14900/1995 reflected the functions, rights, and duties of WUAs in water management activities. Through this legislation, the aim was to work towards optimum utilization of available water through an integrated participatory system that engages farmers in management decisions over water in their hydraulic boundary, leading to more efficient use of water²⁷.
27. After the Economic Reform and Structural Adjustment Program and the removal of most subsidies on agricultural inputs and sharp curtailing of state interventions in the imposition of crop rotations and in agricultural pricing and marketing, farmers gained the right to plant what they pleased and no longer had to deliver their crops to the state. Many farmers increased their rice production, which imposed heavy demands on water and coupled with the shrinking in tax returns and budgets, the Ministry of Water Resources and Irrigation was limited in maintaining flows of irrigation canals.
28. In New Lands, water is provided by government at no cost to farmers. However, farmers still must cover the water pumping costs. However those costs are indirectly subsidized via fuel subsidies. As irrigation water is delivered free-of-charge to the canals, there are few incentives for farmers to invest in water conservation technology.

²⁵ "Mesqas": private channels that the public canal system delivers water to

²⁶ An Agricultural Policy Review of Egypt, First Steps Towards a New Strategy (CGIAR 2018)

²⁷ Law 213/1994

F. Land Reclamation Policy

29. Land reclamation has been pursued as an important strategy for growth and development since the 1950s by successive governments and has been adopted to achieve four policy objectives: (1) enhance agricultural production – the historical motive for reclamation; (2) decrease population growth in the Nile Valley and the delta; (3) generate employment; and (4) alleviate poverty.
30. The land reclamation policy is one main way the government has employed in dealing with the problems that a growing population presents, especially youth unemployment, overcrowding in urban areas, land fragmentation and low agriculture productivity. The government has been providing lands to unemployed agriculture graduates and households displaced from the old lands due to changes in land tenure arrangements. It has also taken proactive measures in other areas to deal with the problem of growing poverty and in-equality.
31. The government has a well-articulated policy for settling people on new lands. It provides them legal title to the lands. In addition, the existing policy also supports the formation of Agriculture Cooperatives. These cooperatives are allowed to engage in profit making activities on behalf of their members. Further assessment needs to be made of any further changes that might be required in the cooperative law to facilitate the growth of these organizations.

G. Food Security and Nutrition

32. The Ministry of Health and Population has placed nutrition as one of its main priorities and developed a 10-year Food and Nutrition Policy and Strategy (2007–2017). In recognition of its nutritional challenges, Egypt has developed a 10-year Food and Nutrition Policy and Strategy (2007 – 2017). Egypt is confronted by the double challenge of malnutrition and malnutrition-obesity. The prevalence of stunting in Egypt is 29% making it one of the 36 high-burden countries of the world. Egypt's nutritional challenges can be classified into two broad categories: maternal, infants and young children, youth and young adults.
- 33.
34. Related to this, there is a lack of clear government policy on food subsidy reform. It is likely that there is a link between malnutrition and malnutrition-obesity and the low cost of cereal-based foods such as white bread.

H. Other Relevant Policies

- a. National Strategic Framework Supporting Women's Rights, Gender Equality and the Elimination of All Forms of Discrimination and Ending Violence Against Women. This incorporates the adoption of gender-responsive budgeting and performance-based budgeting by the MoF as well as gender planning, monitoring and evaluation by the Ministry of State for Administrative Development (MSAD).
- b. The National Strategy for Childhood and Motherhood in Egypt, currently being prepared by the National Council for Childhood and Motherhood (NCCM).
- c. The National Youth Policy to be developed by the Ministry of State for Youth.
- d. The National Action Plan of the National Council for Women (NCW).

I. Previous and Ongoing IFAD Support in Policy Development

35. The establishment of an IFAD country presence in 2005 created new opportunities for policy engagement, and a major achievement during this period was IFAD's contribution to the preparation of the SADS 2030. IFAD's most active policy engagement was in the rural finance sector through its contribution meant to advocate for the inclusion of CDAs among the institutions allowed to engage in microfinance activities. The overarching objective of IFAD in-country policy engagement was to allow a better poverty targeting and expand outreach of pro-poor rural financial services.
36. Through its continuous dialogue with GoE, IFAD program succeeded to make all its rural finance activities an integral part of the implementation of the National Strategy for Microfinance (2005-2009). The strategy identified the primary areas for intervention at the micro, meso and macro levels for the provision of a variety of services to underserved market segments, including women, youth, start-ups and the rural poor. One of the four objectives identified at the micro-level related to the engagement of banks in microfinance.
37. Similar approach was followed after the enactment of the Microfinance law no. 141 of 2014 that aims to regulate microfinance activities is important in improving loan management and it was recognized in IFAD's projects. As an illustration, under PRIME, the rural finance component was extended for two years in order to give CDAs the opportunity to adapt to the new law and complete the administrative and legal procedures.

J. Future Proposals for IFAD Support in Policy Reform

38. There is a clear expectation that a stronger country office will allow increased attention to partnership-building, knowledge management and policy engagement. Key to this will be to manage knowledge from loans and grants to support learning and innovation. IFAD can become an honest knowledge broker, supporting systematic learning from success and failure, facilitating learning partnerships that involve partners from loans and grants, and preparing good practices and strategic lessons for policy engagement and scaling up.
39. Under the new COSOP and in support for effective policy engagement, IFAD will establish clear roles and responsibilities for knowledge management within the country (including ICO, government partners and projects) and at regional level. This would involve the following:
 - a. Establishing a structure for effective coordination and technical support within a progressing programmatic approach: During IFAD 11, the country team in collaboration with MIIC and MALR will establish a centralised project coordination unit to provide much needed supervision, establishment of standards, coordination and alignment of components across all IFAD-financed projects (and other complementary initiatives). While influencing policy is always difficult in large countries, IFAD can play a key role through its coordination efforts.
 - b. Managing knowledge from loans and grants to support learning and innovation: Grant resources will be sought from the climate funds (GEF, GCF, Adaptation Fund) and will include knowledge and policy engagement elements that can be integrated into agricultural and new lands programs across the country. The overall program (covering loans and non-lending activities) has as a strategic objective the development of policies that will incorporate the sustainability of

natural resources (and that will develop solutions through learning and innovations).

40. The COSOP overarching goal is to contribute to the sustainable improvement of rural incomes and resilient livelihoods in Egypt. The goal will be pursued through two mutually-supportive strategic objectives (SOs), the first centered on livelihood options available to rural households and the second focused on improving the policy space for sustainable and inclusive rural transformation:
- SO1: Livelihoods of rural men and women are improved by enhancing productivity and profitability of agriculture-related activities.
 - SO2: Development of enhanced policies that support inclusive and sustainable rural transformation is fostered
41. The COSOP will provide for policy enhancement through both of these SOs, as the experience derived through SO1 will translate into policy results through SO2. As a starting point, the programme should take stock of the existing institutions and the legal and policy framework with support from a rural institutions specialist. The stock-taking exercise could also involve a joint workshop or conference with other development partners, which would have the added benefit of experience sharing and partnership building. Based on this analysis, a refined strategy for effective capacity-building and policy engagement on rural institutions supported by IFAD can be produced.
42. Specific areas for Policy Reform that could be included under this COSOP are highlighted below. It should be noted that this is an indicative list of areas to be further refined in close consultations with the GoE and our key partners.
- a. Cooperative Reform. Opportunities for policy reform and dialogue will be explored to make the co-operatives more member-controlled and initiate policy dialogue to strengthen the regulatory framework on the operations of the cooperatives which currently limits their participation in profit-oriented activities.
 - b. Water Use Efficiency. The COSOP will promote efficient use of water through greater access to modern irrigation methods which will reduce the waste of water and could potentially make it available for use by others. Recognising this, COSOP operations in Egypt would improve Water Use Efficiency (WUE) at field level. Also, interventions would be designed to incentivise, build capacities and provide evidence to inform policy process and agricultural investment decisions on the crucial role of water use efficiency. New interventions would ensure that irrigation investments are supported by effective capacity-building of community-level institutions on efficient use of water.
 - c. Access to Finance. Access to finance remains problematic for the majority of farmers. There are issues with relatively stringent requirements for collateral and poorly developed value chain financing systems. The CDAs have low capacity to enable financing for non-farm rural enterprises. The savings and credit cooperatives are active in some localities, but they have an uneven record of performance, and in many cases, require capacity-building to enable them to adequately serve small-scale farmers. Thus, coordination mechanisms as well as integrating rural finance and marketing/capacity building efforts can be key to improving agriculture production in the rural areas. The GoE is aware of this issue and is making efforts to promote the financial inclusion agenda in the country. For example, the Central Bank of Egypt has launched in 2018 a three year initiative of financial inclusion aiming at supporting access to financial services to the unbanked and underbanked and developing policy recommendations in digital finance.

- d. Promoting Higher Value Crops and Value Addition as more efficient means of using scarce water resources. The project(s) supported under this COSOP should adopt a policy of supporting cropping focussed on high value returns per unit of water-use, rather than simply yield per ha. This will demonstrate the advantages of high value cropping, especially for export, as opposed to producing cereals for local consumption.
- e. Nutrition. Food Subsidy Reform. The challenges in nutrition, both in terms of mal-nutrition and obesity, are noted. It is possible that there may be a link between the subsidies provided for basic foods and poor nutrition, especially obesity amongst poor people. It is recommended that IFAD considers supporting a study to evaluate any link between the subsidy policy and poor nutrition, and to provide ideas for policy reform. The sensitivity of this topic is noted, and there would need to be close collaboration with the GOE prior to commissioning such a study.

Key File 1: Rural Poverty and Agricultural/Rural Sector Issues

Priority Area	Affected Group	Major Issues	Actions Needed
Water scarcity and inefficient use of available irrigation water	Smallholder farmers (men and women) and rural households	<ul style="list-style-type: none"> • Relying on the Nile river that is reducing in flow and is affected by pollution, obstruction, and increasing temperatures. • Inadequate incentive structures for water conservation and crop selection to reduce water consumption. • Limited involvement of farmers in system management. • Lack of proper operation and maintenance of the irrigation system. • Old inefficient irrigation infrastructure. • High cost and shortage of energy in the use of irrigation. 	<ul style="list-style-type: none"> → Improve Water Use Efficiency (WUE) at field level. → Interventions to incentivise, build capacities and provide evidence to inform policy process and agricultural investment decisions on the crucial role of water use efficiency. → New interventions to ensure irrigation investments are supported by effective capacity-building of community-level institutions on efficient use of water. → strengthen participatory irrigation systems. → Improvement of irrigation infrastructure. → Training of farmers in improved irrigation methods. → Provision of financial services to help small farmers install drip and sprinkler irrigation systems. → Better coordination of services between MALR and MIWR.
Climate Change	Farmers and rural households	Increase in annual temperature causing extreme weather fluctuation affecting sources of water for irrigation.	<ul style="list-style-type: none"> → Policy engagement to provide incentives for public and private investments to embrace methods to achieve sustainable change. → Align all activities with sustainability concerns. Increases in crop production along with the efficient use of natural resources, now and in the future. → Develop a resilient and adaptable agricultural system to climate change adversaries including built capacities and investments on climate adaptation methods.

Priority Area	Affected Group	Major Issues	Actions Needed
Insufficient food production to meet domestic demand resulting in food import dependency	Farmers and poor households throughout Egypt	<ul style="list-style-type: none"> • Major growth in population. • Scarcity of agricultural land and water resources. • Weak instructions and infrastructure. • Unclear direction in agricultural development and frequently changing priorities. • Deficiencies in the design of specific intervention policies. 	<ul style="list-style-type: none"> → Increasing productivity of land and water through more efficient use of the limited resources. → Improving infrastructure, market intelligence, and introducing modern production techniques. → Policy engagement to provide incentives for the use of selected crops that use less water but have high value and production and are nutritious.
Financial exclusion	Smallholder farmers, women and youth	<ul style="list-style-type: none"> • Procedures for obtaining loans remain lengthy, complicated, or can have financing requirements that are incompatible with rural communities, smallholder farmers, women, or youth. • Loans are provided to medium-scale enterprises without maximizing spill over effects accruing to smallholders/poor rural inhabitants. 	<ul style="list-style-type: none"> → Improve rural financial products and credit suitable for smallholder farmers, the poor, women and youth in the rural areas. → Support more competition for the access to rural finance resources under the IFAD program through the use of targeted refinancing procedures → Use a blend of matching grants and loans on commercial terms to better enhance sustainability. → Promote capacities of community development associations (CDAs) to enhance effectiveness and efficiency of loan management.
Small scale and fragmented production by small-farmers	Smallholder farmers (men and women)	<ul style="list-style-type: none"> • Limited involvement of farmers in system management. • Lack of proper operation and maintenance of the system. • Old inefficient irrigation infrastructure. • High cost and shortage of energy in the use of irrigation. 	<ul style="list-style-type: none"> → Organizing small farmers into groups and Farmer Market Associations to enable them to take advantage of economies of scale, reduce transactions cost and enhance their bargaining power. → Introduce participatory irrigation systems. → Improvement of irrigation and infrastructure considering smallholder farmers.
Unemployment and underemployment in rural areas	Rural young men and women, women, and households with limited land and	<ul style="list-style-type: none"> • Few available employment opportunities in the rural areas 	<ul style="list-style-type: none"> → Improve access to marketing and business opportunities. → Promote new technologies.

Priority Area	Affected Group	Major Issues	Actions Needed
	other productive resources.	<p>especially on new lands.</p> <ul style="list-style-type: none"> • Matched skills with the needs in the rural areas. • Gender disparity. • Limited access to credit for productive investment. • Poorly developed infrastructure to connect to the market. 	<ul style="list-style-type: none"> → Investment in access to new agriculture lands. → Vocational training and increase quality of education matching needs with skills. → Promote gender parity with land acquisition, education and skills, placing rural women in decision making positions, and the use of other women empowerment tools. → Improve access to financial services. → Investment in infrastructure in the rural areas.

Key File 2: Organizations Matrix

(Strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Agriculture & Land Reclamation (MALR)	<ul style="list-style-type: none"> Well-articulated strategy for development. Potential to organize farmers through the Agriculture Cooperatives. MALR's access to ARDF provides a mechanism for directing financial services to the agriculture sector. Good National Agriculture Research System with capacity for training support. Considerable experience of working with IFAD financed projects. MALR and ARC have more than 100,000 staff. 	<ul style="list-style-type: none"> Limited capacity to assist the small farmers. Limited staff incentives and operational support. Limited coordination with the MWRI The Ministry has not added to establishing a cadre of competent officers as it has not recruited any new staff on a regular basis since 1985. Frequent changes in the Ministry. 	<ul style="list-style-type: none"> A well-developed strategy towards 2030 with a business plan up to 2017. Policy advocacy on behalf of smallholders. Assist smallholders in increasing production on new lands. Provide support to orient the smallholder towards commercial production. 	<ul style="list-style-type: none"> Agriculture prices are highly variable. Market conditions for agricultural commodities are not stable.
Ministry of Water Resources & Irrigation (MWRI)	<ul style="list-style-type: none"> High level policy commitment to modernize the irrigation sector. Strong donor support for irrigation, water use improvement and institutional reform in the water sector. Experience with participatory irrigation management and formation of WUAs and Water Boards. 	<ul style="list-style-type: none"> Limited water availability to expand to new areas. The use of inappropriate technical choices in modernizing the irrigation system. Limited capacity to organize water user associations effectively. Frequent changes in the Ministry. 	<ul style="list-style-type: none"> Willingness to experiment with innovative schemes for improved and efficient water management. Water law under review by the Peoples' Assembly to transfer irrigation management to water User's at branch level. 	<ul style="list-style-type: none"> Limited capacity of the private sector to engage in modernizing the system. High energy costs for pumping water.
Agricultural Bank of Egypt (ABE), formerly Principal Bank for Development and Agriculture Credit. (PBDAC)	<ul style="list-style-type: none"> Extensive network of branches and village banks with a mandate to provide financial services to rural areas. <ul style="list-style-type: none"> Mandate to work with farmers and rural businesses. Strong interest in exploring innovative approaches for delivery of financial services to farmers. 	<ul style="list-style-type: none"> Poor history of adaptation of lending terms to poor rural borrowers. Lack of staff orientation to serve microfinance clients. Current policies and procedures do not support farmers in new lands. Frequent changes in overall orientation and leadership have delayed services on the 	<ul style="list-style-type: none"> Senior management is keen to meet the smallholders need for microfinance. Senior management interested in providing agriculture value chain finance. Government pressure mounting to address rural poverty in Upper Egypt through credit. 	<ul style="list-style-type: none"> The plans for making the bank commercially viable are likely to make its lending more conservative. Limited orientation of staff to deal with microfinance

Organization	Strengths	Weaknesses	Opportunities	Threats
		<p>ground.</p> <ul style="list-style-type: none"> Reluctance to take further risks in the microfinance sector at the moment. 		<p>clients.</p>
<p>Micro, Small and Medium Enterprises Development Agency (MSMEDA), formerly Social Fund for Development (SFD)</p>	<ul style="list-style-type: none"> Established network and offices in all governorates with qualified staff. Implementation of best practices in microfinance and MSE lending. Balanced emphasis on credit and capacity building for MFIs and final borrowers. Familiarity and partnership with local level organizations, NGOS and CDAs. Partnership with commercial banks. Separate section for small business start-ups and promotion. Strong system of financial management and audit. 	<ul style="list-style-type: none"> Poor record of working an integral part of a project team and integrate lending with other project components. Needs greater focus in working with non-bank microfinance institutions. Needs to develop a proper strategy for provision to rural areas. Becoming increasingly conservative in its approach to lending to the poor. Variable performance in IFAD financed projects. 	<ul style="list-style-type: none"> Has a comparative advantage in working with non-bank financial institutions. Considerable experience of working with IFAD in the agricultural and rural Development sectors through partnership with IFAD in UERDP, OFIDO, PRIME and SAIL. Strong leadership committed to innovation. 	<ul style="list-style-type: none"> A growing aversion to risk and lending to the IFAD target group in rural areas and the agriculture sector. Limited willingness to lend to new organizations.
<p>Agriculture Research and Development Fund (ARDF)</p> <p>(Owned by the MALR and managed by the Commercial International Bank)</p>	<ul style="list-style-type: none"> Capacity to provide dedicated financial services to the agriculture sector. Strong management arrangements through the use of the Commercial Investment Bank. Established operating links with 11 affiliated commercial banks, who in turn, provide both individual and collective loans directly or through Agriculture Cooperatives and selected Associations. Provision for investment income to provide technical assistance for research and development for the agriculture sector. 	<ul style="list-style-type: none"> The utilization rate of ARDF is only 53%. Limited leveraging of commercial bank resources for the agriculture sector. Loan applications are repeatedly scrutinized. Increasing centralization with the appointment of the Minister of agriculture as the Chairman of the Board of Trustees. Delay in approval of budgets and loan applications due to frequent changes in the office of the Minister. 	<ul style="list-style-type: none"> Increased resource flows and technical assistance to the smallholder farmer. Building the capacity of participating commercial banks to understand agriculture value chain finance. Leverage IFAD funds for attracting the risk appetite of the commercial sector for agriculture lending. 	<ul style="list-style-type: none"> Low commercial bank appetite to provide funds to the smallholder farmer. Low utilization of available funds.
<p>Agriculture Cooperatives</p>	<ul style="list-style-type: none"> Exist across the country and all farmers are required to register with the cooperatives. Can be used potentially for 	<ul style="list-style-type: none"> These are not a voluntary organization of farmers. Traditionally their role was restricted to assisting 	<ul style="list-style-type: none"> Can be used to channel financial services to small farmers. Can be used to organize 	<ul style="list-style-type: none"> Low level of participation of women in the cooperatives.

Organization	Strengths	Weaknesses	Opportunities	Threats
	<p>distributing agricultural inputs to the large number of small farmers.</p> <ul style="list-style-type: none"> ● Can be good mechanism for organizing and providing support to the smallholder farmer. ● Capacity to link farmers with markets. ● Capacity to enable farmers to access financial services. ● Have been a good mechanism in several IFAD financed projects. 	<p>Government with procurement of key commodities such as wheat.</p> <ul style="list-style-type: none"> ● Long-term sustainability depends upon their capacity to forge effective relationships. ● Unable to forge market links on their own and require technical assistance to enable them to do so. 	<p>farmers for extension messages and training.</p> <ul style="list-style-type: none"> ● Potential to use them for future IFAD financed projects especially for encouraging the participation of rural non-farm households. ● Potential for enabling small farmers to realise economies of scale, reduce transactions cost and enhance their bargaining power. 	<ul style="list-style-type: none"> ● The private sector may prefer to deal with a few large farmers and ignore the smallholder farmers.
Community Development Associations (CDAs)	<ul style="list-style-type: none"> ● Good mechanism for multi-purpose activities at the community level. ● Recognition of their supportive role in assisting rural households to undertake a wide range of activities. ● Have been a good mechanism of support to rural communities in several IFAD financed projects. ● They can provide a good mechanism for inclusion of women. 	<ul style="list-style-type: none"> ● Their sustainability depends upon their financing from donors and partially by Government. ● Generally are dominated by a few active members. ● Limited capacity to raise funds through their own sources and enterprises. 	<ul style="list-style-type: none"> ● Potential to encourage their growth in the enterprise sector. ● The new law on rural finance provides an opportunity for them to register as profit oriented companies for provision of financial services under proper supervision. ● An important mechanism for growth in new communities for provision of social sector services. 	<ul style="list-style-type: none"> ● Tend to be dominated by a few.

Organization	Strengths	Weaknesses	Opportunities	Threats
Farmer Marketing Associations (FMA)	<ul style="list-style-type: none"> ● Voluntary organization in which only interested farmers participate. ● Commodity specific and focused. ● Capacity to link farmers with markets. ● Capacity to enable farmers to access financial services. ● Have proven capacity with strong leadership to establish marketing and processing infrastructure. 	<ul style="list-style-type: none"> ● Very few FMAs exist at the moment. ● Unable to forge market links on their own and require technical ● Assistance to enable them to do so. ● Long-term sustainability depends upon their capacity to forge effective relationships. 	<ul style="list-style-type: none"> ● Potential for enabling small farmers to realise economies of scale, reduce transactions cost and enhance their bargaining power. ● The existing regulation enables them to organize and work within the existing policy framework. 	<ul style="list-style-type: none"> ● No law which supports contractual relationship between the private sector and the markets. ● The private sector may prefer to deal with a few large farmers and ignore the FMAs.

Key file 3: Complementary donor initiative/partnership potential

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
AfDB	<ul style="list-style-type: none"> ● Use of renewable energy for pumping irrigation ● FARM Level Irrigation Project 	<ul style="list-style-type: none"> ● Governorates of Minia and Matrouh ● Governorate of Beheira 	<ul style="list-style-type: none"> ● On-going, closing in 2019 ● Pipeline 	<ul style="list-style-type: none"> ● The AFDB assessment on the use of renewable energies in agriculture and its work around the sustainability of natural resources will feed into the interventions designed under the IFAD program, and allow potential co-financing of sustainable solutions. ● Very relevant to OFIDO Project. Potential for WB/AFDB/KFW/IFAD/AFD to intensify engagement in policy dialogue, especially with respect to modernization irrigation systems in old lands.
EU and Italian MFAIC	The European Union- Joint Rural Development Programme	Governorates of Minia, Fayoum and Matrouh	On-going, closing in 2022	<ul style="list-style-type: none"> ● The Programme supports the adoption of climate change mitigation and adaptation practices through proper water usage activities and the adoption of Good Agricultural Practices (GAPs) which is closely supporting IFAD interventions in Minia. ● The Programme investment for Irrigation infrastructures and efficiency improved assists and supports IFAD investment in irrigation infrastructure. ● Knowledge sharing on

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
				rehabilitation and/or construction of Water harvesting schemes.
FAO	<ul style="list-style-type: none"> Support sustainable water management and irrigation modernization for newly reclaimed areas. Water harvesting and Good Agriculture Practices for Improved Livelihood and Increased and Sustained Production in Matrouh Rain-fed Agricultural areas. <p>Good Agricultural Practices (GAPs) for sustainable improvement of quality and quantity of horticultural production of small-scale farmers in Fayoum</p>	<ul style="list-style-type: none"> Egypt – New lands Matrouh Governorate Fayoum Governorate 	<ul style="list-style-type: none"> On-going, closing in 2019 On-going, closing in 2019 On-going, closing in 2019 	<ul style="list-style-type: none"> Knowledge sharing on irrigation modernization for newly reclaimed areas. Knowledge sharing on water harvesting interventions that will facilitate the implementation of the new IFAD funded project in Matrouh. <p>Knowledge sharing on Good Agricultural Practices (GAPs) that will contribute significantly to the implementation of similar activities under SAIL project.</p>
AFD	<ul style="list-style-type: none"> Supporting agricultural SMES in order to promote rural employment. Modernizing plot irrigation in the Nile Delta 	<ul style="list-style-type: none"> Egypt Kafr El-Shiek Governorate 	<ul style="list-style-type: none"> On-going, closing in 2019 <p>On-going, closing in 2018</p>	<ul style="list-style-type: none"> Knowledge sharing on credit facilities for agricultural industries. Very relevant to OFIDO Project.
GCF	Enhancing Climate Change Adaptation in the North Coast and Nile Delta Regions in Egypt.	Northern Coast Governorates	Approved for funding with 7 years implementation period	Providing coastal defence soft structures and integrated coastal management to adapt to coastal flooding from sea level rise and increased frequency of storms. This will reduce the vulnerability of coastal infrastructure, protecting surrounding villages, agricultural.
GEF	Sustainable Management of Kharga Oasis Agro-Ecosystems in the Egyptian Western Desert.	New Valley	On-going, closing in 2018	The Programme supports the sustainable food production systems that help maintain and progressively improve land and

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
				serve as a road map to address the nutrition challenges that the country faces.
USAID	<p>Feed the Future Egypt Food Security and Agribusiness Support is USAID/Egypt's core agriculture activity, supported by the U.S. government's Feed the Future initiative. Using a market-driven approach, USAID is increasing agriculture-related incomes of 14,000 farmers through strengthening sustainable fruit and vegetable value chains for domestic and export markets.</p> <p>Feed the Future Egypt Food Security and Agribusiness Support is USAID/Egypt's core agriculture activity, and supports agricultural value chain development in Upper Egypt.</p>	<p>Governorates of Beheira and Luxor</p> <p>Upper Egypt governorates of Beni-Suef, Menia, Assiut, Sohag, Qena, Luxor, and Aswan.</p>	On-going, closing in 2020	<p>Knowledge sharing on post-harvest processes and marketing that will support the implementation of SAIL and PRIME</p> <p>Alignment with USAID Upper Egypt intervention through STAR.</p>
WFP	Scale up and complement activities on nutrition sensitive activities in the target areas	National	Ongoing	
World Bank	The WB portfolio in Egypt includes 20 active projects of which six directly or indirectly impact on the agricultural/rural sectors: IFAD is closely coordinating its interventions with the WB.	<p>Second Integrated Sanitation and Sewerage Project (approved June 2011, USD 300 million): In Menoufia, Sharkeya, Assiut, and Sohag Governorates, providing increased access to improved sanitation and sewerage services.</p> <p>Sustainable Rural Sanitation Services Program for Results Project (\$550 mn, July 2015): To strengthen institutions and policies for increasing access</p>	All the highlighted projects are ongoing	<p>IFAD country team in touch with WB country team specifically about aligning STAR with the Local Development Program-for-Results Project (\$500 mn, Sep 2016), that focuses on Sohag and Qena governorates in Upper Egypt.</p> <p>Potential for WB/IFAD to intensify engagement in policy dialogue, especially with respect to microfinance.</p> <p>WB supports for sanitation is</p>

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
		<p>and improving rural sanitation services in the Governorates of Beheira, Dakahliya, and Sharkiya</p> <p>Local Development Program-for-Results Project (\$500 mn, Sep 2016): To improve the business environment for private sector development and strengthen local government capacity for quality infrastructure and service delivery in select governorates in Upper Egypt.</p> <p>Strengthening Social Safety Net Project (\$400 mn, April 2015): The Takaful and Karama program is being developed as a national targeted social safety net (SSN) program aimed at protecting the poor through income support.</p> <p>Inclusive Regulations for Microfinance Project (\$4.5 mn, July 2014). To strengthen the regulatory and institutional framework of the microfinance sector</p> <p>Promoting Innovation for Inclusive Financial Access Project (\$300 mn, April 2014): To expand access to finance for micro and small enterprises using innovative financing mechanisms, with a special focus on youth and women, as well as underserved regions.</p>		<p>relevant given the problems of rural sanitation, especially in the Nile Delta.</p> <p>WB investment for local infrastructure assists and supports IFAD investment in irrigation infrastructure.</p> <p>WB support for agriculture now under preparation.</p>
KFW	Integrated Water Resource Management (IWRM)	Governorates of Beheira and Kafr el Sheikh	On-going, closing in 2018	Very relevant to OFIDO Project.

Key file 4: Target group identification, priority issues and potential response

Typology	Priority Issues	Coping Actions	Priority Needs	RB-COSOP Response
Smallholder farmers (Men and Women)	<ul style="list-style-type: none"> Limited landholding. Limited access to irrigation water. Limited access to finance. Limited access to markets. High transactions cost due to limited surplus for marketing. Limited bargaining power. High level of post-production losses. Low productivity of animals. High livestock mortality and morbidity rates. Limited access to feed, water and veterinary services for livestock. Limited opportunities to diversity livelihoods into non-farm activities. 	<ul style="list-style-type: none"> Men and women work as casual labourers locally. Recourse to loans from friends, input suppliers, traders. Temporary labour migration to neighbouring areas or countries. Sale of assets, including livestock. Support from relatives; Debt financing of expenditures. Reduction in food consumption. Reduced expenditure on education, health care and other expenditures. 	<ul style="list-style-type: none"> Organize small farmers for improved access to inputs and services. Organize small producers for collective marketing. Better access to improved production technology. Better access to rural finance. Better access to markets. 	<ul style="list-style-type: none"> Organizing small farmers and strengthening their institutions. Enhancing their access to improved and new production technologies. Promotion and support for improved on-farm, efficient water irrigation technologies; and promotion of water saving mechanisms and users' associations. Promotion of financial services. Enhanced access to markets.
Rural Women	<ul style="list-style-type: none"> Social restrictions and taboos which limits access to a wide range of employment and training opportunities. Low level of skills. Restricted access to all types of assets including land. Low pay for activities. 	<ul style="list-style-type: none"> Early marriage. Support from relatives. Casual labour in agriculture. Care of livestock. Domestic chores 	<ul style="list-style-type: none"> Literacy and skills training; Improved access to employment and income earning opportunities. Better access to financial services and markets; Enhance self-confidence, empowerment and protection from violence and abuse. Enhanced representation in local associations. 	<ul style="list-style-type: none"> Organization of women. Literacy and skills training. Management training and capacity- building for community participation; Empowerment through community participation and establishment of producers' and other groups. Access to financial and non-financial business development services. Promotion of microfinance for on- and off-farm IGAs, particularly for livestock. Promotion of women's groups.
Youth	<ul style="list-style-type: none"> Low levels of literacy. 	<ul style="list-style-type: none"> Recourse to menial jobs. 	<ul style="list-style-type: none"> Better income-earning 	<ul style="list-style-type: none"> Promotion of small and

Typology	Priority Issues	Coping Actions	Priority Needs	RB-COSOP Response
	<ul style="list-style-type: none"> ● Limited possibilities for starting their own businesses due to lack of capital. ● Limited skills and vocations. 	<ul style="list-style-type: none"> ● Loans from relatives. ● Lack of proper food consumption, health care and other expenditures. ● Postponing marriage. 	<ul style="list-style-type: none"> opportunities. ● Training in management and technical skills. ● Access to financial and non- financial business services. 	<ul style="list-style-type: none"> microenterprises. ● Training for vocational and off-farm income-generating activities. ● Skill and basic management training. ● Availability of financial services.