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Invertir en la población rural

República Árabe de Egipto

Programa sobre Oportunidades Estratégicas Nacionales 2019-2024

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Para **Examen**

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Acrónimos y siglas

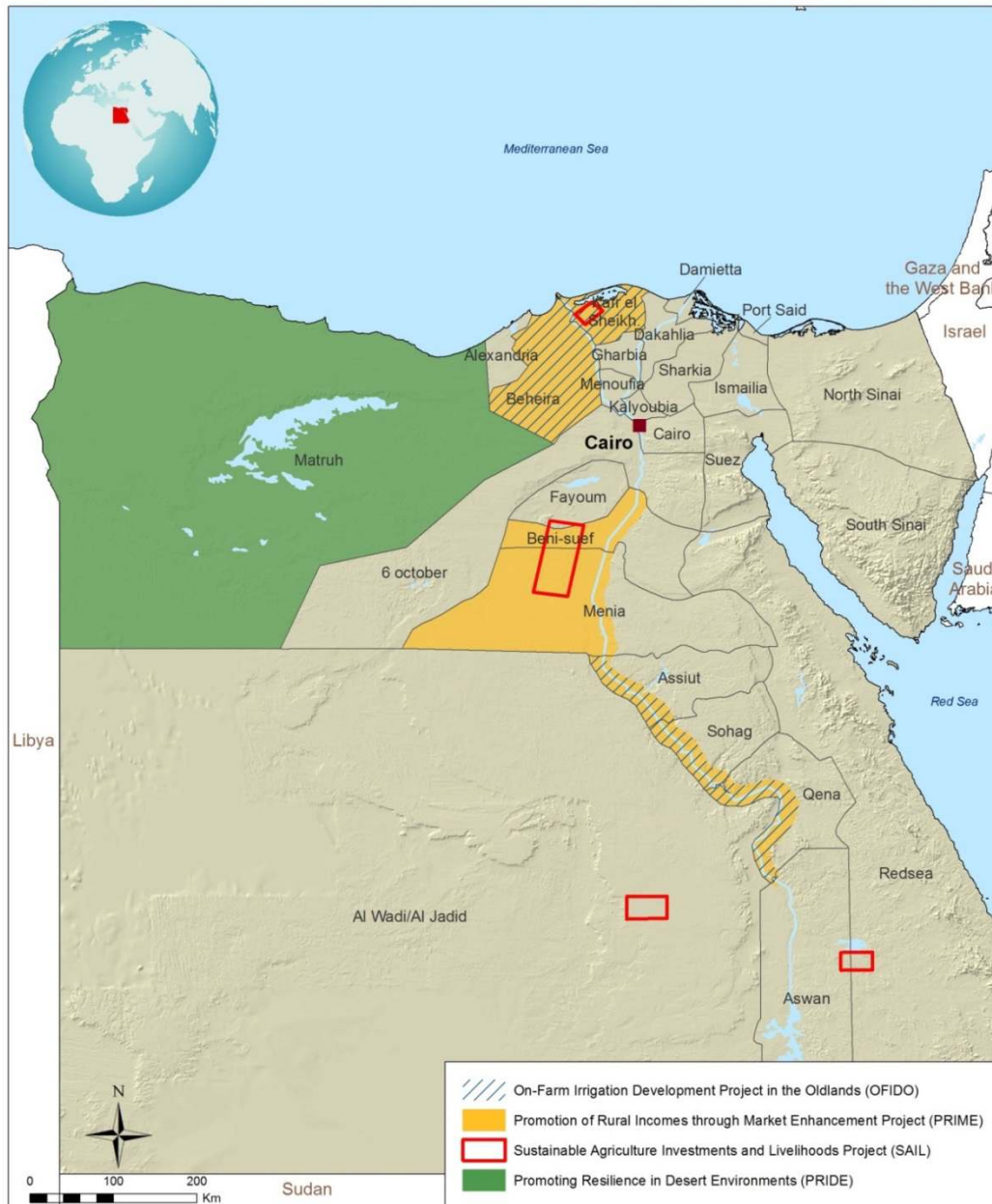
asociaciones 4P	asociación entre el sector público, el sector privado y los productores
COSOP	programa sobre oportunidades estratégicas nacionales
FIDA11	Undécima Reposición de los Recursos del FIDA
FIDA12	Duodécima Reposición de los Recursos del FIDA
IDH	índice de desarrollo humano
IFPRI	Instituto Internacional de Investigación sobre Políticas Alimentarias
IOE	Oficina de Evaluación Independiente del FIDA
SyE	seguimiento y evaluación
ODS	Objetivos de Desarrollo Sostenible
PIB	producto interno bruto
UNICEF	Fondo de las Naciones Unidas para la Infancia

Mapa de las operaciones financiadas por el FIDA en el país

República Árabe de Egipto

Operaciones en curso financiadas por el FIDA

COSOP



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.
 Mapa elaborado por el FIDA | 25-06-2018

Resumen

1. Egipto, un país de ingresos medianos bajos, ha realizado una serie de reformas importantes recientemente, en particular la ratificación de su constitución en 2014 y la puesta en marcha de un ambicioso programa de reactivación económica. El programa propone medidas de consolidación fiscal, la liberalización del mercado cambiario, reformas al entorno empresarial y una serie de medidas de seguridad social dirigidas a proteger a la población pobre¹.
2. Si bien el crecimiento del producto interno bruto (PIB) —impulsado por las reformas mencionadas— se proyecta en un 6,5 % anual a medio plazo, dado que Egipto sigue enfrentándose a un crecimiento demográfico relativamente elevado del 2,6 %, no se prevé su transición a la condición de país de ingresos medianos altos, al menos durante el período 2019-2024 abarcado por el presente Programa sobre Oportunidades Estratégicas Nacionales (COSOP).
3. Alrededor del 57 % de la población vive en zonas rurales, donde las tasas de pobreza son tres veces más elevadas que en las zonas urbanas. Alrededor del 32,3 % de los habitantes de las zonas rurales son pobres. El Alto Egipto es la región más pobre, con una tasa de pobreza del 50 %.
4. El sector agrícola, del que dependen los medios de vida del 55 % de la población, es extremadamente vulnerable a los efectos del cambio climático. El país está experimentando una grave pobreza hídrica que probablemente empeore. El abastecimiento de agua de riego es cada vez menos seguro como resultado de las actividades de extracción que se llevan a cabo río arriba, la intrusión salina y problemas relacionados con la gestión costera.
5. En este contexto, el presente COSOP proporciona un marco estratégico a medio plazo para que el FIDA ayude a Egipto en su transición a través de los distintos estados de desarrollo y a emprender una transformación rural más sostenible e inclusiva.
6. La meta general del COSOP es contribuir a la mejora sostenible de los ingresos y los medios de vida resilientes en las zonas rurales de Egipto. Esta meta se perseguirá a través de dos objetivos estratégicos que se apoyan mutuamente: el primero centra su atención en la gama de medios de vida de la que disponen los hogares del medio rural y el segundo, en mejorar el margen de acción normativa para una transformación rural sostenible e inclusiva. Este doble enfoque estratégico permitirá que el FIDA recurra a sus inversiones en proyectos para ilustrar resultados concretos sobre el terreno, mientras ensancha el margen de acción normativa para poder adoptar medidas de transformación en todo el sector. Con este enfoque dual, se incrementarán al máximo los efectos catalizadores de la actuación del FIDA en Egipto.

Objetivo estratégico 1. Mejora de los medios de vida de los hombres y mujeres del medio rural gracias al aumento de la productividad y la rentabilidad de las actividades relacionadas con la agricultura

7. Este objetivo estratégico aborda la cuestión central relativa a la mejora de los ingresos rurales. Los hogares de las zonas rurales que se dedican a la agricultura podrán producir para los mercados de forma competitiva y rentable. A tal fin, se prestarán una serie de servicios personalizados de asesoramiento empresarial, servicios de mejora de las infraestructuras sociales y productivas, y servicios financieros en favor de la población pobre. Todas las intervenciones serán climáticamente inteligentes, y promoverán y fortalecerán la función que desempeñan las mujeres y los jóvenes.

¹ Banco Mundial, Perspectivas económicas mundiales, abril de 2017.

Objetivo estratégico 2. Fomento de la elaboración de políticas mejoradas que respalden una transformación rural inclusiva y sostenible

8. Para que la actuación del FIDA en apoyo de los esfuerzos del país por alcanzar los Objetivos de Desarrollo Sostenible (ODS), en particular los que interesan a la reducción de la pobreza rural y la seguridad alimentaria, sea satisfactoria, es fundamental que las políticas relacionadas con la gestión del agua para riego estén bien elaboradas y promulgadas, y promover la financiación rural inclusiva. A tal fin, con el presente COSOP se pretende posicionar al FIDA de modo tal que pueda desempeñar un papel más proactivo a la hora de prestar apoyo en la elaboración de esas políticas y la realización de los ajustes necesarios. Esa actuación en materia de políticas a nivel nacional se basará en los instrumentos tanto crediticios como no crediticios del Fondo.
9. El presente COSOP proporciona el marco estratégico para las inversiones que se realicen a lo largo de dos ciclos crediticios, en el marco de la Undécima Reposición de los Recursos del FIDA (FIDA11) y la Duodécima Reposición de los Recursos del FIDA (FIDA12). De acuerdo con el Sistema de Asignación de Recursos basado en los Resultados, se solicita una asignación de aproximadamente USD 58,4 millones para la FIDA11 y una asignación similar para la FIDA12. Se movilizarán recursos adicionales en forma de donación para respaldar diversas actividades no crediticias. El establecimiento y la promoción de asociaciones estratégicas también es una parte integrante del COSOP. Se han fijado objetivos de cofinanciación para garantizar que la financiación relativamente limitada del FIDA pueda catalizar un volumen de cofinanciación considerable procedente del Gobierno y los principales asociados para el desarrollo. Al hacerlo, las inversiones en las zonas rurales que se financien en el marco del presente COSOP alcanzarán una escala proporcional a la magnitud de los desafíos existentes en materia de desarrollo.

República Árabe de Egipto

Programa sobre Oportunidades Estratégicas Nacionales

I. Diagnóstico del país

Contexto socioeconómico nacional

1. Egipto ha realizado recientemente una serie de reformas importantes, en particular la ratificación de su constitución en 2014 y la puesta en marcha de su programa de reforma económica. El programa propone medidas de consolidación fiscal, la liberalización del mercado cambiario, reformas al entorno empresarial y una serie de medidas de seguridad social dirigidas a proteger a la población pobre².
2. El producto interno bruto (PIB) de Egipto alcanzó una tasa de crecimiento anual del 4,2 % en 2017 y se prevé que aumentará en un 5,4 % en 2018 y en un 6,5 % para 2022³. Si bien la inflación general anual alcanzó niveles récord en julio de 2017 (un 33 %), ha disminuido en alrededor del 11,4 % en mayo de 2018⁴ y se prevé que seguirá disminuyendo.
3. Egipto tiene un rápido crecimiento demográfico anual del 2,6 %⁵, por lo que la población prevista para 2050 es de 151 millones de habitantes⁶. Ello lleva a la intrusión en tierras agrícolas para la construcción urbana y ejerce una importante presión en los recursos, en particular los recursos hídricos.
4. Egipto es vulnerable a los riesgos del cambio climático y propenso a fluctuaciones meteorológicas extremas, lo cual tendrá efectos directos en la producción agrícola. Se prevé un aumento de la temperatura de 1,5 a 2°C para 2040, que reducirá la producción de trigo en un 12 %, la de maíz en un 47 %, la de arroz de un 26 % a un 47 % y la de hortalizas en un 28 %⁷.
5. Con un valor de 0,696, Egipto ocupa el puesto 115 de un total de 188 países según el índice de desarrollo humano (IDH) de 2017. Si se ajusta el IDH por la desigualdad, se obtiene un valor de 0,491. El índice de Gini es de 31,8, casi sin variaciones recientes. Las desigualdades existentes entre las zonas urbanas y rurales son los principales factores que contribuyen a la desigualdad general.
6. La pobreza en Egipto se ha mantenido en niveles elevados desde el levantamiento de 2011. Alrededor del 27,8 % de la población vive por debajo del umbral oficial de pobreza⁸ —es decir, un 25,2 % más que en 2010— y la extrema pobreza asciende al 5,3 %. Las tasas de pobreza rural son tres veces más elevadas que las de pobreza urbana. Aproximadamente el 56,8 % de quienes viven en las zonas rurales del Alto Egipto no puede satisfacer sus necesidades básicas, frente al 19,7 % de los habitantes de las zonas rurales del delta del Nilo. En 2017, el 73,6 % de la población del Alto Egipto era extremadamente pobre⁹. En estas zonas las tasas de analfabetismo están en torno al 38 % en el caso de los hombres frente al 62 % en el caso de las mujeres. Las causas estructurales de la pobreza incluyen el tamaño reducido de las explotaciones, infraestructuras públicas inadecuadas, niveles bajos de acumulación de capital privado y escasas inversiones en capital humano.

² Banco Mundial, *Perspectivas económicas mundiales*, abril de 2017.

³ Economic Intelligence Unit, septiembre de 2018.

⁴ Banco Central de Egipto.

⁵ Fondo de Población de las Naciones Unidas (UNFPA), *Egypt's Demographic Opportunity (Preliminary Assessment based on 2017 Census)*.

⁶ UNFPA, *Population Situation Analysis Egypt 2016 Report*.

⁷ Tercera comunicación nacional en virtud de la Convención Marco de las Naciones Unidas sobre el Cambio Climático. Organismo Egipcio de Asuntos Ambientales. El Cairo, 2016.

⁸ Organismo Central de Movilización Pública y Estadística. El umbral de pobreza actual se sitúa en un promedio de 482 EGP (unos USD 54) por mes, mientras que el umbral de extrema pobreza asciende a 322 EGP (unos USD 36).

⁹ *Ibidem*.

7. La inseguridad alimentaria obedece a la falta de poder adquisitivo. La tasa de retraso del crecimiento en niños menores de 5 años es del 22,3 % y la emaciación afecta al 9,5 % de los niños pertenecientes al mismo grupo de edad¹⁰. Por otra parte, más del 20 % de los adultos son obesos. Entre las mujeres en edad de procrear, la anemia se ubica en un 28,5 %. La malnutrición se manifiesta como desnutrición, carencia de micronutrientes y obesidad. Los problemas nutricionales se deben a una combinación de factores tales como la insuficiencia de ingresos, los precios elevados de los alimentos, la escasa producción agrícola y la mala calidad de la dieta.
8. **Género.** En la constitución de 2014 se establece la igualdad de género para todos los derechos civiles, políticos y económicos¹¹. En las últimas elecciones las mujeres ganaron 87 escaños en el parlamento. La constitución exige una cuota femenina del 25 % en los consejos locales. A pesar de estos logros, sigue existiendo una importante disparidad de género. Egipto ocupa el puesto 134.º de un total de 144 países según el índice mundial de disparidad entre los géneros de 2017. Las mujeres siguen enfrentándose a un menor acceso a la educación, la salud, el empleo y los recursos productivos. Son más vulnerables a la pobreza, la inseguridad alimentaria y los problemas de salud. En 2017, la tasa de participación de la mujer en la fuerza de trabajo era del 24 % en comparación con el 42 % en el caso de los hombres¹², mientras que la tasa de alfabetización de la mujer era del 67 % en comparación con el 83 % de los hombres¹³.
9. Las desigualdades de género son más persistentes en las zonas rurales, a pesar del hecho de que la participación de la mujer en el sector de la agricultura era efectivamente superior (38 %) a la de los hombres (22 %) en 2016¹⁴. El Gobierno ha asumido un gran compromiso para abordar las desigualdades de género en la agenda relativa a la Estrategia de Desarrollo Sostenible para 2030.
10. **Los jóvenes.** Egipto está experimentando un crecimiento sin precedentes de su población joven. Los jóvenes, de edades entre 18 y 29, representan cerca del 23,6 % de la población¹⁵. Alrededor del 48,5 % de ellos forma parte de la fuerza de trabajo y alrededor del 34 % están desempleados¹⁶, frente a una tasa de desempleo general del 13,4 %. Aproximadamente el 37,7 % de los jóvenes desempleados tienen títulos universitarios. En las zonas rurales, un gran porcentaje de la población es joven. Más de la mitad de la población del Alto Egipto es menor de 29 años y un tercio tiene entre 15 y 29 años de edad¹⁷. Más de un tercio de todos los jóvenes en esas zonas se encuentran en los quintiles de riqueza más pobres.

¹⁰ De acuerdo con *El estado de la seguridad alimentaria y la nutrición en el mundo*, 2018.

¹¹ Leyes 9, 11, 17, 27 y 53.

¹² Portal de datos del Banco Mundial (2017).

¹³ Portal de datos del Banco Mundial (2013).

¹⁴ Portal de datos del Banco Mundial (2018).

¹⁵ Organismo Central de Movilización Pública y Estadística, 2017.

¹⁶ Educated but Unemployed: *The Challenge facing Egypt's Youth*; nota de orientación normativa de Brookings, julio de 2016.

¹⁷ Banco Mundial. *Young People in Upper Egypt: New Voices, New Perspectives*, 6 de septiembre de 2012.

11. **Cuestiones relativas al sector agrícola.** La agricultura proporciona medios de vida para el 55 % de la población y emplea directamente al 29 % de la fuerza de trabajo¹⁸. Sin embargo, amplios sectores de la población trabajan de manera informal en ocupaciones de subsistencia o familiares no remuneradas. El total de superficie cultivada en Egipto es de 7,2 millones de *feddan*¹⁹, que representan solo el 3 % de la superficie total del país. Aunque la contribución del sector al PIB ha disminuido con el tiempo, la agricultura todavía representa en torno al 13,2 % del PIB y el 20 % de las exportaciones. Las industrias relacionadas con la agricultura, como las de elaboración, comercialización y suministro de insumos, constituyen otro 20 % del PIB.
12. Egipto tiene un clima árido con un promedio de precipitaciones anuales que oscila entre 60 y 190 mm a lo largo de la costa mediterránea y entre 25 y 60 mm en el delta del Nilo, y es inferior a los 25 mm en el Alto Egipto. Se prevé que la disponibilidad de agua dulce per cápita disminuirá de 711,0 m³ en 2008 a 550 m³ en 2030²⁰. El país está experimentando una grave pobreza hídrica que probablemente empeore debido al crecimiento de la población y el cambio climático. En Egipto casi toda la superficie de cultivo es de regadío. El abastecimiento de agua de riego es cada vez menos seguro a causa de las actividades de extracción que se llevan a cabo río arriba, la intrusión salina y problemas relacionados con la gestión costera. Los métodos de aplicación de agua para riego, en particular la aplicación de agua de inundaciones y en surcos, son ineficientes. Al mismo tiempo, la demanda de agua es cada vez mayor, a medida que el riego se extiende a las tierras nuevas.
13. Para comercializar los productos de las zonas rurales, salvo en el caso de algunos productos básicos de exportación, siguen utilizándose sistemas de comercialización tradicionales, oportunistas e informales. Los agricultores siguen lidiando con costos de transacción relativamente elevados y márgenes reducidos.
14. El acceso a la financiación rural sigue siendo problemático. Entre los problemas cabe señalar los requisitos en materia de garantías y el escaso desarrollo de los sistemas de financiación de las cadenas de valor. La capacidad de las asociaciones de desarrollo comunitario para proporcionar financiación a las empresas rurales no agrícolas es limitada. Aunque algunas localidades cuentan con cooperativas de ahorro y crédito en funcionamiento, el desempeño de estas es desigual.
15. Hay una carencia de iniciativas de creación de capacidad de buena calidad que permitan a los habitantes de las zonas rurales adquirir las competencias empresariales y de comercialización pertinentes. Las instituciones que prestan servicios a la población rural no tienen la capacidad suficiente para ofrecer los servicios necesarios que garanticen un crecimiento sostenible de los ingresos. A nivel nacional, hay una falta de coordinación entre las principales instituciones que prestan servicios al sector agrícola, lo que lleva a generar ineficiencias y señales contradictorias.
16. **Desafíos y riesgos.** Los efectos previstos del cambio climático constituyen el mayor desafío al que se enfrentan las zonas rurales. La temperatura media anual en el país ha aumentado alrededor de 1°C en los últimos 50 años y se prevé que aumentará otro 1,5°C para 2060 y 2°C para 2080. Con las altas temperaturas, aumentará la evapotranspiración y el consumo de agua, y se agravará aún más la aguda escasez de agua. La variabilidad del caudal de agua del Nilo provocada por el clima es un riesgo considerable, debido a la profunda dependencia que tiene Egipto del río Nilo. Persiste la incertidumbre en torno a las proyecciones climáticas para la cuenca del Nilo, ya que no hay un consenso claro sobre si su

¹⁸ Grupo Consultivo para la Investigación Agrícola Internacional (CGIAI), 2018.

¹⁹ Unidad de superficie utilizada en Egipto equivalente a unos 4 200,833 metros cuadrados (aproximadamente 1 038 acres).

²⁰ Estrategia de Desarrollo Agrícola Sostenible para 2030.

caudal aumentará o disminuirá (Butts *et al.*, 2016). En estudios recientes se predice un incremento del 10 % al 15% del caudal medio del río Nilo en el siglo XXI²¹. Esta es una perspectiva seria, ya que las previsiones indican que la desviación típica anual del caudal aumentará en un 50 %, lo cual dará lugar a inundaciones y sequías más dramáticas.

17. Existe un riesgo asociado a la incertidumbre general del entorno político. Cualquier inestabilidad política podría paralizar las reformas, generar la volatilidad de la moneda y agudizar la inflación. Las intervenciones que se lleven a cabo en el marco del Programa sobre Oportunidades Estratégicas Nacionales (COSOP) podrían verse afectadas si se produjera un cambio de gobierno o si empeorara la situación económica del país. El riesgo de que la inestabilidad regional pudiera extenderse a Egipto representaría una amenaza para la recuperación de las inversiones extranjeras y el turismo, lo cual afectaría la capacidad del país de seguir adelante con sus reformas actuales.
18. Otro riesgo guarda relación con la movilización de financiación suficiente para lograr una transformación sustantiva en la zona objetivo. La financiación para llevar a cabo las profundas intervenciones estructurales que hacen falta en las zonas objetivo podría no ser suficiente. Las zonas objetivo abarcadas por las intervenciones del COSOP en el Alto Egipto son particularmente vulnerables a las deficiencias que existen en Egipto en términos de género, demografía y geografía. Con objeto de financiarlas en modo suficiente, se ha elaborado una estrategia de movilización con la que estudiar los distintos flujos de fondos de los donantes existentes, ampliar la base de donantes —especialmente el sector privado y las fundaciones— y reforzar la recaudación conjunta de fondos con otros asociados para el desarrollo.

II. Enseñanzas y resultados previos

19. Las principales enseñanzas extraídas se derivan de la experiencia del FIDA en Egipto, así como de la evaluación temática de la estrategia del FIDA en el país y el programa para 2006-2016 realizada por el Ministerio de Inversión y Cooperación Internacional y de la evaluación de la estrategia y el programa en el país para Egipto realizada por la Oficina de Evaluación independiente del FIDA (IOE). A estas se han sumado las observaciones y análisis formulados por la misión del COSOP.
20. El programa del FIDA en Egipto se compone de dos temas y grupos de actividades principales: apoyo al asentamiento en tierras ganadas al desierto (las tierras nuevas) y apoyo al aumento de la productividad en las tierras viejas en el valle y delta del Nilo. Si bien los pequeños agricultores siempre han estado al centro de los proyectos del FIDA, también se ha ido agregando gradualmente al sector rural no agrícola en reconocimiento de la creciente diversidad de los medios de vida rurales.
21. Los proyectos del FIDA han beneficiado a 1,3 millones de hogares (o 7 millones de personas), abarcando 447 000 *feddan* (o 188 000 hectáreas). En las tierras nuevas, proyectos del FIDA como el Proyecto de Colonización de Beheira Occidental ayudaron a establecer comunidades agrícolas viables con todas las infraestructuras y servicios necesarios. Gracias a las intervenciones del Proyecto de Desarrollo Rural de Nubaria Occidental, la tasa de colonización en las tierras nuevas aumentó del 25 al 100 %. Aumentaron los ingresos de alrededor del 80 % de los agricultores que recibieron apoyo en el marco del proyecto, frente a solo el 44 % del grupo de control experimental, y se triplicaron los ingresos de los hogares encabezados por mujeres. Gracias al Proyecto de Desarrollo Rural del Alto Egipto, que acaba de concluir, se incrementaron los activos de unos 40 000 beneficiarios. Tanto en la gobernación de Qena como en la de Assiut, aumentaron los ingresos de los beneficiarios del proyecto y sus gastos en temas

²¹ Mohamed S. Siam, Elfatih A. B. Eltahir. "Climate change enhances interannual variability of the Nile river flow". En *Nature Climate Change*, 2017.

clave como educación, salud y alimentación. En los proyectos del FIDA en Egipto se le ha prestado una importancia primordial a la incorporación de la perspectiva de género. En intervenciones anteriores del FIDA, las mujeres recibieron más del 70 % del número de los préstamos otorgados en el sector de las microfinanzas, lo que equivale al 50 % de ellos en términos de valor.

22. El COSOP fue elaborado a través de un proceso participativo inclusivo. Las ideas iniciales se presentaron en un taller conjunto con la IOE y el Ministerio de Inversión y Cooperación Internacional que tuvo lugar en el último trimestre de 2017. Los factores relativos al COSOP que figuran en las recomendaciones formuladas en la evaluación de la estrategia y el programa en el país se reflejaron en el acuerdo en el punto de culminación. Más concretamente, en el COSOP se establece lo siguiente:

- a) centrarse más en la lucha contra la pobreza y reducir la cobertura geográfica orientando los futuros proyectos de inversión a una o dos gobernaciones en la misma región;
- b) afinar la orientación temática y mejorar la viabilidad del diseño. De ello se ha ocupado el formulario de identificación de proyecto propuesto, que centra su atención en las infraestructuras hídricas de las zonas rurales, el acceso a los mercados y las finanzas, y la adaptación al cambio climático. Todas las intervenciones estarán sujetas a un análisis de viabilidad con una clara orientación en la sostenibilidad del uso de los recursos naturales;
- c) mejorar las disposiciones para la ejecución. En colaboración con el Ministerio de Inversión y Cooperación Internacional y el Ministerio de Agricultura y Recuperación de Tierras, el equipo en el país establecerá una función consolidada para la coordinación del programa que preste apoyo a la transición hacia un enfoque programático mejorado, y
- d) gestionar los conocimientos extraídos de los préstamos y las donaciones en apoyo del aprendizaje y la innovación. Los recursos de la donación se solicitarán a los fondos para el clima —el Fondo para el Medio Ambiente Mundial, el Fondo Verde para el Clima y el Fondo de Adaptación— e incluirán componentes relacionados con los conocimientos y la actuación en materia de políticas que puedan integrarse en intervenciones financiadas con préstamos.

23. Las decisiones estratégicas del COSOP propuesto se validaron en un taller nacional de 2018 que contó con la participación de los ministerios pertinentes, como el Ministerio de Inversión y Cooperación Internacional y el Ministerio de Agricultura y Recuperación de Tierras, los asociados para el desarrollo y los organismos de ejecución. En él se analizaron las enseñanzas y las experiencias del FIDA y los asociados competentes. De ellas, cabe destacar las siguientes:

Idear un uso más eficiente de los recursos terrestres e hídricos

24. Se evidencian incentivos inadecuados para la conservación del agua, además de una condición jurídica poco clara y escasa capacidad de las asociaciones de usuarios del agua. La ausencia de mecanismos para un mantenimiento periódico genera grandes obstáculos para la sostenibilidad. En reconocimiento de todo ello, con las operaciones del COSOP en Egipto, se incrementará la eficiencia del uso del agua a escala y se promoverá el uso de energías renovables en el riego. Las intervenciones estarán diseñadas con el propósito de incentivar, fomentar la capacidad y ofrecer datos empíricos que fundamenten los procesos normativos y las decisiones en materia de inversión agrícola sobre la función decisiva que reviste la eficiencia del uso del agua.

Racionalizar la financiación rural

25. Los servicios de financiación rural tienen que mejorar. Los procedimientos para obtener préstamos siguen siendo extensos y complicados, y solicitan requisitos de garantías y de otro tipo que son incompatibles con las comunidades rurales. Para

abordar estas cuestiones, en el marco del COSOP se respaldará un aumento de la competencia que favorezca el acceso a la financiación rural. Esto se logrará recurriendo a procedimientos de refinanciación selectiva, evitando que se concedan asignaciones *ex ante* a las instituciones financieras participantes. Con las nuevas intervenciones, se fomentará asimismo la capacidad de las asociaciones de desarrollo comunitario, en su calidad de conductoras principales para la prestación de servicios de microfinanciación en las zonas rurales.

Establecer mejores vínculos con la cadena de valor y la comercialización

26. Si bien en intervenciones anteriores del FIDA se demostró que existían vínculos a las cadenas de valor y los mercados de exportación que eran satisfactorios, no se midieron ni analizaron sistemáticamente las repercusiones financieras. Ha sido escasa la coordinación entre las escuelas de campo para agricultores y las asociaciones campesinas de comercialización con las oportunidades de agricultura por contrata, aunque los participantes de las escuelas de campo suelen ser miembros de estas asociaciones. A todas las actividades de las escuelas de campo se agregará una dimensión de análisis financiero, de modo que puedan conocerse las repercusiones financieras de las variaciones o innovaciones en la producción de los agricultores. El COSOP permitirá una mejor coordinación de estas escuelas y las asociaciones campesinas de comercialización. Se prestará atención a los sistemas de extensión que se hayan establecido mediante asociaciones público-privadas y se hará mayor uso de los acuerdos de agricultura por contrata.

Seguir poniendo énfasis en el género

27. A pesar de la fuerte presencia de las cuestiones de género en las actuales operaciones del FIDA, como lo demuestran las actividades específicas en materia de género que se llevan a cabo en todos los proyectos del FIDA, todavía existen profundas limitaciones estructurales para promover la igualdad de género en Egipto. En el marco del COSOP se seguirá haciendo hincapié en integrar el análisis y la estrategia de género en la planificación y el diseño de los proyectos, centrando aún más la atención en los hogares encabezados por mujeres. Las futuras intervenciones tendrán como objetivo fortalecer los grupos de mujeres a fin de mitigar los obstáculos culturales para su plena participación en las actividades rurales. Con las intervenciones del COSOP, se promoverá la importancia de fomentar las competencias y la empleabilidad de la mujer, de modo que pueda vincularse con las competencias más necesarias en las gobernaciones beneficiarias.

III. Objetivos estratégicos

Objetivos y efectos directos

28. El COSOP proporciona un marco estratégico para la actuación del FIDA en Egipto para el período 2019-2024 fundamentado por una teoría del cambio bien elaborada (véase el gráfico 1). La meta general es contribuir a la mejora sostenible de los ingresos y los medios de vida resilientes en las zonas rurales de Egipto.
29. Esta meta se perseguirá a través de dos objetivos estratégicos que se apoyan mutuamente: el primero centra su atención en la gama de medios de vida de la que disponen los hogares del medio rural y el segundo, en mejorar el margen de acción normativa para una transformación rural sostenible e inclusiva. Este doble enfoque estratégico permitirá al FIDA recurrir a sus inversiones a través de proyectos para ilustrar resultados concretos sobre el terreno, y basarse en ellos como datos empíricos que utilizará al participar en los procesos normativos que puedan contribuir a la adopción de medidas de transformación para todo el sector. Con este enfoque dual, se incrementarán al máximo los efectos catalizadores de la actuación del FIDA en Egipto.

Objetivo estratégico 1. Mejora de los medios de vida de los hombres y mujeres del medio rural gracias al aumento de la productividad y la rentabilidad de las actividades relacionadas con la agricultura

30. Este objetivo aborda la cuestión central relativa a la mejora de los ingresos rurales. A los hogares rurales que se ocupen de actividades agrícolas, se les dará la posibilidad de que produzcan para el mercado de un modo que los haga tanto competitivos como rentables. A tal fin, se prestarán una serie de servicios personalizados de asesoramiento empresarial, servicios de mejora de las infraestructuras sociales y productivas, y servicios financieros en favor de la población pobre. Todas las intervenciones que se lleven a cabo en relación con este objetivo estratégico serán climáticamente inteligentes y promoverán y fortalecerán la función de las mujeres y los jóvenes. En el marco del COSOP se respaldará un aumento de la competencia que favorezca el acceso a la financiación rural. Esto se logrará recurriendo a mecanismos de refinanciación selectiva, evitando las asignaciones *ex ante* que actualmente se conceden a las instituciones financieras participantes. Con las nuevas intervenciones, se fomentará asimismo la capacidad de las asociaciones de desarrollo comunitario, en su calidad de conductoras principales para la prestación de servicios de microfinanciación en las zonas rurales.
31. Con el COSOP, mejorará el acceso de los pequeños agricultores a información técnica para la producción, la gestión poscosecha y la comercialización gracias a la aplicación de un enfoque más sistemático a la agricultura por contrata y al uso de asociaciones entre el sector público, el sector privado y los productores (asociaciones 4P).
32. Entre los efectos directos previstos en relación con el objetivo estratégico 1, cabe destacar:
- el aumento de la productividad de la mano de obra, la tierra y el agua;
 - un mejor acceso de los productos a los mercados formales y remunerativos;
 - la mejora de la inclusión financiera de los hogares pobres de las zonas rurales, y
 - el fortalecimiento y empoderamiento de las instituciones comunitarias.

Objetivo estratégico 2. Fomento de la elaboración de políticas mejoradas que respalden una transformación rural inclusiva y sostenible

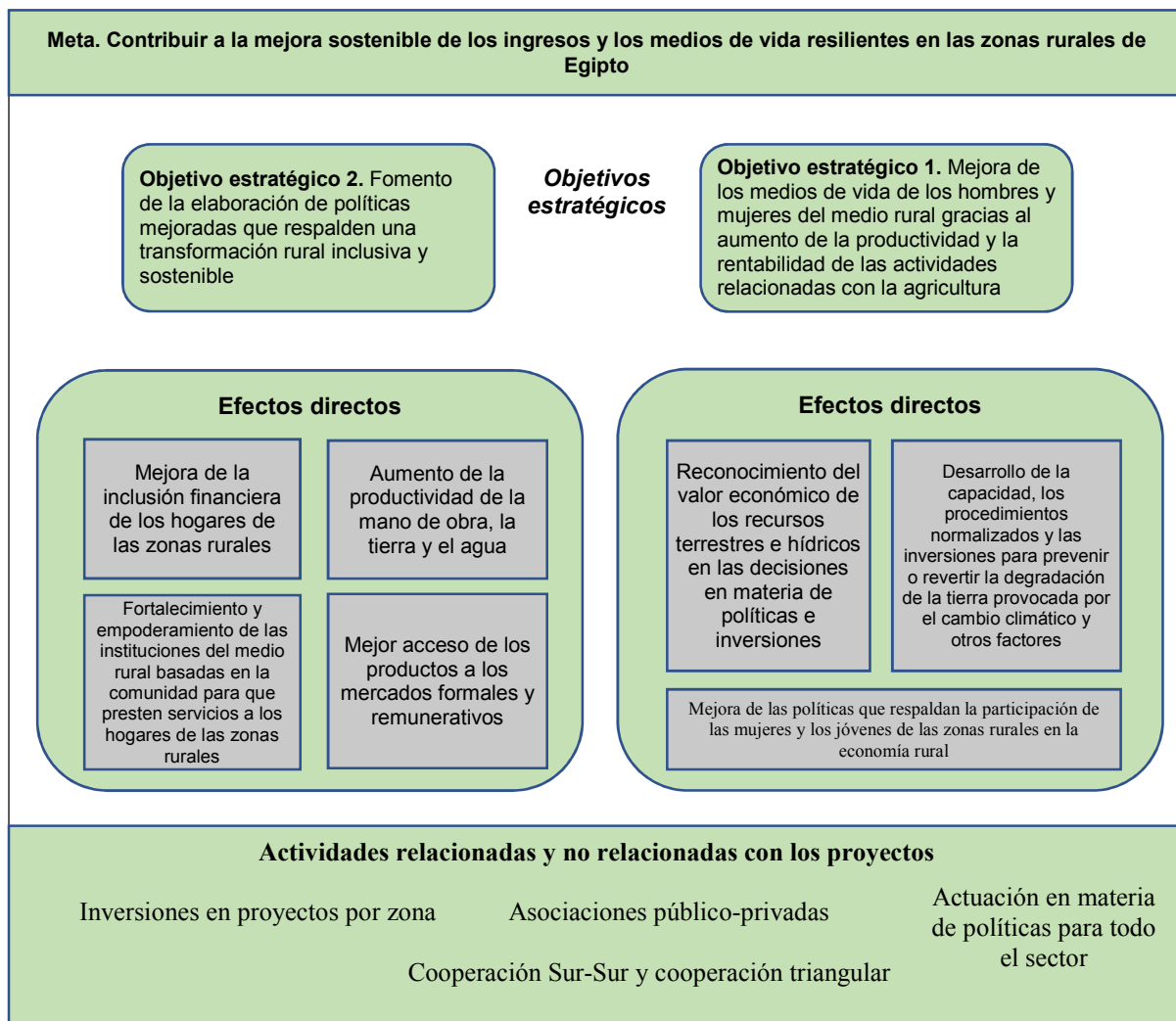
33. Sin lugar a duda, para que la actuación del FIDA en el país sea exitosa, es fundamental contar con políticas bien elaboradas y promulgadas sobre la gestión del agua para riego y promover una financiación rural inclusiva. Con el presente COSOP se pretende desempeñar un papel más proactivo a la hora de prestar apoyo en la elaboración de esas políticas y la realización de los ajustes necesarios. Esa actuación en materia de políticas a nivel nacional se basará en los instrumentos tanto crediticios como no crediticios del Fondo. Con las inversiones financiadas mediante préstamos, se demostrarán las técnicas necesarias para incrementar al máximo la productividad de la tierra y el agua. Estas se aplicarán en las zonas abarcadas por el programa y, posteriormente, a efectos de ampliación de escala, se comunicarán los resultados y las enseñanzas procedentes de la experiencia de inversión a los órganos gubernamentales, los asociados para el desarrollo y las entidades del sector privado competentes. Del mismo modo, se demostrará la importancia de elaborar políticas que brinden oportunidades de inclusión a las mujeres y los jóvenes.

Entre los efectos directos previstos en relación con el objetivo estratégico 2, cabe destacar:

- el reconocimiento del valor económico de los recursos terrestres e hídricos en las decisiones en materia de políticas e inversiones;

- b) el desarrollo de la capacidad, los procedimientos normalizados y las inversiones para prevenir o revertir la degradación de la tierra provocada por el cambio climático y otros factores, y
- c) la mejora de las políticas que respaldan la participación de las mujeres y los jóvenes de las zonas rurales en la economía rural.

Gráfico 1.
Teoría del cambio



Contexto estratégico y justificación

34. El FIDA ha llevado a cabo una serie ininterrumpida de actividades relacionadas con proyectos en Egipto desde 1979. El Gobierno y otros asociados en el país lo perciben como uno de los principales actores abocados a lograr un cambio positivo en las zonas rurales. El Fondo tiene la capacidad de traer consigo importantes recursos para sufragar el diseño y la ejecución a escala suficiente de una serie de inversiones que favorezcan a la población rural pobre y se refuercen mutuamente. Sobre esta base, el presente COSOP allanará el camino para lograr que su actuación en el país sea mayor, mejor y más inteligente.

35. En el COSOP se integrarán una serie de actividades relacionadas y no relacionadas con los proyectos que potenciarán el valor de las inversiones y las intervenciones. En ellas se incluirán las dimensiones relativas al fomento de los medios de vida y la elaboración de políticas. El COSOP les prestará apoyo desarrollando modelos de inversión satisfactorios que puedan reproducirse.
36. El COSOP se ajusta a las prioridades de la Undécima Reposición de los Recursos del FIDA (FIDA11) de incrementar al máximo su contribución a los Objetivos de Desarrollo Sostenible (ODS), y prevé una contribución significativa a la consecución de los ODS en Egipto. Esta contribución se centra en el ODS 1 (poner fin a la pobreza) y el ODS 2 (hambre cero), en consonancia con el Marco de Gestión de los Resultados de la FIDA11. Además, las inversiones del FIDA contribuirán a la consecución de los siguientes ODS: el ODS 5 (igualdad de género), el ODS 6 (agua limpia y saneamiento), el ODS 7 (energía limpia y asequible), el ODS 8 (trabajo decente y crecimiento económico), el ODS 9 (industria, innovación e infraestructuras), el ODS 10 (reducción de las desigualdades), el ODS 13 (acción por el clima) y el ODS 15 (vida de ecosistemas terrestres).
37. El COSOP se ajusta a la estrategia general de desarrollo de Egipto —la Estrategia de Desarrollo Sostenible para 2030—, en especial a los dos pilares relativos al desarrollo económico y el medio ambiente. Se ajusta asimismo a la Estrategia de Desarrollo Agrícola Sostenible para 2030 elaborada en 2009 y al Marco de Asistencia de las Naciones Unidas para el Desarrollo aprobado para 2018-2022. Contribuye a respaldar los esfuerzos nacionales dirigidos a gestionar los recursos naturales de Egipto de manera inclusiva, sostenible y productiva, con miras a mitigar las amenazas ambientales y promover una sociedad y una economía más verdes.

IV. Resultados sostenibles

A. Focalización y género

38. Focalización geográfica. Las inversiones que reciban apoyo del FIDA se centrarán en una o dos gobernaciones prioritarias, que han de determinarse junto al Gobierno de Egipto. Entre los criterios de focalización se incluyen i) la mayor incidencia de la pobreza y la inseguridad alimentaria; ii) sinergias entre las inversiones en tierras tanto viejas como nuevas; iii) la vulnerabilidad geográfica; iv) riesgos climáticos y ambientales; v) las oportunidades de inclusión productiva; vi) la capacidad de las organizaciones económicas rurales, y vii) riesgos elevados a nivel local. La estrategia garantizará la agrupación y concentración de esfuerzos para incrementar al máximo la eficiencia operacional, dando lugar a la posible ampliación de escala y reproducción.
39. Grupo objetivo. Las inversiones estarán orientadas a los hogares de las zonas rurales constituidos por habitantes pobres que estén económicamente activos en la actualidad o que puedan estarlo. Dentro de ese grupo, se adoptarán medidas especiales que garanticen la inclusión de los pequeños agricultores que cultiven menos de un *feddan* (0,42 hectáreas), los campesinos sin tierras, los jóvenes desempleados y los hogares encabezados por mujeres.
40. Estrategia de género y plan de acción. Se promoverán la igualdad de género y el empoderamiento de la mujer, que se abordan como prioridades en todas las inversiones nuevas, i) permitiendo la plena participación de las mujeres en las intervenciones que se realicen en el marco de los proyectos, incluyendo la financiación rural; ii) generando un entorno propicio para las oportunidades agrícolas con niveles más elevados de participación femenina, y iii) fomentando las capacidades y competencias de las mujeres de las zonas rurales para que tengan la posibilidad de conseguir empleo. La estrategia del FIDA en materia de género se

basará en intervenciones como la aprobación del plan de acción sobre género en el marco de la Estrategia nacional para el empoderamiento de la mujer egipcia para 2030, así como en el plan de acción sobre género del FIDA.

B. Ampliación de escala

41. La ampliación de escala será uno de los principales principios de actuación. Con este COSOP se reforzará el actual enfoque programático. Las inversiones tendrán inicio en una ubicación geográfica contigua y, tras demostrar efectos directos satisfactorios, su escala se ampliará a otras zonas con los recursos que el FIDA pondrá a disposición posteriormente, así como con las inversiones conjuntas que procedan de los asociados para el desarrollo.
42. En las intervenciones del FIDA se utilizarán herramientas modernas de comunicación que permitan la difusión oportuna entre los asociados y las partes interesadas de las buenas prácticas y las oportunidades de ampliar la escala de las innovaciones. Entre las prácticas cuya escala puede ampliarse, se incluyen:
 - a) un paquete integrado de apoyo y desarrollo comunitario para tierras nuevas que ha de ejecutarse mediante los proyectos nuevos propuestos y algunos de los proyectos existentes;
 - b) intervenciones respetuosas con el medio ambiente, incluyendo criterios climáticamente inteligentes en todas las inversiones en riego, y
 - c) las prácticas relacionadas con la nutrición y los medios de vida que se están llevando a cabo en la región de Matrú; se ampliará la escala de los paquetes de medios de vida dirigidos a las mujeres en el hogar y las escuelas de niñas con la colaboración de asociados, como el Fondo de las Naciones Unidas para la Infancia (UNICEF), el Programa Mundial de Alimentos y otros.

C. Actuación en materia de políticas

43. La actuación en materia de políticas con los principales ministerios y organismos del Gobierno, así como con los asociados para el desarrollo, es uno de los pilares del COSOP, como lo demuestra la elección de los objetivos estratégicos y los consiguientes efectos directos. Se pondrá especial cuidado a la hora de establecer las prioridades para la actuación en materia de políticas en relación con un número limitado de temas, de acuerdo con las experiencias adquiridas y las oportunidades existentes. Los procesos de actuación tendrán inicio con la evaluación de los resultados que se hayan obtenido sobre el terreno en relación con las políticas, y con la asistencia técnica dirigida a formular análisis y recomendaciones.
44. La mayor presencia del FIDA en el país gracias al centro regional en El Cairo permitirá una mayor participación en los grupos de trabajo existentes y la convocatoria de grupos nuevos, y que la atención se centre en las cuestiones técnicas y normativas fundamentales que son necesarias para incrementar la productividad. Con objeto de garantizar la coordinación y promover la colaboración, el Director en el País, el personal especializado del FIDA y los funcionarios principales encargados del programa participarán en los comités y foros pertinentes, aportando enseñanzas y datos empíricos que fundamenten el diálogo sobre políticas.

D. Recursos naturales y cambio climático

45. Egipto es particularmente vulnerable a las adversidades provocadas por el cambio climático. Se prevé que las temperaturas aumentarán notablemente en el futuro. Ya se ha señalado que los fenómenos meteorológicos extremos, como las crecidas repentinas, se han vuelto más frecuentes. El aumento de las temperaturas y la evolución de las variaciones estacionales ejercerán mayor presión en la producción alimentaria nacional. Se prevé además que el cambio climático alterará la distribución, la incidencia y la intensidad de las enfermedades y plagas de las plantas. La salinización originada por la subida del nivel del mar amenaza con

destruir las tierras de cultivo del extremo norte del delta del Nilo. Se analizarán con detenimiento los riesgos y desafíos concretos que se presenten en las zonas geográficas seleccionadas por el Gobierno y el FIDA para realizar las inversiones futuras.

46. Los objetivos del COSOP servirán para lograr la contribución prevista de Egipto determinada a nivel nacional, que apunta a incrementar la eficiencia del uso del agua en el ámbito de la agricultura por medio de modernos sistemas de riego y drenaje, promueve prácticas climáticamente inteligentes e intenta consolidar los reglamentos y las capacidades institucionales para hacer frente al cambio climático.

E. Agricultura y desarrollo rural que tienen en cuenta la nutrición

47. En el marco del actual programa en el país se abordan las cuestiones relativas a la malnutrición y la agricultura que tienen en cuenta la nutrición a través de los proyectos en curso, lo cual se seguirá haciendo mediante las intervenciones futuras. En el Proyecto de Promoción de la Resiliencia en Ambientes Desérticos y el Proyecto de Medios de Vida e Inversiones Agrícolas Sostenibles se abordan diversos aspectos de la nutrición mediante intervenciones y disposiciones que incorporan la perspectiva de género. Esas actividades seguirán llevándose a cabo durante el COSOP, y se reforzarán al prestarse mayor atención a la sostenibilidad de las asociaciones de desarrollo comunitario encargadas de su gestión.
48. Las enseñanzas extraídas de las actividades realizadas en el marco del Proyecto de Promoción de la Resiliencia en Ambientes Desérticos y el Proyecto de Medios de Vida e Inversiones Agrícolas Sostenibles se integrarán en las nuevas inversiones. La ejecución de todas las intervenciones relacionadas con la nutrición se realizará mediante organizaciones comunitarias, mientras que el material de comunicación será elaborado/validado por el UNICEF. En la revisión a mitad de período del COSOP se incluirá una encuesta sobre la situación nutricional.
49. Se observa una posible relación entre las subvenciones a los alimentos y una nutrición deficiente, especialmente en la medida en que contribuyen a la obesidad. Este será el tema del análisis de políticas que se llevará a cabo con el Gobierno.

V. Ejecución satisfactoria

A. Marco de financiación

50. Este COSOP proporciona el marco estratégico para las inversiones que se realicen a lo largo de dos ciclos crediticios, es decir, los correspondientes a la FIDA11 y la FIDA12. A título indicativo, la asignación para Egipto durante la FIDA11 con arreglo al Sistema de Asignación de Recursos basado en los Resultados asciende a USD 58,4 millones, y se prevé una asignación similar para la FIDA12. Se movilizarán recursos adicionales en forma de donación para respaldar diversas actividades no crediticias.
51. El Gobierno procurará movilizar la cofinanciación para los programas del FIDA mediante recursos del Gobierno o contribuciones de los asociados para el desarrollo. El FIDA ya ha entablado conversaciones con el Banco Africano de Desarrollo, el Banco Mundial, el Banco Islámico de Desarrollo y el Fondo de la OPEP para el Desarrollo Internacional, además de con los asociados bilaterales y los puntos de contacto de los fondos vinculados con el clima. El objetivo consiste en formular una estrategia de cofinanciación con la que pueda alcanzarse una tasa de cofinanciación total de 1:1,4. La cofinanciación nacional contribuirá un 60 % de los fondos, mientras que los fondos restantes provendrán de fuentes internacionales de financiación para el desarrollo.

B. Seguimiento y evaluación

52. En el marco del COSOP, se prestará especial atención a fortalecer el seguimiento y evaluación (SyE) a nivel de los proyectos. Las inversiones garantizarán que los procesos de SyE se incorporen como responsabilidad conjunta de los organismos de ejecución de todas las intervenciones del programa. Si bien la responsabilidad general de las actividades de SyE recaerá en los directores nacionales y regionales de los proyectos, se prestará especial atención a garantizar que todos los organismos de ejecución de los proyectos entiendan y utilicen las funciones de SyE.
53. El Marco de gestión de los resultados del COSOP contiene indicadores para la ejecución del programa y medios de verificación. Con los resultados del SyE de los proyectos, se recabará información para el Marco de gestión de los resultados del COSOP. El sistema de SyE generará información cuantitativa y cualitativa sobre los resultados, de modo tal que los efectos directos y avances físicos puedan compararse con las metas previstas, permitiendo la adopción de medidas correctivas. Los indicadores se desglosarán por género y jóvenes, y se ajustarán a los nuevos indicadores básicos y al Sistema de Gestión de los Resultados Operacionales en línea del FIDA.

C. Gestión de los conocimientos

54. Las dos iniciativas regionales en curso en materia de gestión de los conocimientos, realizadas en colaboración con el Centro Internacional de Investigación Agrícola en las Zonas Secas y el Instituto Internacional de Investigación sobre Políticas Alimentarias (IFPRI), prestarán apoyo activamente a las intervenciones sobre gestión de los conocimientos que se realicen en el marco de este COSOP. De particular interés es el Programa de Análisis de las Inversiones en favor del Desarrollo en la Región Árabe, una iniciativa conjunta del FIDA y el IFPRI dirigida a las analizar políticas e inversiones en las zonas rurales que permitan una mayor eficacia y eficiencia en la toma de decisiones por parte del Gobierno. El programa presentará y difundirá información a las partes interesadas. Este proceso de gestión de los conocimientos contará con el apoyo de una serie de talleres y actividades de aprendizaje conjuntas. La responsabilidad de la gestión de los conocimientos y las comunicaciones se repartirá entre el FIDA, el Gobierno y el personal encargado del programa. Los proveedores de servicios que trabajen en el marco del programa también tendrán la responsabilidad de compartir las enseñanzas extraídas y deberán proporcionar notas de aprendizaje y estudios de casos especiales.

D. Asociaciones

55. El COSOP brinda la oportunidad de que el FIDA amplíe y consolide las asociaciones dentro del país, haciendo especial hincapié en intensificar la colaboración con los organismos con sede en Roma. En el expediente principal 3 se muestran los distintos tipos de asociaciones existentes y las previstas durante el COSOP (2019-2024).
56. El FIDA desempeñará un papel fundamental en la coordinación entre los donantes y los asociados para el desarrollo, la cual se verá facilitada gracias al centro regional de El Cairo. Un aspecto clave del COSOP será identificar las oportunidades de asociación con los donantes y el sector privado. Con tales oportunidades no solo se aprovecharán los recursos, sino que también se crearán sinergias y se armonizará el programa del FIDA en el país con los programas de otros donantes. El COSOP complementa la labor de otros asociados para el desarrollo, poniendo énfasis en la inclusión social, la adaptación al cambio climático y el desarrollo de las cadenas de valor en el Alto Egipto, lo cual supondrá lo siguiente:
 - la complementariedad con las iniciativas de comercialización que financia actualmente la Agencia Alemana de Cooperación Internacional;

- la labor de actuación en materia de políticas en torno a la sostenibilidad de los recursos naturales y la coordinación entre los ministerios de Agricultura y Riego, que se basarán en esfuerzos previos de los donantes, como la iniciativa de los Países Bajos relativa a la organización de consultas anuales entre los ministerios, y
- la colaboración continua con el Banco Africano de Desarrollo, cuyo estudio de viabilidad sobre la utilización de energía solar en los sistemas de riego se utilizará en la inversión prevista en el marco del presente COSOP.

E. Innovaciones

57. El presente COSOP ofrece una plataforma para realizar varias innovaciones importantes, como:
- a) la introducción de instrumentos mejorados de financiación rural junto a nuevos canales de distribución y el uso de nuevos productos, como el arrendamiento financiero y la financiación de la cadena de valor;
 - b) el desarrollo de un sistema viable de asociaciones 4P que facilite el acceso de los agricultores a la prestación de apoyo y asesoramiento especializados por parte de expertos, a fin de que puedan participar en cadenas viables de valor agrícola (toda una innovación en el contexto nacional), y
 - c) la puesta en marcha y el funcionamiento de una unidad consolidada de gestión del programa, en lugar de varias unidades de gestión de proyectos, la cual servirá para cubrir las necesidades en común de todos los proyectos/programas que reciben apoyo del FIDA en lo que respecta a las adquisiciones y contrataciones, la gestión financiera, la elaboración de políticas, el SyE y la gestión de los conocimientos.

F. Cooperación Sur-Sur y cooperación triangular

58. En el Marco Estratégico del FIDA (2016-2025) se establece que "el Fondo tiene previsto fortalecer su ventaja comparativa y ampliar sus actividades en [el ámbito de la cooperación Sur-Sur y la cooperación triangular]". Para ello, se hará hincapié en brindar oportunidades de desarrollo a pequeñas empresas agrícolas (por ejemplo, a través de asistencia técnica integrada, hermanamientos, plataformas de diálogo sobre políticas) y en realizar actividades novedosas/innovadoras que fomenten la transformación rural en pos de mejorar los medios de vida. El COSOP contribuirá a ello mediante:
- a) la interacción con proyectos que reciben apoyo del FIDA en varios países de la ex Unión Soviética (como la República de Moldova), a fin de estudiar los mecanismos de refinanciación rural;
 - b) la interacción con proyectos que reciben apoyo del FIDA en Ghana, a fin de estudiar asociaciones público-privadas funcionales y la concesión bancaria de fondos propios para la financiación rural;
 - c) la posible interacción con los proyectos de riego de pequeñas explotaciones en Kenya y Etiopía que reciben apoyo del FIDA, a fin de intercambiar ideas sobre planes sostenibles que hagan un uso eficiente del agua y sean pertinentes para el mercado;
 - d) la posible interacción con los proyectos para la adaptación al cambio climático de toda región del Cercano Oriente y África del Norte que reciben apoyo del FIDA, y
 - e) la posible participación en dos iniciativas regionales sobre Cooperación Sur-Sur y cooperación triangular, patrocinadas por la División de Cercano Oriente, África del Norte y Europa, que está ejecutando actualmente la Oficina de las Naciones Unidas para la Cooperación Sur-Sur junto al Instituto Nacional de Investigación Agronómica de Argelia.

59. La posible transferencia de conocimientos desde Egipto incluye: i) la puesta en práctica de infraestructuras hídricas rurales mejoradas y aplicaciones de riego modernas, y ii) la integración de las infraestructuras y las instituciones comunitarias en las zonas de regadío de reciente creación.

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 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>GOAL</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>SO1</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>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>	<p>Resources will be mobilised by IFAD and partners to support the</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	
	S02 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	
		anced 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

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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

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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

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 .

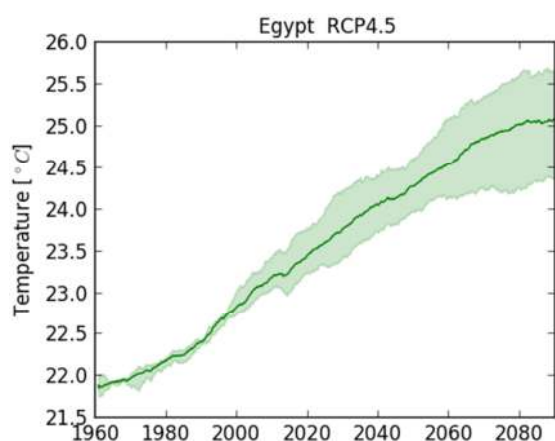
Climate change

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

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).

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).



Regional climate model projections for temperature displayed as 20 year running mean. The line represents the ensemble mean while the shaded area represents the model spread. The projections are based on the emission scenario RCP4.5.

Source: Regioclim



Satellite map of the Nile delta, showing potential coastal inundation (light blue area) through a sea level rise of 0.5m

Source: Elsharkawy 2009

Figure 4b and 4c. Projected temperature increase and sea level rise in Egypt

Increased in flow variability of Nile water. Nile flows are highly sensitive to climate change. Increase in variability, especially of precipitation in upstream countries is the most securely predicted impact of climate change. There remains uncertainty in climate projections in the Nile basin with no clear consensus if Nile water will increase or decrease (Butts et al., 2016) and projections .

Extreme weather events. A strong increase in the duration of heat waves is projected (GERICS 2015). Other extreme weather events such as storms and flooding are more frequent and may increase in future. Heavy rains and flooding affected the Assuit, Red Sea, Sohag, South Sinai and Qena governorates in December 2016 (see figure 4e). Heavy rains caused flooding in Cairo in April when the COSOP mission took place.

Climate change impacts

Loss in production. Higher temperatures, changing seasonal patterns, salinization and extreme weather events are likely to impact national food production. High temperatures will increase evapotranspiration and water consumption and put a further strain on the acute water scarcity in the country. National food production could decrease by 11% to a maximum of 51%. A temperature increase of 1.5°C could decrease the production of wheat by 12%, maize by 47%, rice by 26% to 47% and vegetables by 28%. Climate change is expected to alter the distribution, incidence and intensity of plant pests and diseases. It creates new ecological niches, potentially allowing for the establishment and spread of plant pests and diseases to new geographical areas (TNC 2016).

Loss of agricultural land. Salinization caused by rising sea level threatens to destroy farmland in the Nile delta. If the sea level rises by half a meter, one million feddans of agricultural land may go out of production (NAPA 2011), as figure 4d depicts. The most vulnerable parts in Egypt will be the governorates on the coasts including Alexandria, Port Said, Beheera, Kafr el Sheikh as well as other parts such as the south Mediterranean coastal areas of Al-Burullus and Manzala. There are indications

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.

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.

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

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	82
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	18,899
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 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.

<p>Project approach: thematic areas</p> <p><i>Select up to 3 from the list</i></p>	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 Constitute 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"> • Relaying 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

Priority Area	Affected Group	Major Issues	Actions Needed
			change adversaries including built capacities and investments on climate adaptation methods.
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 	<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

Priority Area	Affected Group	Major Issues	Actions Needed
		<p>infrastructure.</p> <ul style="list-style-type: none"> • High cost and shortage of energy in the use of irrigation. 	<p>enhance their bargaining power.</p> <ul style="list-style-type: none"> → 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 other productive resources.	<ul style="list-style-type: none"> • Few available employment opportunities in the rural areas especially on new lands. • 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"> → Improve access to marketing and business opportunities. → Promote new technologies. → 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. <input type="checkbox"/> Mandate to work with farmers and rural businesses. <input type="checkbox"/> 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 	<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 	<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

Organization	Strengths	Weaknesses	Opportunities	Threats
		<p>orientation and leadership have delayed services on the ground.</p> <ul style="list-style-type: none"> Reluctance to take further risks in the microfinance sector at the moment. 	<p>through credit.</p>	<p>microfinance 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.

Organization	Strengths	Weaknesses	Opportunities	Threats
Agriculture Cooperatives	<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 distributing agricultural inputs to the large number of small farmers. ● 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. 	<ul style="list-style-type: none"> ● These are not a voluntary organization of farmers. ● Traditionally their role was restricted to assisting Government with procurement of key commodities such as wheat. ● 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. 	<ul style="list-style-type: none"> ● Can be used to channel financial services to small farmers. ● Can be used to organize farmers for extension messages and training. ● 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"> ● Low level of participation of women in the cooperatives. ● 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.

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
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 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 	<ul style="list-style-type: none"> • 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>

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
		<ul style="list-style-type: none"> Fayoum Governorate 	<ul style="list-style-type: none"> On-going, closing in 2019 	
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 soil quality and agro-biodiversity in oasis agro-ecosystems of the Egyptian Western Desert which will be a platform for any future IFAD

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
				intervention in the same area.
GIZ	<ul style="list-style-type: none"> Water Management Reform Programme 	<ul style="list-style-type: none"> Governorates of Kafr el Sheikh and Beheira. 	<ul style="list-style-type: none"> On-going, closing in 2018 	<ul style="list-style-type: none"> The existing partnership with GiZ on agricultural marketing support will be strengthened. Complementarities with marketing initiatives being financed through the German cooperation agency. Communities supported through IFAD-financed programs will learn from and access marketing and standard-setting activities under GIZ-financed programs. Potential cooperation between IFAD and GIZ in implementing SAIL project activities with respect to FFSs is currently negotiated. Knowledge sharing and Potential for IFAD/GIZ to intensify engagement in policy dialogue, especially with respect to financial services offered to SMEs by non-bank financial institutions.

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
	<ul style="list-style-type: none"> Promotion of access to financial services for small and medium enterprises. 	<ul style="list-style-type: none"> Egypt 	<ul style="list-style-type: none"> On-going, closing in 2021 	
UNICEF	Nutrition Stakeholder and Action Mapping Report	Egypt	2017	Recognising the need to address this issue with greater urgency, the Ministry of Health and Population (MoHP) with UNICEF have developed a Nutrition Agenda for Action framework document (2017) to serve as a road map to address the nutrition challenges that the country faces.
USAID	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	Governorates of Beheira and Luxor	On-going, closing in 2020	Knowledge sharing on post-harvest processes and marketing that will support the implementation of SAIL and PRIME

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	<p>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>Upper Egypt governorates of Beni-Suef, Menia, Assiut, Sohag, Qena, Luxor, and Aswan.</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	Second Integrated Sanitation and Sewerage Project (approved June 2011, USD 300 million): In Menoufia, Sharkeya, Assiut, and Sohag	All the highlighted projects are ongoing	IFAD country team in touch with WB country team specifically about aligning STAR with the Local Development Program-for-Results Project

Donor/Agency	Nature Of Project/Programme	Project/ Programme Coverage	Status	Complementarity/ Synergy Potential
	<p>coordinating its interventions with the WB.</p>	<p>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 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>(\$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 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>

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		<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>		
KFW	<p>Integrated Water Resource Management</p> <p>(IWRM)</p>	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.

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