

Output Title: **EGYPT NETWORK FOR INTEGRATED DEVELOPMENT**

4 April 2012

Anticipated start/end dates: April 2012 – December 2016 (5 YEARS)

Total estimated budget*: **\$ 4,708,209**

Out of which:

- | | |
|---------------------|----------------|
| 1. Funded Budget: | \$ 3,085,293 |
| 2. Unfunded budget: | \$ \$1,622,916 |

** Total estimated budget includes both program costs and indirect support costs, including UNDP Administrative fees*

Sources of funded budget:

- | | |
|-----------------------------------|--|
| • UNDP | \$ 150,000 |
| • UN Women | \$ 450,000** |
| • Rockefeller Brothers Foundation | \$100,000 (Year 1) |
| • Sawiris Foundation | \$1,305,293 (including
&% admin. fees) (Year 1-5) |
| • DFID | \$1,080,000 (Year 1-3 Equivalent
GBP700,000) |

***This amount consists of \$150,000 in seed money spread over the first three years of ENID's operation (\$50,000 x 3 years). Another \$300,000 from UN Women will be contributed to ENID over the second and third year, based on UN Women's mobilization plan for its flagship program, Wesh El Saad.*

Table of Contents

I. Introduction	4
II. Rationale for Areas of Focus.....	6
III. Overview of ENID Areas of Focus.....	6
A: Empowerment of Women and Youth	6
B. Promoting MSMEs and Entrepreneurship	9
C. Rural Development and Off-farm Employment.....	11
D. Upgrading Basic Services in Rural Upper Egypt.....	12
E. Administrative and Fiscal Decentralization	13
F. Development and Utilization of 4 ENID Tools across Sectors	15
IV. Sectoral Programs for Intervention.....	16
V. Description of ENID Activities and Outputs	23
Activity A: Empowerment of Women and Youth	23
Activity B: Promoting MSMEs and Entrepreneurship	25
Activity C. Rural Development and Off-Farm Employment.....	29
Activity D: Upgrading Basic Services in Rural Upper Egypt	43
Activity E: Administrative and Fiscal Decentralization	46
Activity F: Development and Utilization of 4 ENID Tools across Sectors	48
VI. Selected Partners To Date.....	53
VII. Governance of ENID.....	54
VIII. Management Arrangements	55
IX. Monitoring, Evaluation and Reporting	58
X. Work Plans and Budgets	61
Annex 1: List of ENID Founding Members	66
Annex 2: Cost Estimates and Work Plan for Sub-Activities of Output C	68
Annex 3: The Local Level Component of the LEDP	76

ACRONYMS AND ABBREVIATIONS

ARC	Agriculture Research Center of the MALR
AWP	Annual Work Plan
BDS	Business Development Services
BOT	Board of Trustees
CAA	Cairo Agenda for Action on Aid Effectiveness
CDA	Community Development Association
CPAP	Country Program Results Action Plan
CSO	Civil Society Organization
DHS	Demographic and Health Survey
ECES	Egyptian Center for Economic Studies
EHDR	Egypt Human Development Report
ERF	Economic Research Forum
ENID	Egypt Network for Integrated Development
EQI	Environmental Quality International
FAO	Food and Agriculture Organization of the United Nations
GAFI	General Authority for Investment
GDN	Global Development Network
ICT	Information and Communication Technology
IFPRI	International Food Policy Research Institute
LED	Local Economic Development
LEDP	Local Economic Development Programme
MALR	Ministry of Agriculture and Land Reclamation
M&E	Monitoring and Evaluation
MCIT	Ministry of Communication and Information Technology
MD	Managing Director
MDG	Millennium Development Goals
MFI	Micro Finance Institution
MOFA	Ministry of Foreign Affairs
MSME	Micro, Small and Medium Enterprise
NGO	Non Governmental Organization
NEX	National Execution
NIM	National Implementation Modality
OMA	Operational Management Agreement
OU DA	Operational Unit for Development Assistance
PBDAC	Principal Bank for Development and Agricultural Credit
PM	Project Manager
PPP	Public/Private Partnership
QPR	Quarterly Progress Reports
RESAKSS	Regional Strategic Analysis and Knowledge Support System
RTI	Research Triangle Institute
SBAA	Standard Basic Assistance Agreement
SCC	Social Contract Center
SME	Small and Medium Enterprise
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program

I. Introduction

One of the key obstacles that continues to face Egypt's development process is the lack of well-coordinated and transparent decision-making that is based on solid information and data, integrated sectoral analysis and research-based policy advice and recommendations. Another chronic problem has been the absence of an institutional memory and a hands-on inventory of successful development projects and programs from which to scale up across Egypt.

The purpose of the Egypt Network for Integrated Development (ENID) project in Egypt's post-revolution era is to develop and design effective strategies that address these obstacles to vital economic development challenges. Its aim is to create a viable process for the identification of problem areas and for the dissemination of solutions to selected national problems in an integrated process that consists of several phases. This starts with critical situation analysis that leads to the identification of key elements in each selected problem. Research and best practice options then map out potential courses of action. Appropriate tools of advocacy and dissemination are then applied to inform decision-makers of these best practice policy choices at the national and regional levels. Monitoring and evaluation are an integral part of the process to provide feedback on the efficacy of interventions and means to improve performance.

The ENID project covers five major domains, each of which has the potential to impact significantly on poverty reduction. Namely, these are (i) the economic empowerment of women and youth; (ii) promoting micro, small and medium enterprises (MSMEs); (iii) agricultural productivity and off-farm employment; (iv) upgrading basic services in rural Upper Egypt; and (v) administrative and fiscal decentralization. However, when necessary, ENID will incorporate other areas that may need analysis in the interest of the broader picture. In some cases, such as with women and youth, the domain is not only a self-standing area of focus but also a cross-cutting theme.

What the first five priority areas have in common is that they target an estimated 70% of Egypt's poor and ultra-poor. The five areas are interlinked such that they all contribute to meeting the objective of the MDGs, including poverty reduction and employment creation, raising the health and education profile of women and children, and providing basic social services, housing and infrastructure (especially sanitation) in an increasingly environmentally-sustainable direction. Collectively, they address the marginalization experienced by some segments of society, and emphasize 'inclusive' socio-economic development and growth for the greater part of Egyptians to contribute to and benefit from growth and prosperity. In every sectoral area of activity, targeted communities are expected to be not only beneficiaries but owners and active contributors to their own development.

In addition to the five areas of focus, the ENID initiative will develop four ENID tools – documentation; monitoring and evaluation; a knowledge platform; and dissemination, advocacy and communication. Documentation and evaluation of existing best practice projects, programs and players will be crucial to the success of ENID activities. Dissemination, advocacy and communication will serve all the ENID domains as well as development stakeholders at home and abroad. The knowledge platform will ensure the creation of a vital reference source for use by all development practitioners. Additionally, each ENID activity will assess the relevant macro situation and institutional framework so as to analyze reform options and macro implications of ENID sectoral interventions. As such, these tools may together be considered a sixth ENID activity. The ENID tools may be seen as sub-project components and include collation of relevant work and creation of a projects and programs data-base, assessment of interventions, production of extension service manuals, and development of effective advocacy tools to guide policy directions of government and other stakeholders.

Other than evaluating and recommending policy options for problem areas in the domains selected, the expected spin-off benefits of the project are also the development and management of strategic

partnerships with Egyptian research centers, think tanks, and experts in various social, economic and legal and institutional fields. Such partnerships allow ENID to capitalize on the existing knowledge base, produce multi-disciplined solutions, and formulate replicable action plans that showcase best practice for the five key development areas.

In this respect, strategic partnerships have already been put in place. To ensure alignment with the broader economic development efforts, ENID projects will be implemented in an integrated manner at target local levels with a 'Local Economic Development Programme' (LEDP) introduced by UNDP/UNCDF to activate the role of local administration and empower it to play a guiding and coordinating role of actions undertaken independently by public and private sector actors. LEDP institutionalizes the economic development process at the local level and grounds it in the target local economy – both rural and urban - and within the broader context of Egypt's economy.

Additionally, ENID will coordinate on the *Wesh El Saad* project, a UN Women program promoting women's entrepreneurship with an emphasis on poor and marginalized geographical areas in Egypt. The program will target poor and very poor women in five Egyptian governorates in both Upper and Lower Egypt, as well as women in three slum areas of Cairo.

The Sawiris Foundation, an Egyptian non-governmental grant-making foundation, is supporting and partnering with ENID to introduce agricultural interventions to raise productivity and generate off-farm employment in the governorate of Qena.

The Social Contract Center is also partnering with ENID to explore cost effective measures to reach rural households in Egypt's poorest villages for access to water and sanitation; design integrated social services, protection systems and training programs for social workers; and identify best practice interventions across rural areas in micro finance and employment projects.

In summary, ENID's mandate is to:

- Provide a venue for researchers, academics, experts and practitioners to build on the wealth of knowledge acquired on challenges to development in Egypt, and together contribute well-designed gender responsive, action-oriented and integrated solutions to the many problems that have been identified in the various and ongoing post-revolution national debates in Egypt.
- Inform Egyptian society, legislature, and policymakers on the cost and benefit of various scenarios/options for programs of national priority, and establish and implement monitoring and evaluation frameworks. Emphasis will be placed on tapping the most advanced methods and technologies from the global pool of knowledge.
- Engage civil society at the community and grassroots level by developing new modes of communication and participation that are relevant to each specific context. This will allow targeted communities to be not only beneficiaries but owners and active contributors to their own development.
- Provide a knowledge platform to practitioners and analysts covering the information, data and documentation related to those development areas in which ENID is involved. It will create linkages with development workers such that they feed their experience into the knowledge base. The purpose is to share the stock of knowledge on actual conditions and best practices in an effective and swift manner among a broad audience and policymakers.
- Ensure that macroeconomic policy actions are in line with the recommendations suggested by the sectoral analysis.

II. Rationale for Areas of Focus

A major area of concern is the 20 million young women and men representing about 20% of Egypt's total population.¹ Large regional disparities exist in Egypt with rural Upper Egypt being the most deprived (43.7% of its residents are income poor). According to the 2009 Survey of Young People in Egypt (SYPE)², whereas rural youth account for 59% of Egypt's total youth, they account for 85% of Egypt's poor youth. These are characterized notably by the lack of employment opportunities, and for women, negligible participation in the labor market. The informal sector currently represents the main source of employment for new labor market entrants, but it is a highly gender-discriminated market.³ Female participation in the labor market is among the lowest in the world. For example, young women (aged 18-29) represent 18.5% of the Egyptian workforce compared to more than 50% of men. Egypt is rated number 120 among 128 countries on gender gap measurement.

Over 30% of Egypt's GDP is generated by small enterprises. It is generally accepted that investment in micro, small and medium enterprises (MSMEs), can raise productivity by enabling the poor to engage in productive activities, find employment, and earn higher incomes, leading to economic growth and the reduction of poverty. Active promotion of MSMEs in Egypt's governorates including rural areas and informal settlements, utilizing technical assistance, financial and non-financial services, and other development mechanisms according to best practices at home and abroad are a means to achieve these objectives. Egypt's Social Fund for Development has expressed great interest in supporting the development of locally developed franchises to assist in the creation of sustainable enterprises such as preschools and day care centers. The franchise model has a number of benefits in that it provides a ready-made model and tested framework to novice entrepreneurs, thereby minimizing the risk of failure.

The link between environmental and sustainable agricultural and rural development (SARD), enhancing food security, and reducing poverty is a central issue for achieving economic and social development in Egypt. The contribution of the agriculture sector in Egypt exceeds 13% of the Gross Domestic Product (GDP) and over 30% of employment opportunities. Meanwhile, about 57% of the total population in Egypt lives in rural areas, where poverty prevails. About 70% of the poor and very poor live in rural areas and of the 25% of the population living in Upper Egypt, about 66% are extreme poor, 51% poor and 31% near poor. The rationale for the focus on the agricultural sector in poverty reduction is self evident.

In order for the ENID actions to be sustained and to yield positive results at the local level, they must be supported by accountable local institutions mandated with the overall task of promoting socio-economic development and ensuring equity. This will be achieved through integrating the implementation of ENID with the launch of the Local Economic Development Program (LEDP) at the target localities.⁴ Further, the program will inform local administrative and fiscal bodies on the cost and benefit of various scenarios/options for programs of regional priority, and ensure that macroeconomic policy actions through the legislature and policymakers are in line with the recommendations suggested by the sectoral analysis, as well as assure that local programs fall within the national economic policy framework.

III. Overview of ENID Areas of Focus

A: Empowerment of Women and Youth

The youth bulge now means that Egypt has almost 20 million young men and women in the age group 18-29 that represent both a risk and an opportunity.⁵ Egypt's revolution provides ample evidence of young men and women's power and determination to act on behalf of social justice,

good governance, human rights and freedom. It is also historically true that Egypt experienced some of the earliest successful social women's movements in the 1920s. More recently, the speed with which girls have accessed education over the past three decades is impressive.

The natural transition for young people after school completion is to enter the labor force. However, in Egypt, SYPE data shows that about 58.5% of youth aged 18-29 are out of the labor force; that is, they are not working, not searching for work, nor willing or interested to work. Gender differentials are astounding, where women who are out of the labor force (83%) are 3 times more than men (27%). Female participation in the labor force has in fact declined to an alarming 18.5%. As to youth who are in the labor force, 34.5% are employed and 7% are unemployed. However, disaggregating by gender shows that 6 times more men are employed than women in the same age group. Hence, while female youth are more likely to be out of the labor force, male youth are more likely to be employed.

Issues of Gender Discrimination

Women's movements and organizations in Egypt have invested substantial amounts of time and resources in increasing awareness of women's issues through advocacy campaigns targeting policymakers, communities, and the media. However, the impact of their efforts is unclear. Evidence, both anecdotal and research-based, suggests that measures remain necessary, not only to continue the reform of personal status laws, but also to increase women's civic and political participation and voice, starting from energizing women's community and advocacy associations through to the enactment and implementation of the appropriate legislation. And there continues to be increasing difficulty for women to enter the workforce and gain employment. In fact, the latest statistics show a regression in the female participation rate in Egypt to less than 20%.⁶ What is needed is an integrated package of legislative reforms and programmatic interventions for both women and youth to catch up on participation on the economic (and political) fronts.

Expected products and outcomes of ENID's work on women's and youth empowerment include:

Activity A1: Empowerment, Employment and Income Generation

- There is a lack of enforcement of decent work conditions in the private sector with extraordinarily long hours, exploitative wages, and sexual harassment. ENID will develop a proposal for a strong mechanism for enforcement and monitoring of existing labor laws.
- ENID will promote and lobby for those facilities that make women's work possible such as nurseries for preschool children, employer-sponsored childcare, or safe options for travel over long distances.

Activity A2: A Focus on Poor Women

- Poor women's control of assets, income, and household decision-making leads to better outcomes for their families, improved child well-being, and reduced fertility rates. Programmatic interventions proposed by ENID are based on evaluating existing best practices and promoting them in areas such as entrepreneurship, microcredit, business development services and training as an integrated package supporting self-employment.
- Bargaining models that have helped to improve the design of poverty reduction programs have redirected the focus of assistance towards female household members. This has translated to such approaches as conditional cash transfers, where it is the woman as parent who enters into contract with the supporting agency. ENID will adopt a programmatic approach and support a pilot intervention in Qena governorate.

Activity A3: Youth Empowerment and Employment

The problems that Egypt's youth are facing today relate to failure at the national level in the management of overall economic policy and its channels of interaction with social equity and inclusion. The two common features of disadvantage for youth are first, their level of unemployment that has persistently been the highest in the world for the past two decades, and second, the prolonged "waithood" they experience, with delays in family formation and setting up independent households as compared to a decade ago.⁷

- The EHDR 2010 has suggested that young people are the best candidates to act as agents of change to reclaim Egypt's traditional cultural norm of tolerance and respect of the other.
- ENID will lobby the relevant ministries and educational bodies to reform curricula in all stages of education so as to instill ethics, problem-solving, entrepreneurial skills and the culture of invention and innovation.
- ENID will support the creation of channels of youth participation in governance to ensure a return to a merit-based Human Resource Management System, away from nepotism and patronage. The guidelines for such a system need to be developed.
- Volunteerism is one key channel to mobilize the energy of young people at both the national and the community levels. Job creation for youth can be accelerated by (i) state contribution to social security payment for youth; (ii) a time-bound national program for jobs targeting the MDG objectives and indicators, and the National Program for 1000 villages; (iii) State support for temporary migration (3-5 years) under negotiated terms with host countries.
- Furthermore, the 2010 EHDR recommends that entrepreneurship must start from some asset in addition to human capital. Distributive justice and good economic fundamentals would support the adoption of a national scheme "Project Land" that distributes parcels of land to youth in Egypt's new regions, to be used in value-adding activities including small-scale tourism, eco-friendly agriculture, housing, ICT, etc. ENID will explore opportunities and present options for land distribution on behalf of Egypt's youth.
- Finally, monitoring the tailor-made "Youth Well-Being Index" (more than 100 indicators of health, education, and other variables) on an annual basis will scientifically assess levels and severity of youth deprivation and would include data on income, employment, social services, civic participation, leisure and security. ENID will lobby the relevant government bodies for its application on a yearly basis.

Activity A4: Strategies for Empowering Women, Youth and the Poor

According to Egypt's Cairo Agenda for Action (CAA)⁸, a review of trends in the development experience of Egypt shows that three factors can help reduce the problems of youth exclusion as well as support women's progress in claiming their right for equality with men at home, at work and in their community at large. These are government efforts on demography and population control, government efforts in access to quality education, and government efforts at poverty reduction.

These and several other government interventions can be added in the domains of promoting participation of civil society, accountability to civil society organizations at the local community level, and transparency in government budget disclosure at the detailed national and regional levels, with public debate to ensure the share of women and youth in government expenditure (gender and youth budgeting).⁹

Other elements of a strategy for empowering women, youth and the poor can be classified into two groups.

1. The first are sectoral programs to develop and promote better access to high quality education, health and sanitation, housing and environment. If innovative public private partnerships can be introduced, these are the most appropriate to capitalize on the strength of our culture and its traditional family support systems. So far, Egypt has made a solid start to integrate the tools of gender budgeting, and of targeting specific groups of beneficiaries. What is needed is allocating

resources to scale up existing best practices and to pilot new ones. Examples of sectoral program interventions are described in detail in Section IV of the proposal.

2. The second set of proposed initiatives is under the heading of empowerment through participation. The set of programs suggested here include those for civil society to expand and take up the underutilized energy of women and youth. The most important avenue for participation is the promotion of youth-led and youth-run voluntary projects that target MDGs and other national goals. Such voluntary youth activities help to build interpersonal and social skills and strengthen self-respect and trust in others. These activities can range from the eradication of illiteracy all the way to combating drug abuse or juvenile delinquency. For women, the bulk of these programs would be community-based and build their capacity to help themselves and other women in both the social sphere and the marketplace. The youth skills that are most in need are management, organization and leadership in order to partner with local government in service delivery as well as to become a major source of monitoring for good governance.

Activity A5: Addressing Institutional and Legal Challenges

- ENID will undertake a review of institutional and legal challenges and avenues for policy interventions. At the political level, despite the efforts exerted in Egypt both by government and by national women's organizations, more is needed to resolve areas of contradiction, especially between Islamic shari'a, customary practices, current legislation and realities on the ground.
- ENID will invest substantial amounts of time in increasing awareness of women's issues through advocacy campaigns targeting policymakers, communities, and the media. In particular, ENID will focus on the actual observance of existing laws by all stakeholders, and develop with a strong mechanism for enforcement and monitoring.
- Violence against women, whether occurring in the home, at the work place, or in the public sphere is a serious concern. ENID will support civil society efforts in promoting a 'Violence against Women Act,' with a strong mechanism for enforcement and monitoring.

B. Promoting MSMEs and Entrepreneurship

The post-revolution National Dialogue has provided evidence of a consensus on the importance of promoting micro, small and medium enterprises (MSMEs) in all governorates including rural areas and informal settlements, utilizing technical assistance, financial and non-financial services, and other development mechanisms according to best practices at home and abroad. ENID interventions in this area will involve the work of specialists in the fields of sectoral economics, micro-credit, production cooperatives and business development (including franchising). The purpose is to raise the productivity and incomes of the self-employed, promote successful start-up enterprises, especially among youth, assist cluster development, and improve the work environment of MSME clusters.

Activity B1: Employment Generation and Cluster Development

1. Design and deliver programs to assist cluster development.
2. Develop package of interventions and mechanisms to link up MSMEs to the value chain and clusters in different sectors.
3. Devise incentives for MSMEs to hire young workers and provide on-the-job training opportunities.

Activity B2: Upgrade Microfinance, BDS and Training Systems

1. Improve access to existing and new modes of microfinance.

- Support income-generating activities and the creation of sustainable job opportunities with the aim of decreasing poverty levels and improving socio-economic indicators.
 - Through microfinance, raise the income of poor families, especially female-headed households.
 - SMEs should be able to manage risk more effectively, secure lower-risk sources of finance, and reduce transaction costs and payment delays.
2. Introduce/expand other credit-related service and products, such as micro-insurance, micro savings, and micro-leasing.
 3. Upgrade system of business development services (BDS) including MSME incubation in different sectors, and other forms of technical assistance.
 4. Use a 'one-stop shop' approach to ensure that entrepreneurs receive a tailored package of services and streamlined (time and cost) business registration.
 5. Introduce training programs and skills development targeting youth in selected sub-sectors.
 6. Develop a guideline for technical and institutional needs to enhance scaling-up successful models of civil society organizations (CSOs) serving MSMEs.

Activity B3: Promoting Successful Entrepreneurship

1. Promote strategic business development, business plans and competitions/awards for new entrepreneurial ideas based on solid strategic plans.
2. Make available information on and access to business development services
3. Build up programs for entrepreneurship and services for marginalized MSME groups.
4. Encourage more women to enter the labor market and consider entrepreneurial and MSE activity as an option. Address barriers including social and cultural resistance to their economic activity; low education and literacy levels; training, business development services, and markets; low property ownership/rights; and difficulties in dealing with regulatory authorities.
4. Deliver a number of franchisable business opportunities for young entrepreneurs. These will include those identified from newly established and strategically strengthened businesses, as well as innovative goods and services introduced by ENID market research and development.

Activity B4: Policy Reform

1. Improve SME business environment including policies for MSME taxation and government authorities' inspections
 - Conduct a quick study to review work done in this area and assess the need to update or expand, reduce coverage, etc.
 - Establish a connection with relevant central and local government authorities
 - Introduce the issue in media/stakeholders' circles/potential partners in the think-tank and research center arena
 - Prepare hands-on short list of recommendations for short, medium, and long-term reforms needed
2. Examine how fiscal policy impedes the development of the MSME sector by crowding out banks' lending to that sector.
 - Despite the fact that a number of banks opened an MSE Division, showing growing interest and a more adapted approach to small businesses, the criteria for credit worthiness analysis and the requirement for loan approval are still mostly the same for small enterprises as they are for larger firms, keeping high the cost of handling the dossier and hampering small enterprise access to finance.
3. Review and help finalize Egypt's proposed MSMEs national strategy¹⁰ with a clear focus on responsibility of key stakeholders. If effectively implemented, the National MSE Development Strategy would lead to an expanding MSE sector.

- A 30% increase in the number of MSEs within five years (addition of close to one million) and an increase in the average size of MSEs from 2.3 to 2.5 workers are projected to result in an additional 2.25 million MSE job opportunities over the next five years (average of 450,000 per year).
- An MSE sector more capable of pursuing increased market opportunities in higher value-added areas of activity with higher quality and productivity.
- Increased GDP, employment generation, higher industrialization, enhanced competitiveness, export development, and reduction of poverty through expanded employment and income generation.
- Increase the proportion of formal enterprises in the total stock of MSEs from 20% to 40% over the coming five years; increase the percentage of women-owned MSEs from 18% to 24% over the coming five years; increase the percentage of new and existing MSE owners and employees with vocational and technical education and training from 3.5% to 10%; increase the percentage of MSEs accessing business and market information, BDS, technical assistance and entrepreneurial and management training to 5%.

C. Rural Development and Off-farm Employment

There are three project activities supporting rural development and off-farm employment, namely Activity C1: Enhancing Agricultural Productivity; and Activity C2: Improve and Stabilize Rural Household Food and Nutritional Security and Employment Generation. Both activities will work towards fulfilling the objectives of integrated rural development, raising effectiveness of extension services, and introducing energy and water-efficient modes of irrigation and mechanization.

Objective 1: Integrated rural development, with a focus on income generating activities and off-farm employment, to simultaneously face the challenges of food and nutrition security, which are key causes of inflation and, hence, help in poverty alleviation.

Objective 2: Raise the quality and effectiveness of extension services in traditional crops, as well as design new and effective means of technical assistance in the value-added agricultural chain for domestic and export marketing.

Objective 3: Introduce environment-friendly and energy- and water-efficient modes of irrigation and mechanization. Develop and advocate for viable institutional arrangement to reintroduce cooperatives for farmers and off-farm economic activities. This will involve the work of agricultural economists and scientists at Egypt's agricultural research centers and other related institutes to come up with the optimal crop mix/crop rotation, which takes into consideration constraints such as water availability, food security and adequate return for farmers. The purpose of this is to raise standards of living through new technologies and best practices from domestic and global research and development centers, promote diverse new employment and income generating opportunities, raise productivity of agricultural and off-farm production, and modify contradictory and prohibitory legislation, including the alignment of trade and fiscal policies to allow for more coordinated and integrated policies and development plans.

By the end of the project, there will be more than 1,000 young men and women trained and well-informed about different aspects of sustainable agricultural and rural development and ready to share their experiences and acquired knowledge with at least 2,000 other farmers in their communities. Component C will establish at least 500 employment opportunities for young men and women in Qena. Based on the interaction and adopted participatory approach, more than 30 staff members in local NGOs, the Ministry of Agriculture and other institutions will be trained and ready to exchange their newly acquired knowledge and experiences in their communities.

Expected products and outcomes include:

Activity C1: Enhancing Agricultural Productivity

- Develop Policy Analysis Matrix (PAM) model for assessing the comparative advantage of crops, livestock products and fisheries under different farming systems, irrigation method, farm size, and agro-ecological zones in Upper Egypt supported by a model for optimal crop mix/rotation which takes into consideration various developmental objectives and resource constraints.
- Develop and adopt the concept of farmer field school FFS which is a school without walls as a core for enhancing farmers and extension specialists' knowledge on the areas under considerations for the components, namely, enhancing productivity through soil improvement, use of quality seeds, improved farming practices, pest management, etc; enhance productivities and improve farming practices in desert areas; introduction of organic farming; introduction of recycling of farm residues; and introduction of fish ponds as means of providing employment opportunities and higher income.
- Analyze value chain for each priority crop or livestock and fisheries product.
- Pilot project for high productivity agricultural techniques adapted to desert areas.

Activity C2: Improve and Stabilize Rural Household Food and Nutritional Security and Employment Generation

- Develop Integrated Organic Farming including pilot projects for recycling of agricultural residues.
- Pilot project for fisheries

D. Upgrading Basic Services in Rural Upper Egypt

A first step towards improving access and quality of basic services in Qena governorate will be to re-assess and explore cost effective measures to reach households in the poorest villages. This will be followed by identifying cost effective systems for access to water and sanitation according to population density; designing integrated social services, protection systems and training programs for social workers; and finally, identifying best practice interventions across rural areas in micro finance and employment projects. This will involve specialists in sociology, anthropology, public health and nutrition, as well as economists and technical experts in infrastructure. The purpose is to provide cost-effective and sustainable models of villages that ensure higher standards of living that could be scaled-up across rural Egypt's poorest villages. It should also ensure the protection of existing agriculture land from urban encroachment, and provide the necessary incentives for the growing population and future generations to expand in the vast unutilized desert areas of Egypt which will in turn increase the availability of agricultural produce (food) and help combat inflation.

Expected products and outcomes include:

Activity D1: Expanding Services at the Village Level

- Adopt local community participation models in the selection of projects and monitoring of service delivery in basic services (for example education, health, social services).
- Introduce tailor-made programs for employment creation in public works in rural areas, and projects related to MDG targets.
- Support safe, cost-effective, and reliable transportation initiatives between villages and economic centers and towns to ensure "connectivity" of village dwellers with potential employment opportunities in neighboring urban communities.

- Design social franchises and pilot these for replication and scaling up across Egypt's poor villages.
- Create cluster-oriented linkages between villages and non-farm activities in markaz, closest city or town.

Activity D2: Upgrading and Expanding Service Access

- Adopt non-conventional cost-effective models for the supply of sanitary services in remote and sparsely-populated rural communities.
- Develop sustainable schemes for management and recycling of solid household and farm waste.
- Involve NGOs in housing upgrading (roofs, floors, water and sanitary connections, etc.).
- Ensure sufficient and reliable access to subsidized food rations and bread in villages.

Activity D3: Governance and Targeting

- Develop a proposal for better targeting needy households within the social protection system (Daman Pension).
- Propose financial and other incentives targeting women including literacy, reproductive health, and child nutrition.
- Prepare manuals for training of social workers in monitoring and assistance to targeted households.

Activity D4: Policy Reform

- Formulate an off-season employment strategy suitable for intermediate, secondary and college students as well as for farmers with seasonal unemployment gaps.
- Produce a vocational training strategy that caters for industrial and service employment in Upper Egypt to absorb unemployment in the categories of holders of secondary/intermediate certificates.
- Develop a rural-focused social services strategy, including a youth and sports component.
- Evaluate and pilot SME development and formalization initiatives suitable for rural communities.

E. Administrative and Fiscal Decentralization

In order for the ENID actions to be sustained and to yield positive results at the local level, they must be supported by accountable local institutions mandated with the overall task of promoting socioeconomic development and ensuring equity. This will be achieved through integrating the implementation of ENID with the launch of the Local Economic Development Program (LEDP) at the target localities. The LEDP focuses on the activation of the functions of local government of target localities to play a leading role in the broader local economic development promotion effort - developing a nuanced understanding of their economies, their potential for growth and the challenges that stand in the way; engaging the various segments of their private sector; guiding the articulation of multi-stakeholder integrated economic development strategies; and facilitating and supporting their implementation.

ENID will cooperate with the Ministry of Local Development and with the ongoing UNDP/UNCDF Decentralization Support Program and will support the piloting of the LEDP process at the level of the Qena governorate and its various *merekez*, cities and villages. This LED Promotion Process is also being piloted in El Fayoum governorate in preparation for a broader rollout in other governorates in 2013. The governorate of Qena is typical of all Upper Egypt governorates, as

evidenced by the predominantly rural farming activities, low income, lack of diversification, and low access to infrastructure and social services, and the migration of a significant proportion of men to the Delta and abroad.

Given the post-revolution transition in Egypt and the nature of the grievances articulated by the people that are primarily manifested at the local level, it is critical to further empower local governments to play a lead role in addressing them. This can only be achieved through the introduction of substantial reforms to the existing decentralization policy, legal and regulatory framework to ensure the assignment of the relevant set of functions and the necessary resources to enable local governments to play a more effective role in responding to people's needs - more effectively promoting broad-based local development and playing a pivotal and strategic role in growing equitable and resilient local economies.

The Local Economic Development Program acknowledges the role of local authorities as critical players in the process of LED promotion and focuses on developing their capacity as custodians of an integrated LED promotion process that harnesses the contributions and actions of the range of public and private sector actors that are active in this field within their localities. The process provides an ideal platform for the implementation of ENID's actions and interventions at the local level for integrating them with those delivered by other actors within a locality. It also offers an integrated national framework for advocacy and action which could be utilized to disseminate lessons learnt and to inform a grounded process for the reform of obstructive policies and regulations and the restructuring of institutional arrangements that are inefficient and that curtail development efforts at the local level.

Activity E1: The Local Economy Assessment

- Situation analysis of local economy with quantitative and qualitative indicators.
- Assessment of key economic issues constraining MSME growth.
- Assessment of key economic issues constraining development of agricultural value chain.

Activity E2: The Development of a Local Economy Information System

- Expand information system concerning MSMEs.
- Expand information system concerning agricultural value chain.
- Expand information system concerning off-farm employment.
- Expand information system concerning social services.

Activity E3: The Establishment and activation of an LED Forum

- Identify major stakeholders and their representatives.
- Setup a communications system to serve local economic actors.
- Facilitate dialogue on behalf of MSMEs, farmers and other economic actors.

Activity E4: The Formulation of an integrated LED Strategy

- Identify economic opportunities for employment and income generation.
- Identify opportunities for generating and diversifying sources of local revenues.
- Formulate, verify, and finalize the overall LED strategy.
- Implement ENID interventions and projects to promote rural development and off-farm employment to encompass ENID activities A through D at the local level.

Activity E5: The Implementation of the LED Strategy

- Develop the annual LED action plan and budget.
- Profile and develop projects, project finance and project implementation and commissioning.

Activity E6: Policy and Institutional Reform

- Review national economic vision and five year plan.
- Assess LED-relevant macro policy.
- Landscape for LED promotion.
- Introduce citizen charters.
- Prepare administrative decentralization proposals.
- Prepare fiscal decentralization proposals.
- Articulation of a national LED vision, policy and strategy

F. Development and Utilization of 4 ENID Tools across Sectors

Activity F1: Impact Assessment on Fiscal, Monetary and the Real Economy

Macro-economic modeling is a methodology that will be utilized to ensure that each ENID initiative is sound within a viable fiscal and monetary framework. It will include assessing how the above activities can be carried out without disturbing fiscal sustainability and monetary policy targets, raising the overall competitiveness of the Egyptian economy, improving the total factor productivity and ultimately achieving a sustainable high economic growth. Modeling will also be utilized to forecast and estimate the implications of scaling up initiatives from one location/activity to a nationwide costing and rates of return, as well as employment implications of scaling up. This involves contributions from applied economists specialized in modeling fiscal policy, monetary policy, and economic growth. Modeling will include the development of a family of tractable models to link the achievement of the socio-economic targets with the different aspects of the macro-economy. In turn, the outputs of these models will translate into policy options and scenarios.

Activity F2: Monitoring and Evaluation

- Utilize and communicate evaluation findings and policy messages to key decision makers based on an effective evaluation system.
- Extract and document lessons and best practices to be prescribed for adoption at the national level.
- Assign qualitative and quantitative indicators for each of the ENID areas of focus, in collaboration with the community development associations (CDAs) in each community.
- Undertake the pre- and post-intervention situation for monitoring the impact on different community segments (women, youth, children) in the five areas of focus.

Activity F3: Knowledge Platform

- Provide an online knowledge platform to policy makers, practitioners and analysts that will cover the information, data and documentation related to those development areas in which ENID is involved on a highly spatially disaggregated level.
- Establish a comprehensive spatial and sub-national level database on indicators related to ENIDs activities
- Institute an interactive tool to assess the cost and benefit of various scenarios/options for programs of national priority on which consensus was reached.
- Build capacity of youth on behalf of clusters of MSMEs, households, local administrations and popular councils to manage information relevant to needs.
- Share Knowledge with development agencies to facilitate information exchange and networking on behalf of communities of practice.

Activity F4: Dissemination, Advocacy and Communication

- Produce a quarterly electronic ENID newsletter with minimal use of technical language, and a strong dose of practical information along with applied research results.
- Establish an interactive network website for ENID promoting information sharing among ENID stakeholders.
- Organize round tables, public hearing, focus groups, seminars, and thematic workshops to promote dialogue in the five ENID areas of focus
- Utilize dissemination tools including press releases, advocacy op-eds, media packages, and filmed on-site visits.

IV. Sectoral Programs for Intervention¹¹

According to the Social Contract programs, first introduced by the EHDR 2005, *Choosing our Future: Towards a New Social Contract*, and subsequently adopted by Egypt's Social Contract Center, a body created specifically to advance the recommendations of the report, thousands of jobs can be provided for educated young women and men in their own communities, working in the NGO sector, such as in the delivery of preschool education for some 3 to 4 million children, the universal Health Insurance Program and the Conditional Cash Transfer Program. Between them, the execution of these three Social Contract programs alone were expected to create more than a half million jobs for women educators, health staff and social workers over the decade leading up to 2015.

A subset of the 55 programs that appeared in the EHDR 2005 (see Table 2) are of immediate relevance to poverty reduction and social protection, improved access to basic services, employment and income generation in both the MSE and agricultural sectors, and in meeting the MDGs overall. There are as many as 27 out of the 55 programs which require government partnership with civil society and SMEs, rather than being treated as public goods and implemented by government agencies alone. These 27 programs appear under six sectors and have been re-numbered in the Table so as to become the framework checklist for *Wesh El Saad* intervention on behalf of women and youth over the next three years.

The Focus is on Seven Sectors:

1. Poverty Reduction: Women and young people from poor households face a constraining environment that hampers their health, education and employment potentials. The limited labor market and education potentials of people from poor households perpetuate an intergenerational cycle of poverty. Place of residence is another major determinant, with those in rural settings consistently performing poorly in terms of health, education and labor market outcomes. Gender is also a major determinant, with female youth at the losing end in education and employment. Just as children of the poor are most likely to display all of the symptoms of poverty, youth in poverty are victims of their childhood, with only a fraction escaping poverty.

Breaking out of the cycle of poverty is difficult and a poverty graduation scheme will require a battery of economic, social and cultural interventions. The need is for interventions that integrate and create synergies between those that are targeted at children and those targeted at youth and women. Targeting rural Upper Egypt is therefore sound on both economic and social grounds. Egypt's poverty map as well as all other exercises monitoring human development has confirmed that the poorest communities and the most deserving are concentrated in three or four governorates in Upper Egypt. Targeting instruments such as CCTs are effective instruments and should include such programs as nutritional supplements at school, education and training/re-training. These reduce leakages to the non-poor while ensuring that it is the children and youth who are afforded the opportunity to break out of the poverty cycle.

Youth living in poverty face deprivations of many of their rights: Rights to survive, learn, work, participate, and be protected. In order to operationalize this rights-based approach to youth poverty, and analogous to the UNICEF approach of child poverty, Egypt's Youth Well-Being Index (YWBI) uses a series of quantitative indicators to measure youth's access to seven rights (water, sanitation, healthcare, flooring, crowdedness, education, and information). ENID will promote its application. Where a young person does not have access to one of these rights, it is described as a severe deprivation.¹²

Beyond measures of poverty, the YWBI for Egypt brings in other dimensions (see Table 1). The data in the YWBI shows that gender disparities are largest in employment and ICT.

Table 1: Egypt's Youth Well-Being Index (YWBI)

Domains	Domain Value		
	Male	Female	Total
1. Education	54.55	49.32	52.0
2. Employment	82.64	70.00	78.06
3. Hunger & Poverty	79.0	77.5	78.41
4. Health	87.29	82.10	82.03
5. Environment	96.75	96.95	96.85
6. Security	---	---	---
7. Leisure-Time Activities	64.03	63.26	63.66
8. The Situation of Girls & Young Women	---	43.41	43.41
9. Participation in Decision Making	24.10	22.23	23.18
10. ICT	35.25	26.16	30.79
YWI	65.4	59.0	60.9

Source: Mohamed Ramadan, prepared for the EHDR 2010, based on data from HIECS, SYPE, DHS, CAPMAS, INP, IDSC and CSCR, as well as the Ministries of Education, Health, Economic Development, Interior, Communication, and Environment.

There are at least four reasons why women should be the primary beneficiaries of social protection and asset transfer.¹³ First, women are overrepresented among the poor, female-headed households are poorer than male-headed, and being a girl increases vulnerability. This is sometimes referred to as the feminization of poverty. The factors responsible for the concentration of poverty among women are limited access to decent work, security, power and access to networks. A second rationale is that markets are not availing women their rights as workers, including social security and benefits. In fact, in many cases, female family workers, unlike males, do not receive any payment. Labor markets are also biased against women because of the absence of flexible work arrangements that allows them to be able to balance their household duties with the conditions of formal employment. Again, markets are biased against self-employed women and women entrepreneurs in terms of the business environment and in access to credit because of limited collateral.

The third reason for targeting women with social protection is that there is a lack of recognition for care work for the family's young, elderly, sick or disabled that continues in public policy and perception, such that there is no compensation or support for care work. Care work should be a basis for entitlement and support, access to services, benefits or allowances that would enable women to fulfill their care-giving obligations. The fourth, and perhaps most basic, justification is the need to recognize poor women as citizens as an objective in itself, given that they currently lack

many of their citizenship rights, such as having identity cards, which deprives them from owning or registering property, accessing police stations, judicial processes, state benefits, or registering their children in schools.

In terms of definition, there are two types of social transfer programs, with important operational distinctions: Unconditional transfers and conditional transfers. The first are regular non-contributory payments of money provided by government or non-government organizations to individuals or households with the objective of decreasing chronic or shock-induced poverty, providing social protection, addressing social risk or reducing economic vulnerability.¹⁴ These mean that no one in the household of the recipient is expected to undertake an activity (such as work, school attendance, etc) in exchange for the transfers. These types of cash transfer have significant advantage over other vehicles for social protection since, with potentially lower administrative costs, they promise the least-cost solution to poverty reduction.

Conditional cash transfers (CCTs) are regular payments of money (or in some cases in-kind benefits) by government or non-government organizations to individuals or households in exchange for active compliance with human capital conditionalities. These can include such requirements as school attendance by children, clinic visits, meeting nutritional objectives, adult education programs, and others. These grants are undertaken under an agreement between the program agency and the beneficiaries. The programs tend to promote linkages across social sectors, but depend on the presence of adequate health and education services. However, monitoring requirements can be administratively burdensome and conditionalities can be costly for households to satisfy, particularly for the very poor.

Policy and program interventions that include asset transfer will all be considered and applied where appropriate by ENID. Apart from CCTs and unconditional cash transfers to the poorest of poor women, the most important type of asset transfer to be developed by ENID will be a package of supports to initiate and strengthen female entrepreneurship. Egypt, along with other MENA countries, suffers from the lowest level of female entrepreneurship in the world, and yet, giving women the capacity to build their own businesses will boost incomes and family well-being.¹⁵ What is proposed is to design an integrated package of supports for female entrepreneurship that is based on needs assessment/market demand, product design, business development services, training and microcredit. Franchising of up to 10 products will also be developed so as to become best practice models for goods and services that are to be piloted and subsequently made available for scaling-up and duplication across Egypt.

2. Schooling and Education: Education is the most obstinate divide that discriminates across society between the haves and the have-nots. The only way for Egypt to regain its social strength in terms of merit-based social mobility according to education outcomes is for the entire system of basic and vocational training to be overhauled. In spite of increased resources provided for literacy campaigns, the policies and programs to eradicate illiteracy have fallen short of their mandate. As to school dropouts, the process whereby the leakage from the basic education system continues at its current unacceptable levels must be remedied, preferably via the targeting of rural poor who have been shown to have the highest rates of attrition from the school system.

While there have been few in-depth evaluations at the international level to determine which educational interventions have had the greatest impact on increasing girls' enrollment, a number of interventions have had proven success in addressing conditions that prevent girls from attending or completing school and decreasing gender gaps in educational enrollment. Among these interventions are making schooling affordable through reducing costs by eliminating school fees or providing stipends to girls and their families, building schools closer to residential areas or implementing safe transport to and from school, making schools girl-friendly through employing female teachers and improving safety and infrastructure (especially sanitary facilities and girls only latrines), and improving the quality of education to increase returns to families investing in female education.

Table 2: Selected Sectoral Programs and Budgets from EHDR 2005 (10 years) ¹⁶

<u>Programs</u>	<u>Stakeholders & Beneficiaries</u>	<u>Estimated Cost</u>
<u>1. Poverty</u>		
1.1: Expanding social safety nets and increasing financial assistance. (Monthly pension should not be less than LE 100).	1.1: 70% of people under the lower poverty line, incapable of working, and equivalent to 11.7% of the population.	1.1: LE 9.8 billion (LE 0.98 billion annually) assuming the poverty rate does not change. Source: PRAP, Heba el Laithy
1.2: National Donation Program by using a coupon system covering tuition fees including books, uniforms, a daily meal and part of teacher's incentives.	1.2: All poor household students and their families. An estimated 100,000 jobs created for women via NGO sector (to supply school meals, uniforms), social workers, NGO staff.	1.2: LE 42 bill (15.1 bill as a government grant (LE 1.51 bill annually) + LE 27 bill from private sector donors and NGOs Source: PRAP, Sahar el Tawila.
1.3: Poverty contract based on mutual obligation and contractual commitment. Families have to be not below the poverty line.	1.3: Recruitment of 355,000 families per year for three successive years, where each family is supported for a two year period. 15,000 jobs created for social workers.	1.3: LE 5.2 billion for the three years (LE 1.7 billion annually).Source: EHDR (2005), Hania Sholkamy.
1.4: Mobile service for issuing birth certificates and national ID cards.	1.4: 8.5 million with no birth certificates until the age of 18, and adults with no National ID cards.	1.4: LE 255 million for one year (LE 30 /document). LE 6.7 per capita. Source: PRAP, Sahar el Tawila.
<u>2. Basic Education</u>		
2.1: Early childhood development: Egypt aims at reaching 60% of pre-school aged children through early childhood development programs by 2015.	2.1: Reaching an additional 30% of the children through emphasizing the importance of teacher's training and extension. Up to 100,000 jobs for women created over decade.	2.1: LE 1.2 billion (LE 0.12 billion annually). Cost includes MOE accreditation of NGOs as intermediates. Source: EHDR (2005), Malak Zaalouk.
2.2: Girls' education (one classroom): Girls' education programs implemented by a meticulous information system through GIS.	2.2: Eliminating the gender gap in targeted deprived areas.	2.2: LE 429.8 million until year 2012 (LE 61.4 million annually) Source: EHDR (2005), Malak Zaalouk.
2.3: Adult Literacy: Developing new adult literacy curricula & programs (ages 15-40).	2.3: Informal sector workers and working children (18.8 million).	2.3: LE 2 million over two years (LE 1 million annually). Source: PRAP, Laila Iskandar, Khaled Abdel Kader.
2.4: Adult Literacy: Training and monitoring the employees of the General Authority for Literacy and Adult Education (GALAE).	2.4: 16.6 million illiterate person (1.7 million illiterate annually) from above groups.	2.4: LE 1.7 bill over two years (LE 2,000 annually x 425,000 trainees.) Source: PRAP, L Iskandar, K Abdel Kader.
2.5: Adult Literacy: Eliminating illiteracy of working children who cannot be re-enrolled in the education system.	2.5: 2.6 million children (257,143 child annually, LE 700/child annually.).	2.5: LE 1.8 billion (0.18 billion annually). Source: PRAP, L Iskandar, K Abdel Kader.
2.6: Formal education programs: To mobilize and assist households in enrolment procedure of their children in the first primary grade.	2.6: Children at risk of never being enrolled between 6-10 years. Note: Funded by local or central government.	2.6: LE 6.4 million (LE 0.64 million annually). Source: PRAP, Sahar el Tawila
2.7: Formal education programs: on school premises after regular school hours for out-of school children 11-14 years old to qualify them for 3rd primary	2.7: Age group 10-14 dropouts or never enrolled in schools (956,250 children, only applied once). Teachers receive incentives for working after school official hours.	2.7: LE 573.8 million for one round over two years (cost per child LE 600). Source: PRAP, Sahar el Tawila.
2.8: Incentive premiums for attracting master teachers from other locations to give practical training to teachers in the targeted areas.	2.8: Local teachers and teachers recruited from other areas for training (47,500 teachers).	2.8: LE 5.7 bill (LE 0.57 bill annual, LE 1,000 monthly per master teacher): Source: PRAP, Sahar el Tawila.
2.9: Formal education programs: funds for IT clubs, computer and literacy training. The Universal Service Fund was setup in 2005 for ICT support.	2.9: LE 400 mill goes to 4,000 IT clubs, LE 108.5 mill for basic skill dev programs (108,467 trainee) and LE 332.3 mill for specialized training programs (22,155 trainee).	2.9: LE 841 million (LE 84.1 million annually). Source: EHDR (2005), Sherif Hashem.
2.10: Vocational training: Surveying private sector products and specifications that can be produced by trainees.	2.10: (NGOs undertake survey and contract with the private sector).	2.10: LE 1.9 million applied only one time for 3 months. Source: PRAP, Omar el Farouk.

2.11: Vocational training: Qualifying first class trainees in the above professions.	2.11: Attempting to link tailors with garments industry. Note: Funded by the Young Graduates Project.	2.11: LE 892.5 million (LE 89.3 million annually, LE 44.7 million per 6 months). Source: PRAP, Omar el Farouk.
2.12: Vocational training: Micro loans for trainees for purchasing sewing machines.	2.12: Sewing trainees. Note: Implemented by the SFD.	2.12: LE 1 million(ongoing) Source: PRAP, Omar el Farouk..
2.13: Vocational training: Supervision, quality monitoring and technical assistance.		2.13: LE 200,000 (ongoing) Source: PRAP, Omar el Farouk.
2.14: Vocational training: Establishing a Fund for financing those who desire to acquire a skill level.	2.14: Mobilized by the SFD as a First Phase.	2.14: LE 637.5 million (average duration of the loan would be 3 years). Source: PRAP, Omar el Farouk.
3. Health		
3.1: health insurance for those who are not covered by HIO or any other system.	3.1: Covering the remaining 50% of the population. About 23,000 jobs created, of which 50% for women.	3.1: LE 23.3 billion. Source: NDP, Policies Council.
3.2: Enhancing Health Insurance System in schools by providing it bi-weekly within school premises.	3.2: Students of 19,125 schools (covered by 6,375 doctors, a doctor per three schools).	3.2: LE 510 million (LE 51 million annually, LE 667 per month per doctor). Source: PRAP, Sahar el Tawila.
4. Social Security		
4.1: Insurance: Government paying a part of the employers' contribution to social insurance of new workers.	4.1: In 2015 insured workers are estimated at 2.3 million, the government contribution on behalf of employers is LE 1.19 bil, employees contribution is LE 1.23 billion.	4.1: LE 8.7 billion (about 870 million annually). Source: EHDR 2005, Marwa Salem
5. SMEs		
5.1 Finance: Covering the financial needs of the SMEs through long-term credit. Average duration of the loan would be 5 years.	5.1: Create 161,575 direct new jobs at LE 1.6 bil to cover existing enterprises with a capital cost of LE 10,064 per job. Up to 30% additional indirect jobs= 48,473.	5.1: LE 0.8 billion (the required finance per enterprise would be around LE 50,000.) Source: EHDR (2005), Alia el Mahdi.
5.2: Credit: Enabling the Credit Guarantee Corporation (CGC) to expand guarantees to banks to cover credit lines for NGOs that provide micro credit.	5.2 80,000- 100,000 poverty loans beneficiaries (40,000 beneficiaries to be reached in 4-5 years by 4 NGOs) assuming a significant focus is directed to poverty lending.*	5.2: LE 140 million by 40 NGOs (cost per beneficiary is LE 1,400 - LE 1,750. LE 1 billion are capital loans), assuming that the company uses financial leverage. Source: PRAP, N el Oraby, N el Shami.
5.3: NGOs: Qualifying the mature NGOs engaged in providing micro credit for receiving international finance.	5.3 600,000 - 900,000 client by 60 NGOs (6 NGOs annually, where for each there are 10,000-15,000 clients, who would benefit).	5.3: LE 12 mill (LE 1.2 mill annually for 6 NGOs, cost per client LE 13.3 - LE 20). Source: PRAP, Nivine el Orabi, N el Shami
5.4: Resources: Increasing the number of business resource centers (BRCs) & training centers (TCs) to 22 BRCs & 6 TCs.	5.4. Beneficiary enterprises from the BRCs are 32,315, and the number benefiting from the TCs are 30,950.	5.4: LE 66 million (total fixed cost of LE 24 million/annual running cost of LE 4.2 million). Source: EHDR (2005), Alia el Mahdi.
5.5: Procedures: Training micro enterprises on dealing with Tax and Social Insurance Authorities.	5.5 One million enterprise (100,000 enterprises annually) enabled to increase their loan sizes.	5.5: LE 80 million (LE 8 million annually, benefit per enterprise is LE 80). Source: PRAP, N el Oraby, N el Shami.
5.6: Soft loans: Loans for small household waste collection and recycling projects.	5.6 100,000 job opportunities (10,000 annually) in approximately 100 enterprises. * Up to 100,000 home-based jobs created for women via the NGO sector.	5.6: LE 24.3 million (cost per job opportunity LE 243) for LE 143 small loan. Source: PRAP, Nivine el Oraby.
6. Agriculture		
6.1: Husbandry: Supporting animal husbandry extension services and providing micro loans for poultry projects.	6.1: 300,000 beneficiaries who have from 1-2 cattle heads (30,000 beneficiaries annually), and 300,000 from poorest families (30,000 families annually).	6.1: LE 80 million mostly poultry loans. (Average duration of the loan would be one year). Source: PRAP, Nivine el Oraby.
7. Housing and Slum Areas		
7.2: Credit (long-term) for building 2 million housing units.	7.2: Two million housing units	7.2: LE 19.4 bill share of gov credit (LE 21,000 in rural and LE 50,000 in urban). Source: EHDR (2005), Mustafa Madbouly.
7.5: Redevelopment: Slum upgrading (demolition or rehabilitation).	7.5: Cost of redeveloping 300,000 housing units at LE 16.5 billion of which LE 10 billion are contributed as direct government finance.	7.5: LE 10 bill (LE 55,000 per housing unit). Source: EHDR (2005), Mustafa Madbouly.

Source: Egypt Human Development Report, 2005: Choosing our Future: Towards a New Social Contract.

Egypt boasts some best practices in basic education for girls from disadvantaged areas that must be used for scaling-up across Egypt. Preschool education has also been shown to have important development benefits for young girls and women. Preschool education allows young girls to start their lives on an equal footing with boys and sets the stage for future enrolment in school at the primary and secondary levels. Preschool education encourages women to enter the workforces and frees older girls from their childcare responsibilities within the home, thus allowing them to attend school.¹⁷ Again, Egypt has a large number of NGO as well as UNICEF interventions in preschool education, which will be important to study for duplication and scaling-up, using the key tool of franchising on behalf of MSEs and NGOs across Egypt.

Egypt has not yet reached universal primary education. SYPE data shows that in 2009, 11% of youth aged 18-29 have never been to school, and 81% of them are girls. That is, 16% of females aged 18-29 have never been to school. This data is consistent with census data, which indicate that 10% of those aged 6-18 have never been to school. It is mainly girls living in rural areas who are most likely to have never been to school. SYPE data shows that rural girls comprise 80.4% of those who never enrolled in school. Moreover, it is also girls from the poorest households who have never been to school schooling. El-Kogali and Suliman (2002) showed that the poor are consistently worse off than the rich in terms of school enrolment and that girls from poor households are significantly more likely not to attend school.¹⁸ Confirming a pattern that once in school, girls have an equal chance of dropping out of education to boys (Assaad et al, 2001), SYPE data shows that 17% of both girls and boys in the ages 18-29 drop-out of school before finishing basic education. Similar to data on non-enrolment, the majority of those who drop out of school (66%) are in rural areas.

3. Health: Using a capabilities approach to reproductive health issues, ongoing research is focused on identifying the precise costs of poor reproductive health for households and the economic burden of reproductive health services. Other challenges to meeting women's reproductive health needs include poor quality of health services, scarcity of female health care providers, lack of reproductive health services in rural areas, financial constraints and lack of adequate public funding, and lack of awareness about reproductive health issues and the importance of medical care during pregnancy. In the MENA region, and Egypt in particular, governments have generally failed to adequately address women's reproductive health needs.¹⁹ Many reproductive health problems are preventable and can be reduced through improving access to quality medical care and treatment, especially before, during and after delivery.

Youth health risks and outcomes in Egypt are highly gendered. While male youth are at highest risk of smoking, substance and alcohol abuse, female youth have their gender-specific issues. Females carry the heavy brunt of a serious health-related social practice: Female genital cutting/mutilation (FGC/M). Egypt's Demographic and Health Survey (DHS) of 1995 provided first information on the national extent of the practice of FGC/M. The survey showed that over 97% of women aged 15-49 were affected.²⁰ Data from the DHS and SYPE also show that the prevalence rate of FGM decreases by age, showing the impact of programmatic efforts in younger cohorts. Among females aged 25-29, 94% have undergone some form of genital cutting (DHS 2008). However, among girls aged 10-14, the prevalence rate is 64%. The FGM practice is generally for girls around the age of 9 in Egypt. While SYPE data confirms a decline in the practice among younger females, four in five girls still have to undergo the practice, which support the need for continued efforts on this front.²¹

4. Social Security: Young people still dream of a university education followed by a government job, not only for themselves but also for their children. Social security and pensions are one of the key advantages of government employment. The state must now bank on incentives for Egypt's youth to join private enterprises and initiate their own new businesses, and provide an enabling environment for high rates of return to education and skills in the private sector. The private sector must also reform and formalize work contracts and social security contributions so as to improve work conditions and offer decent jobs with minimum wages and acceptable maximum hours of work. One of the keys to encourage formalization of MSEs and provide MSE workers with pensions

is program 3.1, proposed in Table 2, whereby the state contributes to social security payments for the new employment of youth under the age of 29.

5. SMEs and Entrepreneurship: Access to physical assets and credit for youth entrepreneurship is the best answer to the absence of decent jobs. Egypt ranks 11th overall out of 43 countries in the Global Entrepreneurship Monitor (GEM) Survey, with 20.2% of the working age population (18-64) involved in entrepreneurial activity. For all countries in the GEM Survey, the 25-34 age group had the highest early-stage entrepreneurial activity, but the group with the next highest rate in Egypt was the 18-24 year-olds, which is not common of all other countries. Egypt's youth thus give the country a strong entrepreneurial advantage (see Chapter 10 of the EHDR 2010 for more details).

The national scheme for "Project Land" (PL) would be adjusted along the same lines as Egypt's national vision for growth and diversification, both across regions and across sectors. The scheme would thus distribute PL parcels in new regions such as along the coastline for youth who are willing to settle and engage in relevant projects in tourism, eco-friendly agriculture, renewable energy and other viable sectors. PL lands would be distributed to youth in Upper Egypt along the desert corridor adjacent to the Nile Valley (Zaheer Sahrawi) to engage in housing projects, as well as SMEs that cater for goods and services for the urbanizing communities of Egypt's southern region. ICT services will continue to be one of the high growth activities with potential that can materialize with sufficient government and big business support.

6. Agriculture: The link between environmental and sustainable agricultural and rural development (SARD), enhancing food security, and reducing poverty is a central issue for achieving economic and social development in Egypt. The contribution of the agriculture sector in Egypt exceeds 13% of the Gross Domestic Product (GDP) and over 30% of employment opportunities. Meanwhile, about 57% of the total population in Egypt lives in rural areas, where poverty prevails. About 70% of the poor and very poor live in rural areas and of the 25% of the population living in upper Egypt, about 66% are extreme poor, 51% poor, and 31% near poor.

Within these realities of the Egyptian economy, enhancing sustainable agricultural and rural development as a means to reduce poverty and food insecurity within the expected climate changes and the volatility of world food prices is a prerequisite for sustainable social and economic development, and hence should be considered as a social and political priority for Egypt. Agriculture in Egypt is not recognized only as a way of life and crucial for national socio-economic development, but also, if received the due attention, as an engine for growth. There is also a strong link between poverty and food insecurity. Most of the poor are either under-nourished or food insecure. Lower income households spend a large share of their income to purchase food. Under-nourishment is also a constraint to economic growth. Thus, paying due attention to sustainable agricultural and rural development with emphasis on enhancing on- and off-farm employment and income generating activities is a high priority to achieve poverty reduction and food security in rural Egypt.

7. Housing and Livelihoods in Slum Areas²²: Informal areas and slum conditions breed informal and risky behavior. The absence of minimum standards of regulation and safety in informal settlements provides the breeding ground for drugs and other forms of crime. Youth in these settlements are not as much in need of poverty-focused support as they are of conditions and opportunities to engage in civic participation and identify with the welfare of their community. It is estimated that at least 15 million Egyptians reside in informal settlements, both urban and rural. Informal areas in Egypt are very young in age but are the fastest growing choice of residence, exceeding that of newly built towns. However, recent surveys of these slum areas show that one must be careful and distinguish between those that are geographically adjacent to the better-off urban centers and those that are remote – the difference being in better work opportunities in the former and hence better living conditions.

The phenomenon of growing informal areas is mostly related to the shift away from an agricultural-based economy which has pulled people away from their rural homes and towards the cities where

most jobs are being created in industry and services. The unplanned and somewhat random construction of these informal urban communities (*ashwaiyat*) creates problems of accessibility, narrow streets, high density, and insufficient infrastructure. Other negative attributes include the poor coverage of physical infrastructure and especially sanitation, the poorly ventilated dwellings, the poor quality of roads, the unsafe modes of public transportation, and the problem of sexual harassment.

Promoting gender equality in informal settlements is an integral part of the human rights agenda. In Egypt's informal settlements, women are at a significant disadvantage compared to men. Their workload - in terms of hours per day - exceeds those of men by at least one third.²³ The objective is to transform a significant part of the unpaid 'care' economy, for which women are almost entirely responsible, into decent paid jobs in those same service sectors such as care of children and the elderly.

Female-headed households are also a key problem. Widely prevalent across Egypt, they represent an estimated 20% of households in informal areas. While women working in the informal sector are estimated at 47.1% of total women employed as of 2010,²⁴ many women are totally responsible for providing subsistence for their households. To meet the needs of these households, attending to the problems of informality among women would address the roots of the problem and the underlying challenges. The objective should be to help empower women and reduce their vulnerability to economic hardships and social abuse. Another objective of the intervention is to provide avenues for women's voice so as to overcome the culture of silence with regards violence against women.

V. Description of ENID Activities and Outputs

Activity A: Empowerment of Women and Youth

Women's Empowerment

One of the key components of ENID's strategy for women's empowerment will be to support their claim and their right to increased political (and economic) participation through CSOs.²⁵ The potential of Community Development Associations (CDAs) and NGOs for gender equality in leadership must be exploited. Given a woman's comparative advantage in social and family affairs, she can serve well at the CDA level as a training ground for her political empowerment in local constituencies. Economically, all types of income generating CSOs are a stepping-stone for women beneficiaries into the business and entrepreneurial world. A live example is the Productive Families Program (PFP) from which countless businesswomen are emerging. Proposed actions to materialize are: (i) Lobbying the Ministry of Local Development and the Federation of NGOs to introduce the notion of affirmative action at the CDA and NGO levels to promote a more equitable gender balance in the leadership and staffing of CSOs; and (ii) to encourage CSOs to apply for participation in the design, piloting and implementation of the Social Contract programs.

Youth Empowerment

Two of the most important examples of ENID's interventions for youth political empowerment are volunteerism and political participation. The 2009 SYPE survey's special section on youth civic engagement, which comprised volunteerism, social integrity and political participation, may now have changed considerably since the 2010 revolution. In 2009, SYPE showed that less than 3% of young people participated in volunteer work, and only 1.5% among females. Social inclusion included data on group membership at youth centers and sports clubs, political parties, unions and associations. According to SYPE, only 4% of young people appeared to have participated in any of these groups. Overall, young men had the largest share of leisure time, spending on average double the time spent by females. Only 5% of young women used the Internet. Regardless of age or

gender, young people on average spent 120 minutes per day watching television, an average of 15 minutes daily on the phone, and 40 minutes per day on religious activities. Again, more disaggregated data might indicate that poor women have much less opportunity to engage in these leisure activities.

Budget Summary Activity A: Women and Youth Empowerment

Activity	Brief Description	Cost per Year (\$000)					Total Cost
		1	2	3	4	5	[\$000]
	<u>Activity A1: Socio-Economic Empowerment</u>						
A1.1	Asset Transfer Plus	10	10	10	10	10	50
A1.2	Pre-School Education	10	10	10	10	10	50
A1.3	Literacy	5	5	5	5	5	25
A1.4	Care Economy	10	10	10	10	10	50
A1.5	Reproductive Health	10	10	10	10	10	50
A1.6	Agriculture Value Chain	<i>Cost born by Activity C</i>					0
A1.7	Animal Husbandry	<i>Cost born by Activity C</i>					0
A1.8	One Village One Product	10	10	10	10	10	50
A1.9	Vocational Training	5	5	5	5	5	25
	<u>Total Activity A1</u>	60	60	60	60	60	300
	<u>Activity A2:</u>						
A2.1	Strengthening Youth NGOs	10	10	10	10	10	50
A2.2	Strengthening Women NGOs	10	10	10	10	10	50
A2.3	Youth Volunteer Projects	10	10	10	10	10	50
A2.4	Youth Club Projects	10	20	20	20	20	90
A2.5	Social Entrepreneurship	0	10	10	10	10	40
	<u>Total Activity A2</u>	40	60	60	60	60	280
	<u>Total Activity A</u>	100	120	120	120	120	580

SYPE figures for political activity also reflect the constraints during the Mubarak era. Figures may now have changed substantially post revolution. In 2009, party membership constituted only 2.2% of the civic engagement activities of young people in 2009. Those who then participated in political parties represented only 0.12% of the total young people in the age group 18-29 surveyed by SYPE. Only 21% of young men and 11% of young women voted in the last legitimate elections of 2005. These tended to come from the middle and upper middle wealth quintile, with the lowest level of participation among the poor. It may well be that poor women do not engage in such activities at all, even at the local or municipal levels, as a result of prejudice or cultural constraints.

Volunteerism is, of course, a means for strengthening participation. It has the potential to overcome traditional obstacles for development such as economic status, educational attainment, geographic location, gender roles and vulnerability to social conditions. This is of particular value to young men and women in the poorer income brackets.²⁶ Volunteerism brings a strong sense of confidence and self-satisfaction and it enables young people to develop new skills such as leadership, creative thinking, and problem solving. It also empowers young people and expands their social networks.

An increasing number of young people are enrolling in Civilian National Youth Service in over 30 countries.²⁷ Civilian national services exist for many reasons, such as to cultivate national unity, make conscription more equitable, provide young people with experience, improve young peoples' employability, achieve social advancement, or aid students in funding their education. One advantage is that they place citizenship above religious affiliation, and may be used to fight the overwhelming tendency to engage in faith-bound volunteer work in Egypt.

Three of the most prominent such services that exist internationally and will be considered by ENID for applicability and adaptability to Egypt's circumstances are: (i) The International Association for National Youth Service (IANYS) which offers technical assistance to governments or private institutions to develop programs, and encourages youth to play an active role in their communities; (ii) The US Peace Corps, established in 1960, which allows young people to serve their country in the cause of peace by living and working in developing countries; and (iii) the United Nations Volunteers Programme (UNV) administered by UNDP, and active in Egypt since 1988. Examples of formal volunteering for development purposes include the work done in partnership with the National Council for Childhood and Motherhood (NCCM), INJAZ, Sailing the Nile for the MDGs, and the Youth Association for Population and Development (YAPD).

Activity B: Promoting MSMEs and Entrepreneurship

Micro and small enterprises (MSEs) make up over 99% of private enterprises in Egypt and account for 85% of non-agricultural private sector employment and almost 40% of total employment.²⁸ The average micro and small enterprise has only 2.3 workers, and almost three-quarters of all private enterprises have fewer than three employees. Over 80% of micro and small enterprises are informal enterprises, with low value-added, low product quality, and negligible exports.²⁹ However, they have been the primary absorber of labor force entrants over the past decade. MSEs in Egypt tend to have very small amounts of capital. Around 59% of enterprises with 1–4 workers have capital of less than LE 5,000 and only 6% of all enterprises have invested capital of more than LE 50,000, according to the Labor Market Panel Survey Data for 2006.

According to the Global Entrepreneurship Monitor (GEM), the vast majority of the nascent and start-up businesses in Egypt are small ventures. 60% of Egyptian early-stage entrepreneurs finance their start-ups with less than LE 50,000, but the amount ranges from LE 100 to LE 10 million. However, the good news is that GEM results show that the employment growth expectations of early-stage entrepreneurs would result in a 25% growth in average firm size over the coming five years. With regards youth engagement in entrepreneurial activity, the GEM results are very promising. The 25–34 age bracket has the highest Total Entrepreneurial Activity (TEA) rates in Egypt (15%), as is the case for all GEM countries. This is thus the most significant pool of potential entrepreneurs from which the majority of new enterprises and jobs will be created in coming years. The age group with the second highest TEA rate in Egypt is among the 18–24 year olds (12.3%), which is higher than in most GEM countries. Thus, Egypt's young population gives it a strong "entrepreneurial" advantage.

Compared to 43 other countries in the 2008 GEM, Egypt ranks 11th in early stage entrepreneurial activity. There are some 2 million youth under 30 years of age who have setup a business, however modest. Egypt's youth give it a strong entrepreneurial advantage that has the potential to create the majority of jobs and enterprises in the coming years. Efforts should be made to foster the development of entrepreneurial skills and to promote creativity, personal initiative and independent thinking among young people as part of the curricula and extra-curricular activities in the formal education system. The introduction of SMEs and franchising as more "flexible" business models, as well as micro-enterprises for youth with simpler educational background, through awareness campaigns could inspire and spread the culture of entrepreneurship among young people in Egypt.

The MSE sector in Egypt suffers from many recognized difficulties,³⁰ key among which are: 1) demand-related constraints, such as weak purchasing power of their primary low-income customers and limited linkages to larger firms; 2) input constraints, such as inadequate access to finance and low access to business development services; and 3) legal and regulatory constraints which impose heavy compliance burdens and costs on the smallest enterprises. This why the role of the Social Fund for Development (SFD) has been and will continue to be essential in the primary task of supporting micro-lending and assistance to micro-enterprises using intermediaries, mostly NGOs.

Franchising and Social Franchising

Franchising is considered to be a key tool for creating economically viable and sustainable enterprises for young people. The main advantages of franchising include: Minimizing the risks of start-ups, by providing best practice models for new businesses; providing employment opportunities for any sector; integrating training for specialized skills as part of the franchise agreement; easier access to finance; and reduced needs for creativity and innovation for the franchisee.

One example of franchising is microfranchising, which attempts to adapt traditional franchising concepts to small businesses in the developing world. Microfranchising attempts to emulate microfinance and microcredit models in developing countries. They are broadly defined as small businesses that can easily be replicated by following proven marketing and operational concepts. The overall objective of microfranchising is to promote economic development by developing sound business models that can be replicated by entrepreneurs at the base of the socio-economic pyramid.³¹

Gender and Youth Specific Constraints to Entrepreneurship and Informal Employment

Women-owned MSEs make up only 18% of the total number of MSEs.³² As size grows, levels of female ownership decrease even further. Women-owned enterprises have lower levels of capitalization, are less likely to employ other workers, more likely to be in retail trade, less likely to export, and less likely to be registered. There are over one million women in the labor force who would like to work but who cannot find employment. There is, therefore, significant untapped potential to encourage more women to enter the labor market and to consider entrepreneurial and MSE activity as an option.

Women face a number of gender specific constraints to entrepreneurship development and formal employment, which can frequently confine women's work to the informal sector. Constraints on women's mobility and the gender division of household labor often confine women to their homes. The gender division of labor within the home places a heavy burden on women, who are responsible for most of the reproductive tasks, childcare and other obligations of the household. If women decide to enter the labor force, they face a huge responsibility in balancing their work commitments with their roles within the household.³³ Another constraint facing many female entrepreneurs is that they do not have access to the same level of networking and professional support as men.

Access to Land: Breaking the land constraint with a national scheme, 'project land' proposes the distribution of parcels of land to youth in Egypt's new regions such as the desert fringes (*zaheer sahwawi*), along the Nile Valley, the coastlines, and new cities and urban developments. The conditions are that youth beneficiaries will settle the lands and engage in innovative projects in small-scale tourism, eco-friendly agriculture, and other high value-added activities such as ICT, transport and housing. Entrepreneurship needs to start from ownership of some asset in addition to human capital and providing youth with physical capital assets will thus open new avenues of employment and prosperity; the purpose is to introduce a key element that caters both for distributive justice and for good investment fundamentals.

Access to Credit: Credit is a necessary tool for the start-up and expansion of enterprises owned and operated by young men and women. Yet, market failure in the banking sector is a major obstacle to entrepreneurship in general and women's entrepreneurship in particular and personal savings are often the only source of finance for enterprises. Banks consider that lending to the poor, especially poor women, is too costly, risks are too great, savings propensities are too low and few have collateral. It is therefore the case that access to credit is in short supply for MSEs and that savings instruments are scarce.³⁴

Microcredit programs are internationally seen as an alternative option to the lack of formal finance for women. These programs substitute physical collaterals with a social one through the “group lending” mechanism. Repayment rates of group lending programs are generally very high. Microcredit programs are subsidized directly through grants and indirectly through soft terms on loans. Some programs offer credit only while others offer other business development services (BDS), such as marketing, training and skills development. Microcredit programs are increasingly targeting women in order to rectify the gender constraints that women face in accessing credit. Women’s control over financial resources also leads to increased household investments in the health and well-being of women and their children. The rationale is that giving credit to women empowers them economically by increasing their income, and personally through access to information and knowledge, participation in decision-making, self-confidence and family empowerment.³⁵

Informal Sector Employment: While the characteristics of the informal economy have been well documented, youth and women’s participation in the informal economy is less understood. Entrepreneurship is often characterized by informality, due to the lack of employment opportunities in the formal sector. In addition, for women, work in the informal sector is often flexible enough to allow them to balance their work responsibilities with their reproductive roles within the household. Often, women can set up microenterprises and engage in small handicraft production from their homes. Innovative methodologies such as the collection and analysis of time-use data can help in identifying productive activities that are not usually captured by standard survey questions on labor force participation.³⁶

Some women have moved beyond home-based production to establish larger enterprises within the informal sector. Procedures and incentives to encourage the formalization of these enterprises should be pursued. Procedures might include general measures such as the simplification of licensing and registration procedures, lowering the tax burden on small enterprises, and reducing the employers’ cost of social insurance for employees. Other measures might consider the special challenges facing women entrepreneurs, such as access to business development services and credit or networking opportunities. Formalization allows easier expansion of businesses leading to economic growth and job creation.

Institutional and Policy Implications for MSE Promotion: The implication for policy of the various constraints facing MSEs is that considerable efforts should be made in Egypt to foster the development of entrepreneurial skills, ability, and know-how of young men and women. This should start early in the education system as part of the formal curriculum and extracurricular activities. Unfortunately, Egypt has the second lowest rate among 43 countries for the percentage of the population that has received any exposure to entrepreneurship in the education and training system (only 7.5%), and this situation must be rectified through education, as it can serve as a tool for inclusion, social empowerment and competitiveness.

Outputs of the education system need to be aligned with demand in the labor market, and there should be a review of the balance across subjects’ skills and disciplines, and upgrading of technical education. There is a great need and importance to focus on reform of vocational training and skill building, including language and computer skills. The focus should be to overcome young people’s reluctance and the social stigma labelling the technical route as a poor, second-chance option. Awareness campaigns can demonstrate career rewards and financial benefits of technical skills.

The GOE has not provided enough incentives and the appropriate business environment to start a business, or minimum wage and social insurance policies and labor laws and regulations that secure decent work opportunities. A minimum wage should be looked as an incentive to invest in human capital; in addition, it stimulates aggregate demand. Labor market regulations in general, and those related to minimum wage in particular, should be enforced to ensure compliance by private sector firms. Another challenge is to improve the quality of jobs and contribution to social security payments for new jobs for youth and employment services.³⁷

Budget Summary Output B: Promoting MSMEs and Entrepreneurship

Activity	Brief Description	Cost per Year (\$000)					Total Cost
		1	2	3	4	5	[\$000]
	<u>Activity B1: Cluster Development</u>						
B1.1	Needs Assessment and Gap Analysis	20	20	5	5	5	55
B1.2	Assess Technology Gaps	10	5	5	5	5	30
B1.3	Package of ICT Services	5	10	10	10	5	40
B1.4	Package of Incentives for Hiring Young Workers	10	10	0	0	0	20
	<u>Total Activity B1</u>	45	45	20	20	15	145
	<u>Activity B2: Upgrade Microfinance, BDS and Training Systems</u>						
B2.1	Expand Access to Microfinance	0	10	10	10	10	40
B2.2	Introduce Micro-Insurance, Micro-Savings & Micro-Leasing	0	10	10	10	10	40
B2.3	Upgrade BDS System	0	20	20	20	0	60
B2.4	Upgrade One-Stop-Shop	0	5	5	5	0	15
B2.5	Skills Upgrading in Selected Sectors	10	25	25	25	25	110
B2.6	CSO Guidelines for MSMEs service	0	0	15	20	20	55
	<u>Total Activity B2</u>	10	70	85	90	65	320
	<u>Activity B3: Promote Successful Entrepreneurship and Franchising</u>						
B3.1	Identify Marketable Products	10	10	10	10	10	50
B3.2	Assess Successful Entrepreneurs	10	10	10	10	10	50
B3.3	Technical Design and Specifications	0	20	20	20	20	80
B3.4	Design Franchise Package	0	5	25	25	25	80
B3.5	Simplify Registration Process	0	5	5	5	5	20
B3.6	Negotiate Microfinance Terms	0	5	10	10	10	35
B3.7	Pilot Franchises (45 products)	0	0	20	20	20	60
B3.8	National Franchise Office	0	0	0	20	10	30
	<u>Total Activity B3</u>	20	55	100	120	110	405
	<u>Activity B4: National MSME Strategy and Policy Reform</u>						
B4.1	Business Environment	10	5	5	5	5	30
B4.2	Macro Policies	0	5	5	0	0	10
B4.3	Labor Policies	0	5	5	5	5	20
B4.4	National MSME Strategy	0	15	0	0	0	15
	<u>Total Activity B4</u>	10	30	15	10	10	75
	<u>Total Activity B</u>	85	200	220	240	200	945

Improving youth knowledge about labor market opportunities, wages and working conditions helps them to find jobs. In addition, using skilled guidance and counselling helps rectify the mismatch between labor demand and supply.³⁸ Upgrading employment offices and raising their technical capacities would help bridge the gap between labor market demand and the supply of skills. Encouraging the establishment of private recruitment agencies will have an important role, especially in those governorates or districts where public employment offices do not exist.

The Government has attempted to promote MSEs in a number of ways. In addition, several donors and NGOs sponsored the development of MSEs through financial and technical support. In 2004, the government issued the Small Development Enterprise Law no. 141/2004, and the Ministry of Finance adopted a strategy and an action plan to support the competitiveness of MSEs in Egypt. In 2005, the government launched "The National Strategy for Microfinance" with the main objective of providing financial services to poor people and micro enterprises. The strategy also aims to establish a microfinance industry and integrate it in the development of the financial sector. Also in 2005, the Social Fund for Development (SFD) adopted the national strategy for micro credit. In 2008, the SFD, the Ministry of Finance and the Canadian International Development Agency (CIDA) prepared

a national strategy for micro and small enterprise development for the period 2008-2012. However, the strategy has not yet been implemented.

Activity C. Rural Development and Off-Farm Employment

The link between environmental and sustainable agricultural and rural development (SARD), enhancing food security, generating employment opportunities and reducing poverty is a central issue for achieving economic and social development in Egypt. The contribution of the agriculture sector in Egypt exceeds 13% of the Gross Domestic Product (GDP) and over 30% of employment opportunities. Meanwhile, about 57% of the total population in Egypt live in rural areas, where poverty prevails. About 70% of the poor and very poor live in rural areas and of the 25% of the population living in upper Egypt, about 66% are extreme poor, 51% poor and 31% near poor.

Sustainable agricultural and rural development (SARD) faces several challenges in Upper Egypt. Sources of comparative advantage such as the fertile soil and water, low labor cost, availability of arable land in the so-called New Reclaimed Land, which includes approximately 2 million feddans, exist in Upper Egypt. In addition, a distinct climatic advantage gives growers in Upper Egypt the additional advantage of 3 to 4 weeks early fruit harvesting and off-season vegetable supply, and a great part of the cultivated area is free of common pests and diseases and enjoys low labor costs.

While poverty in Qena is similar to the average in the Upper Egypt zone (including the 5 governorates of Assuit, Sohag, Qena, Aswan, and New Valley), Qena is one of the promising governorates of Upper Egypt with a potential for industrial and agricultural development. In addition to the possible agricultural and industrial expansion, it has touristic potential that is not fully utilized, including Ancient Egyptian Monuments and Temples, Islamic and Christian historical sites. Qena hosts the South Valley University with its 7 colleges and 6 High Institutes, in addition to 5 vocational training institutes. It has more than 350,000 feddans of land suitable for agriculture that were planned to reclaim before 2017. This plan faced difficulties in the last few years. However, there is a political dedication to re-start the process.

The population of Qena reached 2.8 million in 2004 and about 68% live in rural areas and about 32% live in urban areas. The population of Qena lives on only 16% of the total land area of the Governorate, while the rest is without dwellers. The Governorate of Qena has 2 large industrial areas of about 500 feddans each in Nageh Hamadi and Qaft. The Governorate hosts 4 major sugar factories with total capacity of 532 tons, in addition to several important by-products. While Qena plants about 47% of the sugar cane yearly in Egypt, its sugar cane production reaches over 50 % of the national production. This indicates a higher productivity per feddan than the national average. The wheat area in Qena is limited and reached only 139,437 feddans in 2009, representing only 4% of the national planted areas of wheat. Similarly, vegetables and fruits areas are limited, with a potential for successful plantation for exports for several products. While Qena has about 423,000 palm trees, its production of dates is very low with productivity per tree reaching 51.4 kg/tree compared to the national average of 104 kg/tree. Administratively, Qena is divided into 11 Districts (Markaz). The General Directorate for Agriculture in Qena is administratively linked to the Governorate while technically affiliated to the Ministry of Agriculture and Land Reclamation (MALR). The General Directory has a newly established section to support Organic Farming in the Governorate.

Within these realities of the Egyptian economy, enhancing sustainable agricultural and rural development as a means to reduce poverty and food insecurity within the expected climate changes and the volatile world food prices is a prerequisite for sustainable social and economic development and hence should be considered as a social and political priority for Egypt. Agriculture in Egypt is not recognized only as a way of life and crucial for national socio-economic development, but also, it received the due attention, as an engine for growth. There is also a strong link between poverty and food insecurity. Most of the poor are either under-nourished or food insecure. Lower income

households spend a large share of their income to purchase food. Under-nourishment is also a constraint to economic growth. Thus, paying due attention to sustainable agricultural and rural development with emphasis on enhancing on- and off-farm employment and income generating activities is a high priority to achieve poverty reduction and food security in rural Egypt.

Within this historical context, the farmers in Upper Egypt in general and in Qena in particular lack the updated knowledge of opportunities open for them through the profitability of other promising crops within the recent volatility of world food prices. The updated and timely information on the comparative advantage for crops and livestock products are not available to farmers, extension specialist and decision makers. Meanwhile, the high degree of fragmentation of agricultural holdings in Upper Egypt and Qena in particular leads to the loss of economies of scale. Input usage, including fertilizers, pesticides and water often relies on tradition and not on up-to-date extension services. The potential for introducing Good Agriculture Practices (GAP) and Organic Farming to overcome problems related to employment, income, environment, health and others are not yet adequately introduced as options for small farmers in Upper Egypt. The current lack of systematic solutions and appropriate technology available to small farmers and rural households to utilize farm residues/by-products constitute lost employment and income generating opportunities. Post-harvest losses are also high especially when considering perishable products, caused by inappropriate pre- and post-harvest treatment, as well as deficiencies in transportation and infrastructure. Moreover, logistics are a major obstacle in this sector in Upper Egypt, while rudimentary infrastructure and inappropriate transportation and handling cause major losses along the supply chain, from a quantity as well as quality point of view. In addition, constraints and obstacles include those related to agricultural policies, such as limited agricultural investments, inflexibility of credit policies, and limited capacity to formulate, analyze, and monitor policies; lack of coordination among agricultural institutions; the imbalance between the development of production and the improvement of marketing services and food quality/safety; poor information system; and discrepancies between export agriculture and small scale farming. The institutional framework and key legislation governing the agriculture sector need to be reviewed and improved to support the small farmers in enhancing their productivities and to better manage the market and other risk factors.

The proposed project/Component C supports the Government's strategic orientation and objectives. The Ministry of Agriculture and Land Reclamation (MALR) has formulated a Strategy for Sustainable Agricultural Development till 2030. The strategic objectives of the government for achieving sustainable agricultural development to 2030 are:

1. Sustainable use of natural agricultural resources, including the increase of water use efficiency in agriculture; sustainable increase in areas of reclaimed land; sustainable development of the productivity of land and water unit; maximizing sustainable return from rain-fed agriculture; and soil conservative and protection.
2. Developing agricultural productivity per unit of land and water, including the directions for development of crop productivity; directions for develop productivity/animal unit; and directions for fisheries development.
3. Supporting competitiveness of agricultural products at local and international markets, including available opportunities; elements of competitiveness capabilities and facing challenges: major directions to support the competitiveness capabilities; and achieving high levels of food security in strategic commodities.
4. Achieving high levels of food security in strategic commodities, including increase the rate of self sufficiency of the strategic food commodities; develop consumption patterns to improve nutritional levels; reduce market losses in food commodities; improve quality and safety of food commodities; and develop social security network.
5. Improving the agricultural investment environment.
6. Improving livelihood of rural inhabitants, including justification and available opportunities, and main elements for improving living conditions of rural inhabitants.

Implementation programs have been designed by the Ministry of Agriculture in cooperation with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agriculture Development (IFAD) to achieve the above strategic objectives.

Objectives

This component has 3 major objectives. These objectives coincide with the objectives of the Egyptian Government as indicated in the Strategy for Sustainable Agricultural Development till 2030, as indicated above. The major objectives of this component are:

Objective 1: Integrated rural development, with a focus on income generating activities and off-farm employment, to simultaneously face the challenges of food and nutrition security, which are key causes of inflation and, hence, help in poverty alleviation.

Objective 2: Raise the quality and effectiveness of extension services in traditional crops, as well as design new and effective means of technical assistance in the value-added agricultural chain for domestic and export marketing.

Objective 3: Introduce environment-friendly and energy- and water-efficient modes of irrigation and mechanization. Develop and advocate for viable institutional arrangement to reintroduce cooperatives for farmers and off-farm economic activities. This will involve the work of agricultural economists and scientists at Egypt's agricultural research centers and other related institutes to come up with the optimal crop mix/crop rotation, which takes into consideration constraints such as water availability, food security and adequate return for farmers. The purpose of this is to raise standards of living through new technologies and best practices from domestic and global research and development centers, promote diverse new employment and income generating opportunities, raise productivity of agricultural and off-farm production, and modify contradictory and prohibitory legislation, including the alignment of trade and fiscal policies to allow for more coordinated and integrated policies and development plans.

These objectives of the current project component C "Rural Development and Off-Farm Employment" coincide with and support the above mentioned overall national objectives under the strategy for sustainable agricultural development till 2030 . Also, the designed activities to achieve the objectives of component C simultaneously contribute to the overall national objectives of sustainable and efficient utilization of water resources, enhancing crop and livestock productivities and economic return to water, and generating employment opportunities and hence increasing income, reducing poverty which leads to higher levels of food and nutritional security. In addition, the introduction of pilot on-farm demonstration projects in several areas to achieve the objectives of this project will lead to enhanced competitiveness and an improved investment environment. The activities of this component will also include research-based advice on directives to improve policies, legislations and institutional frameworks that are crucial to improve the enabling environment for the private and civil society to better contribute to improving the empowerment and livelihood or rural inhabitants as stated in the overall national strategy.

Description of Project Activities

There are two project activities supporting rural development and off-farm employment, namely Activity C1: Enhancing Agricultural Productivity; and Activity C2: Improve and Stabilize Rural Household Food and Nutritional Security and Employment Generation. Policy and Institutional Reform related to activity C are to be financially supported through other components. All activities will work towards fulfilling the objectives of integrated rural development, raising effectiveness of extension services, employment generation, and introducing energy- and water-efficient modes of irrigation and mechanization.

Activity C1: Enhancing Agricultural Productivity

There are four sub-activities to activity C1, at a total cost US\$ 305,000. Details of cost follow each sub-activity, while the component's work plan and aggregate cost are presented at the end.

Sub-activities:

C1-1: Develop a Policy Analysis Matrix (PAM) model for assessing the comparative advantage of crops and livestock products under different farming systems, irrigation method, farm size, and agro-ecological zones in Upper Egypt supported by a model for optimal crop mix/rotation which takes into consideration various developmental objectives and resource constraints. This will lead to the identification of priority areas for farmer field schools, employment and income generation activities (as indication in the formulation of other activities/sub-activities), etc.

- Identify baseline situation/information based on the previous efforts by the Social Contract Center
- Design a sample frame and select crops and livestock products to be included in the analysis of the Domestic Resources Cost (DRC)
- Train enumerators and data entry personnel from the selected villages in Upper Egypt
- Analysis of Domestic Resources Cost (DRC) taking into consideration the economic return to water under each farming system, irrigation method and geographical area; and to assess the incentives structure facing the farmers and the efficiency of resources used at the farm and national levels. This analysis will be supported by a model to determine the optimal crop mix/rotation which takes into consideration various developmental objectives and resource constraints.
- Formulate and estimate LP model to determine optimum crop mix in selected Upper Egypt Governorates
- Suggest new/promising crops and/or livestock activities under each agro-ecological pattern

Targeted Beneficiaries:

The overall objective of this sub-activity/project is to enhance employment opportunities for young men and women in Qena through better informed policy and technical decisions for sustainable agricultural and rural development. This pillar sub-activity constitutes a preliminary phase of activities designed to support the realization of a platform for better informed decisions and planned technical support throughout the up-coming sub-activities/projects. Thus, the ultimate beneficiaries of this sub-activity are the farmers participating in the upcoming identified projects and activities based on the analysis to be carried out within this project. Also, the staff of the Ministry of Agriculture at the local and central levels as well as the staff of the collaborating NGO will benefit from the collaboration with the qualified project staff supported by the Sawiris foundation under this project.

In the long-run, the sub-activity/project will have substantial economic and non-economic benefits. The results of analysis to be carried out under this sub-activity will identify private and social profitability of existing cropping systems under different irrigation and farming practices in addition to the economic return to water for all crop and livestock existing and potential activities. This will be instrumental in enhancing employment opportunities and income for young men and women in Qena. Supporting farming activities with high economic return to water will support the sustainable development and environment in Qena.

Expected Results:

- About 20 identified innovative, profitable and sustainable crop and livestock products for income and employment generation activities for young men and women in Qena, such as

wood production, new and early vegetable and fruits crops such as grapes, pomegranate, green beans, fish, herbal and medicinal crops; etc.;

- Detailed Farm Data Handbook (FDH) specifying private and social profitability for all crops, livestock products and fisheries activities according to location, farming system and economic return to water for the use to promote investment in farm and agro-processing activities generating economically-based employment opportunities; and
- About 20 well trained staff in the Ministry of Agriculture and local NGOs in data collection, tabulation and analysis in agricultural and rural development policy design, formulation, analysis and programming.

Implementation Plan:

The findings and results of this activity are prerequisites for the successful implementation of the other activities of the project/component. The implementation of this activity will be initiated after the approval of the project and finishing the preparation period during the first quarter as shown in the table for the work plan (See Annex 2).

Work Plan for Activity C1-1:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C1.1. Develop a Policy Analysis Matrix (PAM) model for assessing the comparative advantage and the efficiency of the crop and livestock production in Upper Egypt supported by optimal crop mix/rotation																				
Identify baseline situation/information based on the previous efforts by the Social Contract Center																				
Design the questionnaire sheet for collecting primary data																				
Design a sample frame and select crops and livestock products to be included in the analysis of the domestic resources cost																				
Inception Report on PAM estimates																				
Theoretical and field Training for enumerators and data entry personnel from the selected villages																				
Primary Data Collection and Field Surveys in selected Upper Egypt Governorates																				
review of the collected data																				
Primary data Entry and editing																				
Estimate the crop budgets under each selected Irrigation system and geographical area																				
Secondary data collection (i.e., water requirements under each selected Irrigation system and geographical area, export and import prices to compute the parity prices)																				
Analysis of Domestic Resources Cost (DRC) for each farming and irrigation system taking into consideration the economic return to water under each system and geographical area and to assess the incentives structure facing the farmers and the efficiency of																				
Report on the PAM results																				
Determine the optimal activates (crop rotation for one year) and resource constraints for the multi-objectives LP models																				
Formulate and estimate LP model to determine optimum crop mix in selected Upper Egypt Governorates (more details and activities for data collection; model design; field work if any for data collection and verification; etc)																				
Secondary data collection (i.e., technical coefficients for the studied activities, the available resources and output prices)																				
Inception Report on the LP estimation																				
Field work to collect the field primary technical coefficients																				
Run the multi-objectives L. P Models to get the primary results																				
Report -Suggest new/promising crops and/or livestock activities under each agro-ecological patterns																				
Prepare and submit the final report for the activity																				

C1-2: Form focus and farmers field schools (FFS) to ensure participation and advocacy

- To ensure adequate participation, develop and adopt the concept of farmer field school, which is a school without walls. A group of farmers will be getting together in one of their own fields to learn about their crops and things that affect them based on the agro-ecological areas, irrigation methods and the appropriate know-how. They will learn how to farm better by observing, analyzing and trying out new ideas on their own fields. The applied Farmer Field School Approach (FFS) will stress the concepts and principles of people-centered learning as an alternative to the conventional top-down test and verification extension

approach. The applied FFS will use innovative and participatory methods to create a learning environment, including learning networks, in which the land users have the opportunity to learn for themselves about particular crop production problems, and ways to address them, through their own observation, discussion and participation in practical learning-by-doing field exercises. As in other developing countries, the approach will be used to enable farmers to investigate, and overcome, a wider range of problems, including soil productivity improvement, conservation agriculture, and control of surface run-off, water harvesting and improved irrigation.

- Facilitating the availability of the fundamental elements of a Farmer Field School including the group; the field; the facilitator; the curriculum; the programme leader; and the finance. In particular the following need to be considered:
 - The FFS meeting place is close to the study plots.
 - FFS educational methods are experiential, participatory and learner-centered.
 - Each FFS meeting includes the following activities: recapitulation of the previous week's session, the agro-ecosystem analysis, a special topic, insect zoo, a group dynamics activity and evaluation of the day's session and planning for the following week.
 - All FFS include a field in which farmers collect information and materials to learn about, develop observation skills and practice making informed management decisions.
 - A pre- and post-test are conducted as part of every field school.
 - Preparation meetings precede an FFS to determine needs and to develop a learning contract.
 - Final meetings of FFS often include plans for follow-up activities.
- Make available manuals for extension service providers including new crops, animal husbandry, mechanization, and water-saving devices based on the FFS approach and household participation.

Targeted Beneficiaries:

This sub-activity/project aims at establishing the base for establishing the platform for a bottom-up identification for challenges, opportunities and solutions for sustainable agricultural and rural development in Qena. The established farmer field schools will be the base for extension services, knowledge dissemination, and the creation of potential farmers associations. Thus, the targeted beneficiaries of this project are all the participating farmers in the selected areas and activities (e.g. desert farming, organic farming, fish farming, etc.).

Expected Results:

- About 100 well informed young men and women in overall and specific farming practices (this number does not include the young men and women benefiting from the up-coming specific sub-activities/projects related to organic farming, fish production, desert farming, etc.) based on demand and needs in the rural areas of Qena to share their experiences and acquired knowledge with the other farmers in their communities;
- Participatory-based and well-identified problems and solutions for sustainable agricultural and rural development in Qena as a base for policy advice and extension services through up-coming sub-activities/projects; and
- Manuals for extension service providers including new crops, animal husbandry, and topics to be selected by farmers (other than those covered in the up-coming sub-activities for organic farming, fish farming, desert farming, water-saving devices) based on the FFS approach and household participation.

Implementation Plan:

The activity will start by the end of the first year of the project. The first quarter for this activity will be devoted for the preparation and selection of piloting areas and crops based on the results obtained from C1-1 while actual implementation will start by the beginning of the second year, as shown in the table for the Work Plan. This activity will be carried out mainly during the second and third years of the project for the above mentioned issues including best practices and other related issues that will be identified by the farmers in Qena. Thus, this core sub-activity covering issues resulting from FFS approach and farmers participation will be for 2 years, while the FFS approach will continue and will be tailored to serve sub-activities C1-4, C2-1, and C2-2, as reported under these sub-activities until the end of the 5 years. The FFS will continue as a base for the sub-activities mentioned below under C1-4, C2-1 and C2-2, as shown in the following table (See also Annex 2).

Work Plan for Activity C1-2:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C1.2. Form focus and Farmers Field Schools to ensure participation and advocacy																				
Preparatory visits for organizing trainers and extension specialist/supervisors and selection of villages; and field to be used for demonstration; sites for meetings, etc)																				
workshops (by-monthly or weekly) for initiating FFS groups and Training for the Trainers; workshops will be topic oriented and based on the needs of the farmers																				
Inception Report on existing work and additional training needs for farmers																				
Specific FFS for to support other specified activities not included in the up-coming activities (i.e., other than those included under C1-4 desert agriculture, C2-2 organic farming and recycling, and C2-2 fish farms)																				
Make available manuals for extension service providers including new crops, animal husbandry, mechanization, and water-saving devices based on farmers' schools approach and household participation.																				
Prepare and submit the final report for the activity																				

C1-3: Analyze value chain for each priority crop and livestock product:

- Demarcating the boundaries of the chain for the selected priority crops and livestock products, including identification of activities and flows between them; identification of agents in the chain; functional analysis; creating a flowchart for a commodity chain; and Quantifying the physical flows.
- Financial analysis (value added, production account, trading Account, consolidated account of the chain)
- Analyses (financial profitability of activities in the chain, overall efficiency of the chain, price formation, analysis of transfers)
- Identify procurement and distribution outlets from inputs procurement to auto-consumption, distribution, exports/imports, and consumption and utilization.
- Identify institutional constraints and means for enhancing distribution efficiency.
- Relate comparative advantage and competitiveness indicators with value chains of major priority crops and products.

Targeted Beneficiaries:

The overall objective of this sub-activity-project is to inform the small farmers (young men and women) in Qena with employment opportunities and farming potential and budgets for existing and alternative high value and high return crop and livestock products. Such information is based on a research-based analysis of the whole value chain for crop and livestock products having

comparative advantage (based on the results of sub-activity C1-1) in Qena. In addition, the sub-activity/project will improve the policy advice and decision making process at the Governorate and local levels through enhancing the technical capacity of the local staff of the Ministry of Agriculture in Qena in policy planning and project formulation through their partnership with the private sector and civil society staff working in the project.

Expected Results:

- Nearly 100 employment opportunities to young men and women in Qena in farming and agro-processing for new products such as herbal and medicinal crops, wood production, early varieties of vegetable and fruits crops such as grapes, pomegranate, green beans, fish, etc. based on the identification of at least 10 high value/high profit crop and livestock products (from the 20 identified under C1-1) with detailed farming budgets and value chain mapping;
- Nearly 10 trained staff from the NGOs and the Ministry of Agriculture at the Governorate and local levels on methodology for agricultural policy analysis and then they share their experiences and acquired knowledge with the other staff members in their communities; and
- A detailed manual on identified institutional and transaction bottlenecks, and suggesting solutions and trade potential for these products at the local or neighboring touristic governorates or abroad.

Implementation Plan:

Although the sub-activity will benefit from the initial results of sub-activity C1-1, the preparation will start from the first year and the analysis will be extended to the second year, as shown in the table for the Work Plan (See also Annex 2)

Work Plan for Activity C1-3:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C1.3. Analyze value chain for each priority crop or livestock and fisheries product																				
Preparatory and initiation activities including visits to the institutes and decision makers																				
Selection of Priority Products based on initial results from C1-1																				
Collect input and outputs data on the livestock chains (i.e., fodder, producers, fattening farmers, processors, traders chains... etc)																				
Collect input and outputs data on the selected crops chains (i.e., fertilizer producers, seed producers, crop farmers, processors, traders chains... etc)																				
Collect input and outputs data on the aquaculture chains (i.e., feed producers, fish farms, processors, traders chains... etc)																				
Prepare an Inception Report																				
Estimate livestock budgets to compute the values added and profitability measures																				
Estimate crop budgets to compute the values added and profitability measures																				
Estimate fish budgets to compute the values added and profitability measures																				
Prepare and submit the final report for the activity																				

C1-4: Pilot project for high productivity agricultural techniques adapted to desert areas.

- Based on results from (C1-1) regarding the private and social profitability of crops and livestock activities in the specific agro-ecological zones, determine priority activities within a formed integrated pilot project based on desert farming and best available practices.
- Introduce and benefit from appropriate technology including solar energy.
- Provide awareness and extension services using the above developed FFS (C1-2)

Targeted Beneficiaries:

The main objective of this sub-activity/project is to sustain agricultural and rural development in desert areas to provide employment and livelihood opportunities for young men and women through the introduction of appropriate technology for increasing productivity and hence income levels. Thus, the targeted beneficiaries of this project are the young farmers in the selected areas in Qena. In addition to the economic benefit of the targeted beneficiaries, there will be great positive environmental impacts on the sustainable utilization of scarce natural resources in the desert areas.

Expected Results:

- Nearly 200 direct beneficiaries of well informed and properly trained farmers in the pilot farms, wishing to explore desert farming methods and then to share their experiences and acquired knowledge with the other farmers in their communities. Nearly 400 additional farmers in the communities of the direct beneficiaries are also expected to acquire knowledge through information demonstration of the direct beneficiaries in their communities;
- Nearly 100 small farmers (young men and women) trained and employed on desert farming related activities in the pilot farms to raise their income and living standards through increased productivities and better backward and forward linkages in procurement of inputs and distribution of outputs the introduction of alternative high value and quality crop and livestock products. Nearly double the number of young men and women (200) are expected to be employed through the expected scale-up of the desert appropriate best practices at the communities of the trained farmers; and
- Training manual for aspects of desert farming.

Implementation Plan:

This activity will benefit from the results of the analysis of the PAM (sub-activity C1-1). Hence, it will start by the beginning of the second year as shown in the following table for the Work Plan (See also Annex 2).

Work Plan for Activity C1-4:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C1.4. Pilot project for high productivity agricultural techniques adapted to desert areas.																				
Formation of focus group and discussion within farmers' schools sessions specific for desert farming and best practices (Based on the principles adopted under C1-2 for the formulation of farmer field schools as a base for community and sector development)																				
selection of sites and pilot farms; select of crops																				
selection of best and modern practices																				
Prepare an Inception Report																				
Introduce and benefit from solar energy and/or other appropriate modern practices and techniques																				
Preparation of extension manuals for the newly introduced practices																				
Holding workshops for knowledge dissemination and training for trainers																				
prepare and submit the final report for the activity																				

Activity C2: Improve and Stabilize Rural Household Food and Nutritional Security and Employment Generation

There are two integrated major sub-activities under activity C2, at a total cost US\$ 590,000.

Sub-activities:

C2-1: Develop Integrated Organic Farming including pilot projects for recycling of agricultural residues.

- Formulate awareness programme for organic farming and recycle of agricultural residues
- Formulate pilot integrated project to train and provide employment opportunities for youth on Organic Farming practices and systems with emphasis on demonstrating farm activities
- Prepare training manuals for organic farming and link with existing successful experiences in the New Valley and other Governorates
- Formulate a component to recycle agricultural residues into value added products based on best practices for small rural households with demonstration activities for composting of farm waste, biogas technology, non-conventional fodder, etc.
- Prepare a guideline for wastewater management
- Provide technical and institutional support to ensure sustainability of the project
- Monitoring and Evaluation based on results based management

Targeted Beneficiaries:

The overall objective of this sub-activity/project is to enhance employment opportunities for young men and women through the introduction and promotion of organic farming in Qena. Thus, the project's main targeted beneficiaries are young men and women. This project constitutes a preliminary phase of activities designed to support the realization of a platform for farmers' awareness about the need for a sustainable development of organic farming in Qena. By the end of the five years implementation period, the main elements of a multi-level cadre of local agriculturalists trained in technical aspects of organic production systems will have been elaborated. In addition, market studies based on value chain analysis will have been completed to establish an up-to-date and realistic picture of opportunities for domestic (in Qena or other neighboring touristic governorates) and export marketing of organic produce and value-added commodities, based on Qena's comparative advantage for their production, and a pilot organic farm focusing on generation of locally adapted production systems for selected commodities will be planned and its implementation underway. Whilst it is not expected that the project will have an immediate impact (i.e. during its lifetime), on substantially increasing the output of certified organic agricultural production in Qena, such an objective could be compatible with a successive phase of support for this sector with a much greater involvement of interested farmers, subject to positive impact evaluation and the commitment of the local Government of Qena.

In the long-run, the project will have substantial economic and non-economic benefits. Qena's farmers, who are primary beneficiaries, will enjoy the two types of benefits. Economically, Qena's young men and women will have more employment opportunities and are expected to get higher incomes from producing high value products that are sold at prime prices, without significant difference in their cost of production. In addition, working in the environment of organic farming will save them from health hazards associated with the use of chemicals and help conserve their land resources from being affected by the residues of chemicals (fertilizers and pesticides). For the society as a whole, which is inclusive of the secondary beneficiaries, most of the benefits will be non-economic in the form of consuming products free from chemical residuals that may have a negative impact on health. At the same time, all the people will enjoy a better environment.

Expected Results:

- Nearly 400 direct beneficiaries of well informed and properly trained farmers in the pilot farms, wishing to explore the organic farming production methods and then to share their experiences and acquired knowledge with the other farmers in their communities. Nearly 800 additional farmers in the communities of the direct beneficiaries are also expected to acquire knowledge through information demonstration of the direct beneficiaries in their communities;
- Nearly 200 young men and women trained and employed on organic farming and recycling of farm residues activities (from the 400 direct beneficiaries mentioned above) to raise their income in the pilot farms (e.g. expected value added to 1 qentar of organic cotton is almost double the regular cotton. Also, the value added for organic summer potatoes could reach over LE1000/ton while it reaches only about LE 550/ton for regular potatoes) and living standards through the introduction of alternative high value and quality crop and livestock products. Nearly double the number of young men and women (400) are expected to be employed through the expected scale up of the pilot farms and at the communities of the trained farmers;
- Technically supported and better informed NGOs working in upper Egypt able to collaborate and conduct future awareness and outreach programmes for organic farming based on proper applied research, implemented with appropriate methodologies (holistic approach, participatory methods) through the generic and tailored training programmes; and
- Training manual for organic farming and recycling of farm residues.

Implementation Plan:

The implementation of this core activity will start by the end of the first year. The initial period of 1 quarter will be used for preparation and procurement of needed inputs, as shown in the following table for the Work Plan (See also Annex 2).

Work Plan for Activity C2-1:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C2.1. Pilot Project for Organic Farming and Recycling																				
Field tour visits for best organic farms in Egypt (New Valley)																				
Workshop on organic farming and recycle of farm residues in the pilot areas																				
Selection of the studied geographical areas or Governorates																				
selection of the pilot farms																				
Determine the selected products in each areas																				
Determine the selected recycling technology																				
Prepare an Inception Report																				
Prepare awareness programme for organic farming and recycle of agricultural residues (i.e., FFS specific for this project within the awareness programme)																				
Establishing pilot integrated project to train and provide employment opportunities for youth on Organic Farming practices and systems with emphasis on demonstrating farm activities																				
Prepare training manuals for organic farming and link with existing successful experiences in the New Valley and other Governorates																				
Establishing biogas technology production units and/or other appropriate practices in the pilot areas																				
Establishing non-traditional fodders units in the pilot areas to convert by-products to high nutrient feeds																				
Establishing of the recycling units to produce the composte fertilizer at large scale																				
Training farmers on solar strilization for the soil																				
Prepare and submit the final report for the activity																				

C2-2: Upgrade project for fisheries using new technology and best environmental practices.

- Formation of focus group and discussion within FFS sessions (linked to C1-1 and C1-2).
- Determine optimum size and location of the fisheries activities
- Design and implement a pilot farm for extension purposes including:
 - Fish Fingers Ponds: To produce 0.2 grams fish fingers
 - Intermediate Ponds: To grow fish to reach about 50 grams
 - Fattening Ponds: To increase fish to marketing weight at about 300 grams
- Provide technical and managerial support to ensure sustainability of the project

Targeted Beneficiaries:

The overall objective of this sub-activity/project is to enhance employment opportunities for young men and women through the introduction of fisheries ponds in Qena. Thus, the project's main targeted beneficiaries are the young men and women in areas suitable for fish production in Qena. This project also constitutes a preliminary phase of activities designed to support the realization of a platform for farmers' awareness about the need for sustainable development of fish farming in Qena. By the end of the five years implementation period, local agriculturalists trained in technical aspects of fish farming production systems will have been established.

In the long-run, the project will have substantial economic and non-economic benefits. Qena's farmers, who are primary beneficiaries, will enjoy the two types of benefits. Economically, Qena's young men and women will have more employment opportunities and are expected to get higher incomes from producing high protein and value fish products that are sold with profits. In addition, working in the environment of fish farming will also enhance the sustainability of the limited water resources. Non-economic benefits will be represented by better food security and the availability of high protein food products, leading to improving the nutritional status of local societies in Qena and at the country level at successive stages.

Expected Results:

- Nearly 200 direct beneficiaries of well informed and properly trained farmers in the pilot farms, wishing to explore the fish farming production systems and then to share their experiences and acquired knowledge with the other farmers in their communities. Nearly 400 additional farmers in the communities of the direct beneficiaries are also expected to acquire knowledge through information demonstration of the direct beneficiaries in their communities;
- At least 100 young men and women trained and employed on fish farming to raise their income and living standards through the introduction of alternative high value and high protein fish products in the pilot farms (1 fish pond with 50,000 fish fingers requires about 10 persons to carry out required work including temporary, permanent, technical and managerial skills). Nearly double the number of young men and women (200) are expected to be employed through the expected scale-up of the pilot fish farms and at the communities of the trained farmers;
- Technically supported and better informed NGOs working in upper Egypt able to collaborate and conduct future awareness and outreach programmes for fish farming based on proper applied research, implemented with appropriate methodologies (holistic approach, participatory methods) through the generic and tailored training programmes; and
- Training manual for fish farming.

Implementation Plan:

The implementation of this core activity will start by the end of the first year. The initial period of 1 quarter will be used for preparation and procurement of needed inputs, as shown in the table for the

Work Plan. However, the construction of the ponds with the installation of needed equipment may be completed in 9-12 months. The field implementation steps will include the following:

- Farmers' awareness and extension services.
- Base-line information and analysis.
- Selection of sites and size.
- Land preparation.
- Water sourcing.
- Leveling.
- Ponds construction with equipment installation.
- Irrigation and drainage system simultaneously with the construction.

The initial period of 1 quarter will be used for preparation and procurement of needed inputs, as shown in the following table for the Work Plan (See also Annex 2).

Work Plan for Activity C2-2:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
C2.2. Pilot Project for Fisheries																				
Selection of pilot area, villages and sites of fish farms and hatcheries																				
Formation of focus group and discussion within farmers' schools sessions specific for fish farming (Based on the principles adopted under C1-2 for the formulation of farmer field schools as a base for community and sector development)																				
Determine optimum size, farming system and location of the fish hatcheries (there are three farming systems for fish hatchiers,i.e., concrete system or Habbat system or Habbat inside protected houses) to produce fish fries and fingers																				
Determine optimum size, farming system and location of the fish farms to produce fish																				
Prepare an Inception Report																				
Design and establish a pilot farm for extension purposes: Hatcheries Bonds; Intermediary Ponds; and Fattening Ponds (including construction; equipment installation; etc.)																				
Establishing marketing channels system for fish farms																				
Prepare and submit the final report for the activity																				

Budget Yearly Allocation:

Based on the above mentioned work plan, the yearly cost will represent 10%, 38%, 25%, 13%, and 13% for the first, second, third, fourth and fifth years, respectively. The estimated cost for the first 3 years represents about 73% of the total cost, while 27% of the total cost is needed for the last 2 years. The needed budget for the first 3 years reaches about \$955,510, while the estimated budget for the last 2 years reaches \$349,783. The total cost of the project C-Component is \$1,219,900, which is subject to the UNDP administrative fee of 7%, to reach the total needed of \$1,305,300, as per the below table. The Sawiris Foundation is funding Activity C (C1 and C2) at a total of \$1,250,000 and is only responsible for this specific ENID C-activity in terms of regular (to be decided, quarterly or every six months) supervision, auditing, monitoring and evaluation.

Output C Budget Summary by Sub-Activity

Output/Component C/Activities/Sub-Activities	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Sub-Total Component C Management/Supervision	51300	68400	68400	68400	68400	324900
Sub-Total - Sub-Activity C1-1	59000	36000	0	0	0	95000
Sub-Total - Sub-Activity C1-2	0	35000	35000	0	0	70000
Sub-Total - Sub-Activity C1-3	8000	22000	0	0	0	30000
Sub-Total - Sub-Activity C1-4	0	67500	42500	0	0	110000
Output C- Activities C1	67000	160500	77500	0	0	305000
Sub-Total - Sub-Activity C2-1	4700	168000	136000	80900	80400	470000
Sub-Total - Sub-Activity C2-2	2700	65700	19700	16700	15200	120000
Total Activity C2	7400	233700	155700	97600	95600	590000
Total Component Output C	125700	462600	301600	166000	164000	1219900
UNDP 7%	8799	32382	21112	11620	11480	85393
TOTAL BUDGET	134499	494982	322712	177620	175480	1305293

Activity C Budget Summary by Categories and year

Budget Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total (\$)
Personnel	51300	68400	68400	68400	68400	324900
Equipment	2000	192000	86000	20000	19000	319000
Indirect Activity Cost	1000	7000	5500	1500	1000	16000
Travel	33400	79200	57700	34100	33600	238000
Training	6000	20000	14000	6000	6000	52000
Consultants + Miscellaneous	32000	96000	70000	36000	36000	270000
Total	125700	462600	301600	166000	164000	1219900
Admin Fees (7%)	8799	32382	21112	11620	11480	85393
Grand Total in US Dollars	134499	494982	322712	177620	175480	1305293

A Proposed Semi-Annual Schedule of Payments for Activity C:

Output/Component C/Activities/Sub-Activities	Year 1		Year 2		Year 3		Year 4		Year 5		Total
	1	2	3	4	5	6	7	8	9	10	
Sub-Total Component C Management/Supervision	17.1	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	324.9
Sub-Total - Sub-Activity C1-1	41.3	17.7	28.8	7.2		0		0		0	95
Sub-Total - Sub-Activity C1-2		0	17.5	17.5	17.5	17.5		0		0	70
Sub-Total - Sub-Activity C1-3	0	8	15.4	6.6	0	0		0		0	30
Sub-Total - Sub-Activity C1-4		0	47.3	20.3	25.5	17		0		0	110
Output C- Activities C1	41.3	25.7	108.95	51.55	43	34.5	0	0	0	0	305
Sub-Total - Sub-Activity C2-1		4.7	117.6	50.4	95.2	40.8	56.6	24.3	40.2	40.2	470
Sub-Total - Sub-Activity C2-2		2.7	52.56	13.14	15.76	3.94	10.0	6.7	7.6	7.6	120
Total Activity C2	0	7.4	170.16	63.54	110.96	44.74	66.65	30.95	47.8	47.8	590
Total Component Output C	58.4	67.3	313.3	149.3	188.2	113.4	100.9	65.2	82.0	82.0	1219.9
UNDP 7%	4.1	4.7	21.9	10.5	13.2	7.9	7.1	4.6	5.7	5.7	85.4
TOTAL BUDGET	62.5	72.0	335.2	159.7	201.3	121.4	107.9	69.7	87.7	87.7	1305.3

Activity D: Upgrading Basic Services in Rural Upper Egypt

Activity D aims to re-assess and explore cost effective measures to reach households in Egypt's poorest villages, identify cost effective systems for access to water and sanitation according to population density, design integrated social services, protection systems and training programs for social workers, and identify best practice interventions across rural areas in micro finance and employment projects. This will involve specialists in sociology, anthropology, public health and nutrition, as well as economists and technical experts in infrastructure. The purpose is to provide cost-effective and sustainable models of villages that ensure higher standards of living that could be scaled-up across rural Egypt's poorest villages. It should also ensure the protection of existing agriculture land from urban encroachment, and provide the necessary incentives for the growing population and future generations to expand in the vast unutilized desert areas of Egypt which will in turn increase the availability of agricultural produce (food) and help combat inflation.

Activity D1: Policy reform

Sub-activities:

1. Evaluate and pilot SME development and formalization initiatives suitable for rural communities
2. Formulate an off-season employment strategy suitable for intermediate, secondary and college students as well as for farmers with seasonal unemployment gaps
3. Produce a vocational training strategy that caters for industrial and service employment in Upper Egypt to absorb unemployment in the categories of holders of secondary/intermediate certificates
 - ENID will partner with the Social Contract Center (SCC) to build on existing models and initiatives for youth in rural Upper Egypt to acquire new skills (soft and other) and improve employability of youth.
 - ENID and the SCC will together elaborate on improved curricula and facilities to be introduced in existing vocational training centers rural Egypt
4. Develop a rural-focused social services strategy, including a youth and sports component
 - Refer to proposals of the Egypt Human Development Report 2010 and previous reports to test on the ground the implementation of relevant recommendations. These can then be scaled-up for rural Egypt.
5. Assess large private un-competitive practices and barriers to doing business and establish regional consumer protection offices
 - Focus group discussions with households and producers will identify obstacles to competitive behavior in the poorest villages and identify solutions.
6. Develop schemes to produce official documents such as national ID numbers, birth certificates, etc.

Activity D2: Employment generation and cluster development

Sub-activities:

1. Introduce tailor-made programs for employment creation in public works in rural areas, and projects related to MDG targets.
 - In partnership with the Social Contract Center (SCC), ENID will forge alliances with local NGOs and local government authorities to design effective public works programs and MDG-related projects in poor villages.
2. Design products for employment and income generation in poor villages
 - Review literature and visit sites both inside Egypt as well as abroad to study and adapt products to conditions and opportunities at each village level. Examples of best practices to be considered are One Village One Product of Thailand, and the Acumen Fund.

3. Assess micro-finance experiences and design and test partnerships with credible NGOs.
 - Introduce and pilot new credit systems based on the experience in Egypt. Examine such examples as Alexandria Business Association, PBDAC, SFD, and other existing systems in Egypt, with a focus on successful NGO relationships as intermediaries.
 - Introduce and pilot new credit systems based on the experience abroad. Examples to study from abroad are Grameen and Bangladesh Rehabilitation Assistance Committee (BRAC). Also examine best practices of social entrepreneurship, including Ashok.
4. Design social franchises and pilot these for replication and scaling up across Egypt's poor villages
 - Study MDG-based products and services at the community level using existing best practices from local NGOs and international organizations working in Egypt
 - Provide full documentation regarding time, sequence and costing of existing best practices for the purpose of assessing priority models. Examples are pre-school education, literacy programs, health and nutrition awareness for reproductive health, village latrines, public baths, etc.
 - Provide best case scenario of public/private/community responsibilities, both managerial and financial.
 - Village latrines and public baths can be examples
5. Create cluster-oriented linkages between villages and non-farm activities in markaz, closest city or town
6. Support safe, cost effective, and reliable transportation initiatives between villages and economic centers and towns to ensure "connectivity" of village dwellers with potential employment opportunities in neighboring urban communities

Activity D3: Governance and targeting

ENID will hold stakeholder consultations and focus groups with the beneficiaries on the ground as well as local NGOs to prioritize various options and potential mini projects in the fields of improving access to basic services (education, health, social services).

Sub-activities:

1. Adopt local community participation models in the selection of projects and monitoring of service delivery in basic services (for example education, health, social services)
 - Follow-up on the work of the SCC with respect to both its work in monitoring and evaluation of the poorest villages as well as its Social Responsibility Map to select appropriate approaches and methods for community participation.
 - Build on the work of the SCC in the poorest villages to prioritize from among projects using consultations and focus groups and in line with available resources.
2. Develop a proposal for better targeting needy households within the social protection system (Daman Pension).
3. Propose financial and other incentives targeting women including literacy, reproductive health, and child nutrition
 - ENID will hold periodic stakeholder consultations to work out and monitor selected interventions to improve the well-being of women and children in the poorest villages.
4. Provide manuals for training of social workers in monitoring and assistance to targeted households.

Budget Summary Activity D: Upgrading Basic Services in Rural Upper Egypt

Activity	Brief Description	Cost per Year (\$000)					Total Cost
		1	2	3	4	5	
	<u>Activity D1: Expanding Services at the Village Level*</u>						
D1.1	Community Participation in Prioritization	5	5	5	5	5	25
D1.2	Public Works Project	5	5	10	10	10	40
D1.3	Transport Project	5	5	10	10	10	40
D1.4	Social Franchise	10	15	15	15	15	70
D1.5	Cluster Linkages with City and Town	0	0	10	10	10	30
D1.6	Pilot SME Compound	5	10	10	40	10	75
	<u>Total Activity D1</u>	30	40	60	90	60	280
	<u>Activity D2: Upgrading Service Access at Household Level</u>						
D2.1	Sanitation Connection	10	10	10	10	10	50
D2.2	Solid Waste Management	10	10	10	10	10	50
D2.3	House Upgrading (roof, floor)	20	20	10	10	10	70
D2.4	Subsidized Food and Bread	10	10	10	10	10	50
	<u>Total Activity D2</u>	50	50	40	40	40	220
	<u>Activity D3: Targeting Vulnerable Households</u>						
D3.1	Social Protection System	10	10	10	10	10	50
D3.2	Package of Support and Incentives	0	0	10	10	10	30
D3.3	Support for Women-Headed Households	0	10	10	10	10	40
D3.4	Support for Individuals with Special Needs	0	10	10	10	10	40
D3.5	Manuals for Social Workers	0	0	0	20	20	40
	<u>Total Activity D3</u>	10	30	40	60	60	200
	<u>Activity D4: Policy Options and Reform</u>						
D4.1	Off Season Employment	10	10	10	10	10	50
D4.2	Access of Youth to Land	10	10	10	10	10	50
D4.3	Social Service Training Strategy	0	5	5	0	0	10
D4.4	Parks and Sports Strategy	0	10	10	0	0	
	<u>Total Activity D4</u>	20	35	35	20	20	130
	<u>Total Activity D</u>	110	155	175	210	180	830
	<i>*Technical Assistance and Studies of Best Practices</i>						

Activity D4: Upgrading and expanding service access

With regards access to public goods controlled and provided by centralized government bodies, such as water supplies, sanitation, food subsidies and solid waste management, ENID will forge partnerships with authorities at the governorate and markaz level as well as regional universities to study best practices and select/design cost-effective and environmentally sustainable models for these capital-intensive or monopolistic (economic conditions) facilities.

Sub-activities:

1. Establish plans for water supply and sanitation facilities to cater to varying geological and demographic conditions, including the corresponding maintenance and other services for water supply and sanitation services.
2. Adopt non-conventional cost-effective models for the supply of sanitary services in remote and sparsely-populated rural communities
3. Develop sustainable schemes for management and recycling of solid household and farm waste

4. Involve NGOs in housing upgrading (roofs, floors, water and sanitary connections, etc.)
5. Ensure sufficient and reliable access to subsidized food rations and bread in villages

Activity E: Administrative and Fiscal Decentralization

Partnership between ENID and the LEDP will activate the role of local authorities in the governorate of Qena as critical players in the process of LED promotion and as custodians of an integrated LED process that consolidates the contributions and actions of the range of relevant public as well as private sector economic actors that are active within their localities. This modality is implemented at both the local and central levels.

ENID/LED Cooperation

ENID will cooperate with LED in assessing existing national vision, macro policy and national institutional landscape for LED promotion. These assessments are intended to be used as a guide to the development of a national vision for LED promotion and the articulation of its related policy and its national implementation strategy which should be aligned with Egypt's overall economic development vision and plan.

Three Grounding Assessments

- Using its bottom-up approach, ENID will be working with the Qena governorate and its sectoral authorities to design a national vision and strategy for Qena's economic and social development. Once this is available in draft form, it will be shared with LED to be used as part of its assessment activity;
- Research into various options for tax autonomy of the Qena governorate will provide feasible alternatives to make sufficient resources available to the local economy, both from central and local sources. The results of this exercise will further enrich the feedback generated through LED promotion efforts in pilot localities, of which Qena will be the prime example;
- The results of ENID's engagement and interventions at the Qena governorate level will provide solutions on how best to rationalize the relationship of local activity at the sectoral level with a multitude of ministries and agencies and authorities at the central level, with such examples as in tourism and industry development. Conversely, ENID will benefit from the work of LEDP in carrying out its national assessment of the national institutional landscape, including the assignment of functions, resources and decisions, and the proposed restructuring reform. In fact, ENID will be the test case for LED attempts at the gradual realignment of mandates and the reassignment of functions and resources with the goal of increasing efficiency and effectiveness of LED promotion.

Sub-Activities

- Support for the implementation of LED Strategies through availing access to project development support services as well as access to responsive financing options through private sector.
- Deliver best practice processes for decentralization and evolution from central to local government as well as demonstrate best practice engagement and participation of all segments of the Qena society in decision making on the social, economic and political fronts. Such best practices will be of value to the Ministry of Local Development and other cabinet ministries to undertake the suggested interventions that have worked in the ENID initiative in Qena.
- Make available manuals for training the administration in monitoring works, data collection, procurement of infrastructure and of services to disadvantaged groups, children, elderly, handicapped, etc.

- Introduce and strengthen practices for citizen charters and good and fair elections of popular councils in communities and cities.
- Promote regular community debate of problems, options and priorities between citizens and local authorities via use of media and other channels of communication.
- Analyze problems of local government financial management in order to enhance decision making for investments into water supply, sanitary services, waste collection, energy supply, transport infrastructure (roads/bus terminals), kindergartens, schools, and health facilities.

Budget Summary Activity E: Administrative and Fiscal Decentralization

Activity	Brief Description	Cost per Year (\$000)					Total Cost
		1	2	3	4	5	
Activity E1: Qena LED Strategy Formulation							[\$000]
E1.1	Qena core team (4 staff & 1 facilitator)	12.6	15.6	15.6	15.6	15.6	75
E1.2	Qena office (rent and equipment)	9	5	5	5	5	29
E1.3	Qena Info System and HD Indications	5	5	5	5	5	25
E1.4	Local Economy Assessment	20	10	5	5	5	45
E1.5	Support Establish LED Forum	14	14	14	14	14	70
E1.6	Support 5 Year Vision Formulation	20	0	0	0	0	20
E1.7	Support 5 Year Plan & Strategy Formulation	25	10	0	0	0	35
	Total Activity E1	105.6	59.6	44.6	44.6	44.6	299
	Activity E2: Qena LED Implementation						
E2.1	Setting-up LED Fund	Cost born by LEDP					
E2.2	Project Development for MSMEs	Cost born by Activity B					
E2.3	Project Development for Agriculture Value Chain	Cost born by Activity C					
E2.4	Project Development for Basic Services	Cost born by Activity D					
E2.5	Project Development for Sports and Culture	Cost born by Activity A					
E2.6	Project Development for Tourism	0	10	20	20	10	60
E2.7	Pilot Project for MSMEs	Cost to be estimated in Year 2, implementation Year 3					
	Total Activity E2	0	10	20	20	10	60
	Activity E3: Policy and Institutional Reform						
E3.1	Review National Economic Vision	20	0	0	0	0	20
E3.2	Assess LED Relevant Macro Policy	24	0	0	0	12	36
E3.3	Agriculture Co-ops and Extension Services	0	10	10	0	9	29
E3.4	Landscape for LED Promotion	30	20	20	20	20	110
E3.5	Introduce Citizen Charters	0	5	5	5	5	20
E3.6	Administrative Decentralization Proposals	0	5	5	5	5	20
E3.7	Fiscal Decentralization Proposals	0	5	5	5	5	20
E3.8	Scaling up Proposals	0	0	0	20	20	40
	Total Activity E3	74	45	45	55	76	295
	Total Activity E	179.6	114.6	109.6	119.6	130.6	654

Description of Local Activities/Systems and Procedures

- The local level component of the LEDP supports the institutionalization of the LED within the target tier of local government. It introduces the following set of systems, procedures and capacities that enable the performance of such functions in the following sequence:
- E1: The Local Economy Assessment (quantitative and qualitative) and the prevailing business enabling environment of Qena governorate. ENID will also pursue identifying priorities and bottlenecks related to infrastructure and other public goods and services and designing a strategy for funding and implementation with the contribution of all actors.
- Local Mapping of Social Conditions. To date, the Qena governorate has a Human Development Report at the governorate level as well as disaggregated by *merkez*, which will be of extreme value. ENID will also focus on information on all social services and infrastructural services such as access to waste management networks, water, education and health.
- E2: The development of a 'Local Economy Information System' for guiding interventions for promoting LED and gauging economic development outcomes. ENID will also focus on existing large public and private enterprises, industrial zones, traditional industrial and marketing clusters, cooperative and other institutions supporting agricultural production and

productivity. Attention will be given to existing plans such as developing *zaheer sahrawi*, tourism, and other economic projects.

- E3: The establishment and activation of an LED Forum that facilitates communication between economic actors and promotes and informs needs assessment and discussion of priorities as seen by the economic actors.
- E4: The Formulation of an integrated socio-economic LED Strategy that captures the range of interventions and actions needed for stimulating equitable and sustainable economic activities and supporting Qena's specific LED objectives that may include; increasing women and youth employment opportunities; increasing household income; improving access and quality of reproductive health and literacy for women.
- ENID will also focus on identifying and piloting mechanisms for the growth of local revenues and/or diversifying the locality's economy by linking up communications in order to coordinate the local level five year plans with the relevant budgeting allocations and fiscal autonomy.
- E5: The Implementation of the LED Strategy starting with the development of the annual LED action plan and budget; project profiling and development, project finance and project implementation and commissioning the set-up of an LED Fund and the development of responsive financing modalities to avail access to finance for the implementation of LED promotion investments and interventions identified through the LED Strategy.

ENID will benefit from LED tools, such as the local economy assessment tool, identifying and convening local economic actors, the local economic development strategy, and the local economy information system.

Activity F: Development and Utilization of 4 ENID Tools across Sectors

There are eight steps to the ENID activity process:

- (i) Conceptualization (identification of the issues, the methodology, inputs from various disciplines, identification of stakeholders);
- (ii) Baseline survey and mapping of target communities to serve Situation Analysis and M&E;
- (iii) (Situation Analysis (on the ground, needs assessments, focus groups, public hearings));
- (iv) Documentation (ongoing in several of the steps);
- (v) Communication (branding, websites resource center, clearing house);
- (vi) Applied interdisciplinary research and analysis of existing as well as new interventions/solutions;
- (vii) Dissemination and advocacy;
- (viii) Monitoring, evaluation and quality control.

Given ENID areas of activity and focus, the outcome of ENID work is intended to be of use for both policy formulation and program implementation in each of the five selected areas. ENID products will therefore cover the range from design of strategies, policies and institutional reform to implementation support. Across all of the five sector areas, a number of cross-cutting tools and methodologies will be used, additional to applying sector specific expertise as described above. These tools are institutional and public policy, macroeconomic modeling, monitoring and evaluation, knowledge management, and dissemination and advocacy.

Identify local governance processes that have a positive impact on social service delivery and local economic development. This will include analysis of appropriate modes of decentralization at the political, administrative and fiscal levels. This will involve the work of specialists in the fields of political science, public administration and public finance. The purpose is to recognize what has worked in Egypt in sector-specific decentralization, such as schools in specific governorates, as well as to utilize polling and monitor pilot governance projects in the areas where ENID is involved in the

five sectors of focus. Stakeholders at the grassroots level will include civil society, CDAs, NGOs, elected councils, natural leaders, etc.

Sub-activities:

- Introduce and strengthen practices for citizen charters and good and fair elections of popular councils in communities and cities.
- Promote regular community debate of problems, options and priorities between citizens and local authorities via use of media and other channels of communication.
- Analyze problems of local government financial management in order to enhance decision making for investments into water supply, sanitary services, waste collection, energy supply, transport infrastructure (roads/bus terminals), kindergartens, schools, and health facilities.
- Make available manuals for training the administration in monitoring works, data collection, procurement of infrastructure and of services to disadvantaged groups, children, elderly, handicapped, etc.

Activity F1: Impact Assessment on Fiscal, Monetary and the Real Economy

Macro-economic modeling is a methodology that will be utilized to ensure that each ENID initiative is sound within a viable fiscal and monetary framework. It will include assessing how the above activities can be carried out without disturbing fiscal sustainability and monetary policy targets, raising the overall competitiveness of the Egyptian economy, improving the total factor productivity and ultimately achieving a sustainable high economic growth. Modeling will also be utilized to forecast and estimate the implications of scaling up initiatives from one location/activity to a nationwide costing and rates of return, as well as employment implications of scaling up. This involves contributions from applied economists specialized in modeling fiscal policy, monetary policy, and economic growth. Modeling will include the development of a family of tractable models to link the achievement of the socio-economic targets with the different aspects of the macro-economy. In turn, the outputs of these models will translate into policy options and scenarios.

Activity F2: Monitoring and Evaluation

The ENID initiative is comprehensive and encompasses a wide range of sectors and policy areas of work, which implies a rigorous and responsive evaluation design that helps feed into the policy making process and informs decision making. The strength of the ENID evaluation system is that it recognizes and incorporates the diversity and cross-cutting nature of the development projects tackled, and it can create feedback loops that help the ENID initiatives to be flexible and iterative. The M&E system will thus extract policy-related information from the programs to use them effectively and on a timely basis.

ENID is envisioned to become a driver for informed policy decision making in Egypt, and is best situated to utilize and communicate sectoral evaluation findings to key decision makers. A sectoral evaluation approach to each of the priority areas identified by ENID will be effective to fulfill this purpose. Further, the evaluation system will help integrate the findings and synergies from different sectors to be packaged into specific policy messages and demands to decision makers.

It is also expected that each ENID initiative will be continuously monitored and evaluated, in order for lessons learned to be documented, and 'best practices' to be prescribed for adoption at the national level. At the start of each ENID initiative, a clear M&E plan will be developed so as to detail how results, progress and achievements will be measured, and to incorporate those elements needed for the identification of best practices. This plan will assign qualitative and quantitative indicators as appropriate to each activity. Participation will be secured by ensuring that the M&E plan is developed in collaboration with the Community Development Associations (CDAs) in each community. Essential indicators to be utilized at the stage of baseline surveys and subsequent M&E are those pertaining to quality of life. As an example, the Egypt "Youth Well-Being Index" has more

than 100 indicators of health, education, income, shelter, employment, social services, civic participation, leisure and security. Many of these indicators can be monitored in order to analyze the pre- and post-intervention situation for youth in poor villages and informal neighborhoods.

Finally, in terms of self-evaluation, the performance of ENID projects (level of output, and outcomes), the M&E system will establish a set of processes that will help program teams to provide performance information that informs the planning cycle, allows the management of the reporting processes and improves programming. The M&E system will also allow ENID to be accountable to community stakeholders and funders.

Sub-activities:

- Utilize and communicate evaluation findings and policy messages to key decision makers based on an effective evaluation system.
- Extract and document lessons and best practices to be prescribed for adoption at the national level.
- Assign qualitative and quantitative indicators for each of the five ENID areas of focus, in collaboration with the community development associations (CDAs) in each community.
- Undertake the pre- and post-intervention situation for monitoring the impact on different community segments (gender, youth, and children) in the five areas of focus.

Activity F3: Knowledge Platform

The goal is to build an integrated online knowledge platform that provides readily available data and analysis to close knowledge gaps, promote dialogue, and facilitate the benchmarking and review processes. This tool will be modeled after IFPRI's Regional Strategic Analysis and Knowledge Support System and IFPRI's Digital Atlas concept, with a strong focus on the sub-national level and rural development. Specifically, it will combine secondary spatial data (such as agricultural production, road networks, health clinics, SME locations, etc.) with ENID and other project-level data to a) identify program priorities, b) monitor and evaluate programs over time, and c) increase transparency and provide an informational tool for policy makers, analysts and the general public.

ENID hopes to advance the role which "knowledge" will play in spreading effective good practices across Egypt. It will therefore invest in leveraging the roles of information technology as well as apply the tools and practices of knowledge management. The goal is to enable NGOs, government and development agencies to source information and data on successful initiatives undertaken in Egypt and outside as well as to contribute their own experiences for the benefit of practitioners working to address similar development challenges.

At the level of each of ENID's five sectoral activities, the following are examples of knowledge products that will accrue to the beneficiaries in these sectors. With regards sector two, the knowledge platform will provide sound guidelines on entrepreneurship as well as the kind of information needed for youth engaged in ICT (virtual souk) who can serve MSME clusters with marketing. As to sector three, the ENID knowledge platform will complement and support extension services in the agricultural sector. As to sector four, the ENID knowledge platform will provide lessons to apply in the area of improving service delivery (pre-school education and road and transport for linking villages to urban centers).

Sub-activities:

- Provide an online knowledge platform to policy makers, practitioners and analysts that will cover the information, data and documentation related to those development areas in which ENID is involved on a highly spatially disaggregated level.
- Establish a comprehensive spatial and sub-national level database on indicators related to ENID's activities

- Institute an interactive tool to assess the cost and benefit of various scenarios/options for programs of national priority on which consensus was reached.
- Build capacity of youth on behalf of clusters of MSMEs, households, local administrations and popular councils to manage information relevant to needs.
- Share Knowledge with development agencies to facilitate information exchange and networking on behalf of communities of practice.

Activity F4: Dissemination, Advocacy and Communication

Advocacy is a core dimension in ENID's mission. The purpose is to market development options to all stakeholders, including community-level beneficiaries, corporate partners, civil society organizations and donors. Such options must be clearly selected such that they do not imply an ideological bias but rather a practical option that has consensus. The objective of ENID's advocacy work is to interact with development agencies, including UN organizations and other development actors across regions and sectors. This would redirect development efforts to benefit the poor, the marginalized and other disadvantaged groups. Advocacy work will be based on the use of various dissemination mechanisms.

In traditional dissemination, information is sent out and received, but no reply is given. However, to be effective, dissemination should communicate a message that allows direct feedback from the addressees. In the case of ENID, messages or outcomes will be targeted to those specifically concerned with the implementation of each of the activities identified above as national priorities. The purpose is not only to inform civil society at the community level but also policy makers on the cost and benefit of various scenarios relevant to each specific program. To this end, a number of channels of communication will be selected and the element of response or intercommunication will be included in the media package selected as most appropriate for each program.

ENID's dissemination and advocacy strategy is envisaged to have two distinct approaches: One standard strategy addressing the more professional audience, and a second, custom-made for beneficiaries of the five program areas.

With regard the first strategy, the audience includes nascent political parties, media, policymakers, as well as experts in all fields, academia, and the business community - as per the very successful strategy developed at the Economic Research Forum (ERF).

- Tools include an IFPRI-style newsletter with minimal use of technical language, and a strong dose of practical information along with applied research results.
- Another is an interactive network website modeled on that of the Global Development Network (GDN).
- Other tools are press releases, advocacy op-eds and press and media packages, short documents, round tables and seminars or thematic workshops, and filmed on-site visits to immerse ENID network members in community locations of the poor/beneficiaries.

As to the second strategy, the mediums selected are for a wider national dissemination, especially targeted to beneficiaries and local community-level NGOs. These will be developed as part of ENID's mission of providing practical information on best practices that can be emulated, and that advocates the use of collective action of beneficiaries for cooperative work as well as voice in local government.

- They will focus on reaching specific segments, (such as young people, women and other vulnerable groups, SME workshop owners and start-up entrepreneurs, squatter families, village and farmer households).
- Dissemination tools include needs assessment, public hearings, focus groups, roundtables, working with natural leaders and community based associations, as well as intermediate NGOs at the local level.

- Other tools include highly popular interactive TV talk shows, as well as tailor-made edutainment-type TV and radio programs which will need to be well studied and developed.

Budget Summary Output F: : Development and Utilization of 4 ENID Tools across Sectors

Activity	Brief Description	Cost per Year (\$000)					Total Cost
		1	2	3	4	5	
	<u>Activity F1: Documentation, Monitoring & Evaluation</u>						
F1.1	Pre-Intervention survey	0	0	0	0	0	0
F1.2	Needs Assessment	0	0	0	0	0	0
F1.3	Identification of Best Practice NGOs	0	0	0	5	5	10
F1.4	Identification of Best Practice enterprises	0	0	0	5	5	10
F1.5	Identification of Best Practice CDAs	0	0	0	5	5	10
F1.6	Qualitative and Quantitative indicators	0	0	0	0	0	0
F1.7	Application of M&E indicators	0	0	0	0	0	0
F1.8	Evaluation of ENID activities	0	0	0	5	5	10
	<u>Total Activity F1</u>	0	0	0	20	20	40
	<u>Activity F2: Developing Knowledge Platform</u>						
F2.1	Information Base for Business Sectors	0	0	0	2	2	4
F2.2	Information Base on HD Indicators	0	0	0	2	2	4
F2.3	Knowledge Platform on Cost-Benefit of projects	0	0	0	10	10	20
F2.4	Knowledge Platform on franchising	0	0	0	5	5	10
F2.5	Knowledge Management for Economic Clusters	0	0	0	10	15	25
F2.6	Knowledge Management for Communities of Practice	0	0	0	5	5	10
	<u>Total Activity F2</u>	0	0	0	34	39	73
	<u>Activity F3: Dissemination, Advocacy & Communications</u>						
F3.1	Public Hearings	0	0	0	5	5	10
F3.2	Focus Groups	0	0	0	5	5	10
F3.3	Thematic Workshops	0	0	0	10	10	20
F3.4	ENID Interactive Website	0	0	0	10	10	20
F3.5	ENID Electronic Newsletter	0	0	0	10	10	20
F3.6	Manuals for Training Local Administration	0	0	0	3	3	6
F3.7	Manuals for NGOs in BDS (on a product basis)	0	0	0	3	3	6
F3.8	Media Package (including film)	0	0	0	100	100	200
	<u>Total Activity F3</u>	0	0	0	146	146	292
	<u>Total Activity F</u>	0	0	0	200	205	405

One example of the second strategy addresses MSMEs, where the medium for a wider national dissemination would be the use of one or several of Egypt's extremely popular talk shows which usually involve a host and a panel of specialized guests, all of whom explore different aspects of setting up and managing small projects, modes and means of microfinance, interventions proposing link-ups to the value chain in different sectors, and exploring franchisable business opportunities. These shows are designed to take phone-in messages from the public, to which the panel responds.

Other media include the use of:

- Guidance on frontline technical assistance and its application to be provided through manuals and in some cases direct training, targeted at specific segments (i.e. urban and off-farm segments).
- Traditional media in the shape of op-eds and articles in the press and interactive discussions in targeted radio shows.
- Internet and Facebook use to advertise through link-ups the availability of material covering key aspects of the messages broadcast through other traditional media, as well as in manuals and/or other tools to be referenced.
- Planned workshops, roundtables, focus groups and annual conferences will also contribute to dissemination.

Sub-activities:

- Produce a quarterly electronic ENID newsletter with minimal use of technical language, and a strong dose of practical information along with applied research results.
- Establish an interactive network website for ENID promoting information sharing among ENID stakeholders.
- Organize round tables, public hearing, focus groups, seminars, thematic workshops to promote dialogue in the five ENID areas of focus
- Utilize dissemination tools including press releases, advocacy op-eds, media packages, and filmed on-site visits.

This focuses on how the strategies address the key causes of the problems which have been identified and the partners involved in each phase. It includes details on the intended manner in which the program should unfold in its various phases. It provides a brief description of the division of labor between the UN partners, the added value of each to the intended program outcomes, and the participating UN organizations capacity to deliver agreed outputs. The proposed program strategy should confirm that the capacities necessary for implementation were carefully considered and that the selected implementing partners have the capacity to achieve the intended results.

This section should also include a prior assessment of key cross-cutting concerns such as: Human rights (in particular the key duty bearers and rights holders involved in the issue the program is addressing and their capacity gaps which the program will address); gender equality (the critical gender concerns that are relevant to the issue being addressed in the program and how the program would address these concerns); the key environmental issues that are relevant in this case and how the program will address them; assessment of capacity gaps of key institutions and partners that the program will work with and the capacity development strategies that will be adopted for the purpose. Depending on the subject covered, this section may also include other types of ex-ante analyses; for example, themes such as education, health, agriculture.

VI. Selected Partners To Date

Gender and youth (ENID activity A) are both stand-alone and cross-cutting issues, and ENID is supporting women's economic empowerment (WEE), as well as youth empowerment, across all ENID areas of focus, raising the quality of service in the poorest villages in Upper Egypt and rural off-farm employment. *Wesh El Saad* is a UN Women Economic Empowerment (WEE) program promoting women's entrepreneurship with an emphasis on poor and marginalized geographical areas in Egypt. It is the first of the two comprehensive intervention areas under the UN Women Egypt country strategy for the transitional and post transitional phases of the January 2011 revolution.³⁹ ENID will act as the research arm for UN Women's *Wesh El Saad* program.

Wesh El Saad will address the gaps in institutional capacity, product design, outreach and targeting that have detracted from the impact of different strategies and interventions on women's economic empowerment, while building on previous and current efforts of development partners. The goal is the economic empowerment of poor Egyptian women through a package of asset transfer plus financial and non-financial services, to enable them to move out of poverty and provide for themselves and their families. The ENID team will partner with UN Women on *Wesh El Saad* with a focus on product design to engage women in microenterprise in rural areas and urban informal settlements.

With respect to ENID's focus area B, ENID hopes to work closely with Cairo University, Faculty of Economics and Political Science, as well with CIDA and IDRC. Geographic areas of focus will include the Qena governorate in Upper Egypt, as well as a number of other locations, to be selected in urban and rural locations. ENID will also solicit the cooperation of existing NGOs and specialized

organizations to identify best practices and formulate franchiseable solutions for selected products with the goal of employment and income generation. ENID's work on area A will also feed into the other four areas of focus, the sense in which ENID's work will be fully integrated. For example, improvements in business development service for microenterprises – an outcome of work in area of focus B – will help design products (goods and services) within a well-formulated overall package that supports existing and new enterprises and includes business and extension services, as well as the training and marketing.

With respect to agricultural productivity and off-farm employment, area C, ENID will seek to cooperate with selected institutes (from among 22) affiliated to Egypt's agricultural research center. Moreover, ENID will partner with the Sawiris Foundation Program on employment generation through the introduction of organic farming in the New Valley. ENID will also seek to cooperate with academics at the South Valley University on specific new crops and technologies that are relevant to Upper Egypt. The Sawiris Foundation is funding Activity C (C1 and C2) at a total of \$1,250,000 and is only responsible for this specific ENID activity in terms of regular (to be decided, quarterly or every six months) supervision, auditing, monitoring and evaluation.

With respect to area of focus D, the upgrading of services in Upper Egypt, ENID hopes to partner with the Social Contract Center (SCC) and build on SCC's extensive knowledge and experience in identifying and undertaking needs assessment of the poorest villages in Upper Egypt. The purpose is for ENID to complement the ongoing work of SCC in monitoring and evaluation, and SCC's social responsibility maps, with a focus on ENID's economic empowerment activities, and especially product design and piloting for employment and income generation of the poor. A team of ENID and SCC members have chosen to work on Qena as the main governorate of focus and an eight member team have visited the governor in Qena for three days (September 2011) and received the governor's blessing to work in areas C, D and E. Moreover, the intention is to form a technical support team to hopefully help the Governor of Qena assess the governorate's resources and assets, as well as challenges and opportunities that are faced and to hopefully help the governorate formulate a socioeconomic development plan from the ground and grassroots level, in line with the government's request that has been made for each governor to formulate a five year plan for his governorate. The ENID team together with its partners is well qualified to undertake this difficult task given the experience of team members in producing several Egypt Human Development Reports (EHDRs) and the more recent Situation Analysis of the Cairo Agenda for Action on Aid Effectiveness (CAA)

VII. Governance of ENID

ENID will eventually setup as a foundation under Egyptian law (currently NGO Law 84 of 2002). ENID will develop into a permanent not for profit organization in accordance with Egypt's laws and regulations, and in a manner which allows it to meet its objectives and achieve its goals. To that end, the needed legal research will be commissioned and conducted. However, setting up a foundation will consume some time during which a trust fund is established with contributions from various donors at home and abroad. Therefore, with regards the legal status of ENID, a preliminary commitment has been made by UNDP Egypt to provide ENID with a program status, with support from recognized donors and partners. This model has a precedent in Egypt where UNDP provided the Economic Research Forum (ERF) with its legal status for a number of years starting in 1993.

Details of the governance structure will be developed in consultation with Founding Members of the network and relevant legal counsel. For example, the choice between a Board of Trustees and an Advisory Board will be considered. In the case where a Board of Trustees (BOT) is chosen, BOT members will be either elected or appointed. The bylaws will specify the number of BOT members, their mandate and frequency of meetings. The Board could also establish broad policies and objectives; select/appoint/support the chief executive (Director); ensure availability of funds; approve annual budgets; and account for performance. One can also assign specific tasks to

individual board members. The Board of Trustees may include representatives of the funding agencies of ENID.

In the case where an Advisory Board is chosen this option may provide greater flexibility at the initial stage of setting up ENID. Nominations for the Advisory Board will draw on the Founding Members' suggestions. The Advisory Board could also include some members from the development assistance community in Egypt other than the funding agencies of ENID. The number could be kept small focusing on one advisor from each of the five areas of activity. The Advisory Board would be responsible for providing input to the ENID annual action plan and to any intermediate adjustments or revisions of plans to suit the political and economic context of Egypt. One advantage is that Advisory Board decisions do not require input from official government bodies.

Membership of ENID is based on the professional and research record of potential candidates. The first group of Founding Members has been selected according to their experience in the five fields that ENID is to be engaged in. New members may be invited to join ENID according to accepted protocol and criteria. Additional researchers and professionals will not necessarily become members and will be brought in to projects on an assignment-basis. ENID is also in the process of creating a young experts group who will contribute time and effort towards making ENID activities successful. This ENID youth network will overlap and cross-fertilize with ENID Founding Members.

In addition to assigning professionals on an individual basis, ENID will also engage in contractual work that is assigned to research centers/organizations, bureaus and business centers and specialized offices, in any project activity. An example would be assigning M&E work on activity area D (upgrading social services in rural Upper Egypt) to the Social Contract Centre which has been conducting work on Egypt's poorest villages.

VIII. Management Arrangements

Project Board

The Project Board is the group responsible for making management decisions by consensus for a project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions.⁴⁰ The Project Board approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities. It must meet at least once a year and approve the Annual Work Plan (AWP) and annual reports as presented by the Project Manager. The role of the Project Board is to provide oversight and strategic guidance to the program. All members of the Board have equal responsibility on all Board matters.

Based on the approved AWP, the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. The Project Board is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. Changes to AWP outputs, activities or targets must be approved by the Board and be clearly recorded in the Minutes of Meeting as agreements. The minutes should also record discussion concerning any rejected proposals.

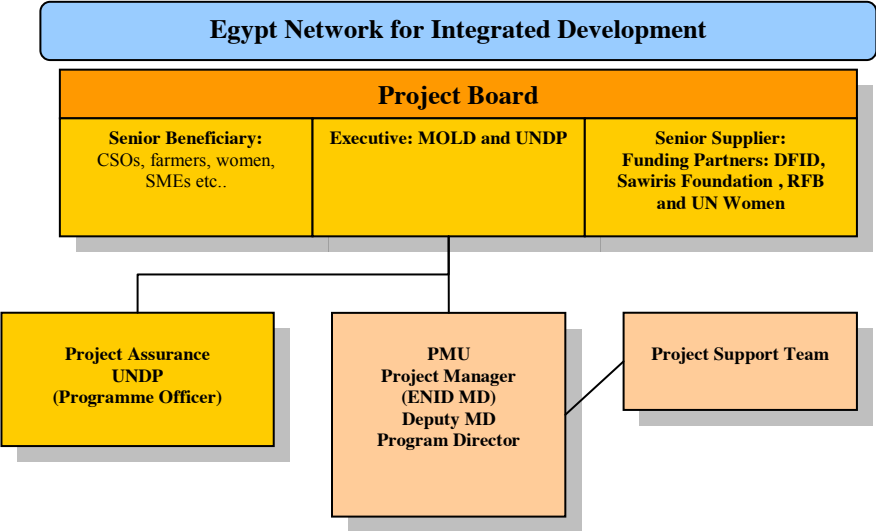
Composition and organization: The Project Board consists of three sets of individuals:

- 1) An Executive: individual representing the project ownership to chair the group.
- 2) Senior Supplier: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project.

3) **Senior Beneficiary:** individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary’s primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.

To date, there are five donors providing support to ENID, namely UNDP, UN Women, Rockefeller Brothers Foundation, DFID, and the Sawiris Foundation. With respect to the Sawiris Foundation, it will take the lead on all Board matters pertaining to Activity C (agricultural activity and off-farm employment).

The ENID Managing Director will be responsible for convening meetings, preparing the agenda and overseeing the processing of materials and tools required for the meetings and also preparing and distributing minutes.



In order to ensure UNDP’s ultimate accountability, Project Board decisions should be made in accordance to standards⁴¹ that shall ensure best value to money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Officer (Project Assurance). Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

The Project Board also receives and discusses the Issue Log and Risk Log as presented by the Quality Assurance role. Individual members of the Project Board can request an extraordinary Project Board meeting at any time in the project cycle when ad-hoc direction of the project is required. The Project Manager may request a meeting of the Project Board to introduce a substantial variation to the AWP.

Program Management

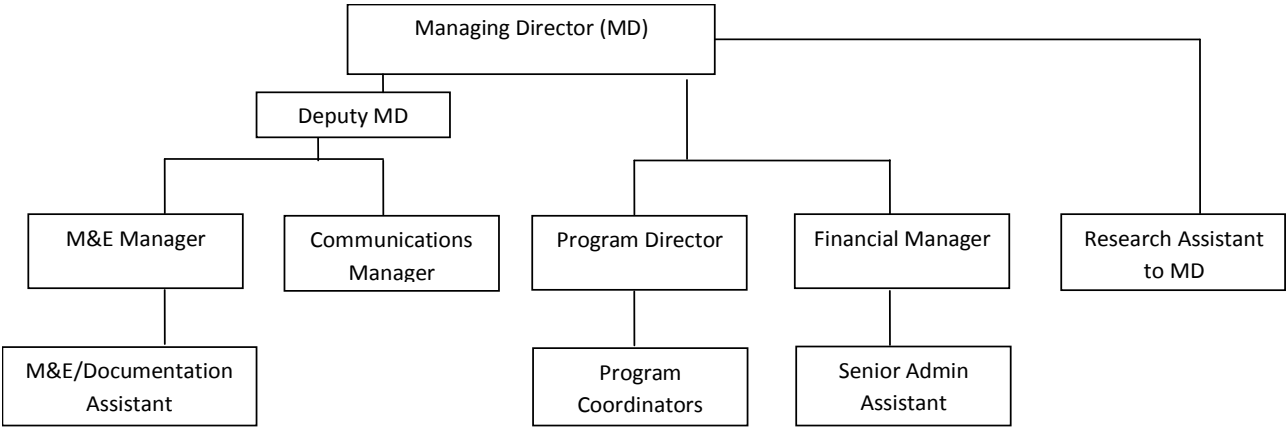
The Program Manager (ENID MD)

The Project Manager is responsible for coordinating, planning, and overall management of all project activities. Day-to-day implementation of the project is by workgroups, therefore the Project Manager will appoint a coordinator for the workgroups, who will also serve as the deputy manager, to arrange, monitor, and report to the Project Manager on meetings by workgroups. The Project Manager must ensure the quality and timeliness of project activities and outputs formulate and

submit requests for project funds, prepare Quarterly and Annual Progress Reports in accordance with the applicable UNDP NEX guidelines, and liaise with the Project Assurance role and request ad-hoc directions from the Project Board when required

ENID Management and Staff:

It is estimated that two sets of people will be recruited to work on ENID activities. The first set covers ENID’s regular personnel who are full-time employees. However, the Managing Director as well as other senior staff will distribute their time between ENID’s core and project work according to the various activities in which ENID is engaged. This group of regular ENID employees will, in the short-term, consist of ten full-time staff members who will be recruited, in addition to the Managing Director and Deputy Managing Director. Moreover, as ENID expands to reach its full operating capacity, it is estimated that staff will reach 20 regular employees by year five.



The second set of ENID employees will be recruited as consultants according to project contracts obtained. This second staff management formula provides ENID with the flexibility needed to assign individual full-time personnel as well as consultants with the specific needs of the job at hand, according to the various ENID activities.

Project Management Unit

The PMU will basically consist of the Project Manager (ENID Managing MD), Deputy Managing Director and Program Director. The PMU will be responsible for coordination and overall management of the project, including compliance with financial and progress reporting requirements of UNDP, those of funding partners, as well as those of the Ministry of Local Development, the implementing party. PMU will also be responsible for maintaining budgets as well as for ensuring that independent auditing and evaluation of the project is undertaken as per UNDP National Implementation Modality (NIM) guidelines.

Coordination with national parties will be through partnerships with particular institutions for specific area of focus, or tool-based partnership between ENID and particular institutions (example partnership with the Social Contract Center for M&E, partnership with a particular legal office or center for legal consultancy in questions that arise in the context of analyzing a particular issue or question.

Partnership will be with specific government bodies or institutions that are recipients of output of a particular activity or policy initiative. (For example, partnership with Ministry of Agriculture for rural development components, Partnership with The National Authority for Water and Sanitary Services or the National Authority for Roads and Bridges and/or governorates for development of local roads connecting villages to urban economic centers, etc.)

Executive Committee

The Executive Committee is empowered to make decision that do not alter the Annual Work Plan's outputs, targets or activities as shown in the AWP approved by the Project Board. It will meet every month to make detailed decisions with regards to project activities and will assist the Project Manager to prepare the budget request for the next quarter. The Committee will consist of the following persons:

- UNDP Program Officer or designated incumbent of the Project Assurance role
- ENID Managing Director
- Deputy Managing Director
- Communication Director
- Program Director
- Others, according to mutual agreement:
 - Representative of the Sawiris Foundation

When program coordinators are hired and counterpart agencies from government and/or stakeholders are identified, the Executive Committee will also include members from these agencies. Invited guests if required to provide additional input regarding specific issues may also be members of particular area of focus

Advisory Committees

A multi-stakeholder Advisory Committee of up to nine members will be formed for each of the six ENID activities. The membership of each committee will consist of ENID founding members with relevant expertise, as well as selected representatives of donors, private sector, specialized government and non-government organizations. The Advisory Committee will be responsible for brainstorming and advising ENID management on substantive technical and scientific issues relating to the specific ENID activity. The Advisory Committee will also be responsible for screening nominations for NGOs to be appointed as ENID partners for each activity. The criteria for selecting ENID partners are the following:

Potential partners will enjoy proven experience in outreach to community-level CSOs and MSMEs, good relations with local administration, and a strong profile of staffing team with skills in project management and monitoring and evaluation. The selection criteria should also include experience in managing programs related to the specific products or services being promoted, such as rural development, social services, handicrafts, and/or other selected products and services. Potential partners will have to have a track record and experience in targeting beneficiaries from among the poor in rural or urban settings. They will also be registered as CSOs or foundations in Egypt and subject to regular auditing for transparency and accountability. Moreover, potential partners will have built a reputation for integrity and good governance, including clear rules, internal controls, democratic voting and rotation in the membership of their Board. In terms of efficiency, each potential partner will provide evidence of cost effectiveness and scalability of their key services and activities.

IX. Monitoring, Evaluation and Reporting

Project monitoring will be based on regular dialogue and meetings between the Project Manager/Coordinator and the Project Assurance Officer and will be in line with the results-based monitoring policies and procedures outlined in UNDP User Guide. The monitoring tools listed below are designed to ensure proper documentation of all project activities and knowledge products with a view to consolidate the necessary knowledge base for project evaluation. It is the responsibility of the Project Coordinator to produce the necessary documents and reports pertaining to these tools for presentation to UNDP and to the Project Board.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the Annual Cycle:

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in UNDP Quality Management tables (to be completed following the signing of the project document).
- An Issue Log shall be activated in Atlas and updated by the Project Coordinator to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex I), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Coordinator to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually:

- Annual Review Report. An Annual Review Report shall be prepared by the Project Coordinator and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the AWP for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.
- Final Project Review shall be conducted during the fourth quarter of the last year of the project by the Project Board as basis for assessing performance, contribution to related outcomes, and determining lessons for broader application. Using the final Project Review Report, the Lessons Learned Report and other documentation as appropriate, the Project Board should assess in this meeting the performance and success of the project, and its contribution to related outcomes.
- Project Evaluation: The project will be evaluated by a team of independent consultants (national or international). The timing, TOR and composition of the evaluation team will be agreed to by the Project Board.

Monitoring and Evaluation Resources

5% of the project budget will be allocated to monitoring and evaluation activities. \$2000 will be allocated to the conduct of the annual project audit.

Risk Analysis

Successful implementation of the project depends on a number of external factors that are beyond the control of those involved in project design and implementation (i.e. ENID, Sawiris Foundation,

UNDP, etc). Major risk factors and key mitigating measures/assumption for successful implementation of the proposed project are summarized as shown in the following table. This risk analysis for factors that may hinder the proper and sequenced implementation of the identified sub-activities/projects is considered as an integral part of the formulation of the ENID overall project and of its envisaged results-based management of the project.

Risk Matrix

Risk	Impact	Probability	Mitigation
1. policy recommendations reached are not adopted by policy makers and implementation by various government authorities	Reduction of developmental impacts of the project	Medium	Outreach and coordination with Government and Civil Society Partners is an integral part of project design and M&E framework
2. Insufficient interest in scaling up opportunities that are delivered by ENID in pilot projects and other best practices identified by the project	Limiting the value of the pilot projects by not replicating them in other geographical areas	Medium	ENID gives great importance to the awareness, dissemination and advocacy activity of ENID to promote scaling up among government entities, corporates, and civil society organizations.
3. Poor technical capacities in local administration, local MALR, or other agency in Qena, regarding sustainable agriculture and rural development and investment requirement	Inconsistency among stakeholders concerning long term objectives, strategies and programmes	Medium	Incorporating sizable component regarding capacity building as an integrated activity of the project components
4. Lack of a system of incentives adequate to retain the local trained staff in the project for 3-5 years	The project will lack sufficient qualified personnel after providing training opportunities to them	High	Providing suggestions for improved in-kind incentives during the project life to retain qualified staff.
5. Challenges embodied in current policy environment and institutional framework inductive to achieve desired outcomes and results of the designed activities.	The project will not achieve desired results due to difficulties in establishing farmers associations, rural finance, contractual disagreements between farmers and the sugar factories, and lack of coherence with overall macroeconomic measures.	Medium	Suggested improvements in related policy and institutional frameworks are recommended as an integral part of the project design.

Financial Arrangements

In accordance with the decisions and directives of UNDP's Executive Board, any contribution to the project shall be charged:

(a) Cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices

- 3% for Government contributions
- 7% for Donor contributions

(b) As implementation proceeds UNDP will provide specific services to the implementing partner in support of delivering the expected outputs. The costs of these support services will be charged directly to the project budget at the rate of 1 %.

A schedule of payments will be included and uploaded on the UNDP ATLAS system upon signature of cost-sharing agreements with donors.

X. Work Plans and Budgets

ENID Budget:

- Staff remuneration
- Overhead costs (office rent, communications and transport)
- Fixed costs (office furniture and computers/communications equipment)
- Finance of five thematic areas:
- Stipends/remunerations
- Contractual fees
- Travel and accommodation
- Workshops and training packages for the field
- Dissemination activities
- Various media outlets

Part of ENID staff remuneration will be distributed across each of the five programs/thematic area budgets, in line with the relevant time allocated, and with the use of time sheets. Over time, it is hoped that core expenditure as well as part of program costs will be financed through ENID's proposed Endowment Fund. It is expected that overheads will not exceed 15% of grand total expenditure in the first year of operation, and they will come down further as a percentage of the total budget in subsequent years. All estimates for cost items are based on ENID activities being at full capacity since the first year, when at least one project proposal has been approved by UNDP and has secured funding from donors. Annual overhead costs include indirect costs (US\$ 92,000) and equipment (US\$18,000), as well as that part of personnel costs which has not been assigned to sectoral area projects. As to core expenditure, this should not be equated with administrative costs or overheads, since the bulk of this expenditure consists of value-adding ENID activities, such as the knowledge platform and dissemination and advocacy, which all contribute to ENID's development outcomes.

The work of ENID will be supported by both project finance and institutional support from a number of donors at home and abroad. UNDP has accepted to act as ENID's channel for receiving grants, both in the form of core and project finance. This will continue until the project becomes a sustainable not-for-profit foundation, again as per the experience of UNDP with the Economic Research Forum (ERF).

Total cost of ENID's operation can be broken down into fixed costs and operating costs of programs for the five sectoral areas. The salaries of the Managing Director and Deputy Managing Director will themselves be distributed between the fixed cost of ENID and the operating costs of programs, which will be charged to sectoral areas. Management will also carefully distribute the cost of other overheads such as to keep a proper balance between overheads and operations.

PROPOSED ENID BUDGET AND TIMETABLE						
Project working currency (currency used in books of accounts of institution): US Dollar (constant December 2010 prices)						
Duration of research project (in months): 60 m (5yrs x 12m)						
BUDGET SUMMARY (based on the attached detailed budget forms completed in project currency)						
Budget category	Year 1 (9 months)	Year 2	Year 3	Year 4	Year 5	Total
Personnel	334533	446044	446044	446044	446044	2118707
Equipment	108,000*	18,000	18,000	18,000	18,000	180,000
Indirect project costs	73,300	81,300	81,300	81,300	81,300	398,500
Travel	10,800	64,550	71,350	80,150	80,150	307,000
Training	0	90000	130000	180000	180000	580000
Consultants + Miscellaneous	80,000	344,000	200,000	250,000	250,000	1,124,000
Grand Total in US Dollars	606633	1043894	946694	1055494	1055494	4708209**

*Cost in Year 1 includes Qena Mini-Bus for \$40,000 and Office Furniture for \$50,000

** Does not include Administration Fees of UNDP

Budget Summary Distributed by Activity						
Activity	Cost per Year (\$000)					Total Cost
	1	2	3	4	5	[\$000]
A: Empowerment of Women and Youth	100	120	120	120	120	580
B: MSMEs and Entrepreneurship	85	200	220	240	200	945
C: Rural Development and Off-Farm Emp	125.7	462.6	301.6	166	164	1219.9
D: Upgrading Basic Services	110	155	175	210	180	830
E: Admin and Fiscal Decentralization	179.6	114.6	109.6	119.6	130.6	654
F: ENID Tools	0	0	0	200	205	405
Total	600.3	1052.2	926.2	1055.6	999.6	4633.9
Administrative/Miscellaneous*	6.3	-8.3	20.5	-0.1	55.9	74.3
Grand Total in USD	606.6	1043.9	946.7	1055.5	1055.5	4708.2
*All discrepancies will be eliminated by adjusting specific components within individual activities.						

DETAILS OF BUDGET SUBMISSION: PERSONNEL (in project currency)							
Item of expenditure	Year 1 (9 months)*	Year 2	Year 3	Year 4	Year 5	Total	Budget notes and explanations
1. Managing Director (MD)	72000	96000	96000	96000	96000	456000	96d @ \$1,000
2. Deputy Managing Director/Editor	54000	72000	72000	72000	72000	342000	SB-5 Q3
3. Program Director	48681	64908	64908	64908	64908	308313	SB-5 MID
4. Monitoring and Evaluation Specialist	23972	31963	31963	31963	31963	151824.25	SB-4 Q1
5. Communication Manager	18000	24000	24000	24000	24000	114000	SB-4 Q1
6. Financial Manager	18000	24000	24000	24000	24000	114000	SB-4 Q1
7. Research Assistant to MD	16575	22100	22100	22100	22100	104975	SB-3 MID
8. Program Assistant	13467	17956	17956	17956	17956	85291	SB-3 Q1
9. Admin Assistant	10984	14645	14645	14645	14645	69563.75	SB-2 Q3
10. Driver	3805	5073	5073	5073	5073	24096.75	SB-1 MIN
11. Messenger 1	3805	5073	5073	5073	5073	24096.75	SB-1 MIN
12. Messenger 2	3805	5073	5073	5073	5073	24096.75	SB-1 MIN
13. Cleaner	3805	5073	5073	5073	5073	24096.75	SB-1 MIN
TOTAL	290898	387864	387864	387864	387864	1842354	
Fringe Benefits	43635	58180	58180	58180	58180	276353	15% of total
Grand Total Personnel	334533	446044	446044	446044	446044	2118707	

**In the first year of operations, work will begin in March, such that the first two months will be excluded*

DETAILS OF BUDGET SUBMISSION: EQUIPMENT (in project currency)

Item of expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Budget notes and explanations
1 Office Equipment	18000	18000	18000	18000	18000	90000	12m * \$1500
Totals for Equipment	18000	18000	18000	18000	18000	90000	

DETAILS OF BUDGET SUBMISSION: TRAVEL (in project currency)

Item of expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Budget notes and explanations (Year 4 & Year 5)
<i>Local Staff, Local Travel</i>							
1 Local Airfare	2400	2400	2400	2400	2400	12000	30 @ \$80
2 Local Per Diem	3500	3500	3500	3500	3500	17500	50 @ \$70
3 Local Ground Transportation	2000	2000	2000	2000	2000	10000	100 @ \$20
<i>Local Staff , International Travel</i>						0	
4 International Airfare		12000	13600	16000	16000	57600	20 @ \$800
5 International Per Diem		8000	9000	10000	10000	37000	50 @ \$200
6 Ground Transportation		2750	2750	2750	2750	11000	50 @ \$55
<i>Consultants</i>						0	
7 Airfare	1600	18000	20400	24000	24000	88000	30 @ \$800
8 Per Diem	1200	14400	16200	18000	18000	67800	60 @ \$300
9 Ground Transportation	100	1500	1500	1500	1500	6100	60 @ \$25
Totals for Travel	10,800	64,550	71,350	80,150	80,150	307000	

* All expenditure on travel beyond year 1 requires additional funding (approximately 296,200 from year 2 through year 5)

DETAILS OF BUDGET SUBMISSION: TRAINING (in project currency)							
Item of expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Budget notes and explanations
<i>Training and Capacity Building</i>							
1 Training of Youth	0	30000	40000	50000	50000	170000	
2 Workshops/Focus Groups	0	30000	50000	70000	70000	220000	
3 Media/Dissemination	0	30000	40000	60000	60000	190000	
Totals for Training	0	90000	130000	180000	180000	580000	

**Training costs to be funded by Organizations such as the World Bank and others*

DETAILS OF BUDGET SUBMISSION: INDIRECT PROJECT COSTS (in project currency)							
Item of expenditure	Year 1*	Year 2	Year 3	Year 4	Year 5	Total	Budget notes and explanations
1 Office Rental (Including Security and Maintenance)	40000	48000	48000	48000	48000	232000	12m @ \$4000 (office space 1000m ²)
2 Office Utilities	2700	2700	2700	2700	2700	13500	12m @ \$300
3 Office Supplies	5400	5400	5400	5400	5400	27000	12m @ \$600
4 Communications	13500	13500	13500	13500	13500	67500	12m @ \$1500
5 Postage and Delivery	2700	2700	2700	2700	2700	13500	12m @ \$300
6 Reproduction/Manuals/Materials	4500	4500	4500	4500	4500	22500	12m @ \$500
7 Cabling/Electrical/Telephone	4500	4500	4500	4500	4500	22500	12m @ \$500
Totals for Indirect project costs	73,300	81,300	81,300	81,300	81,300	398,500	

**Year 1 begins in the 2nd Quarter*

Annex 1: List of ENID Founding Members

<u>Name</u>	<u>Title and Affiliation</u>
Economics and Development	
Ahmed Galal	Director, Economic Research Forum
Magda Kandil	Executive Director and Director of Research, Egyptian Center for Economic Studies
Mona El Baradei	Former Dean, Faculty of Economics, Cairo University
Sahar El Tawila	Director, Social Contract Center
Ashraf El Araby	Associate Professor, Institute of National Planning
Macro Modeling and Trade	
Ahmed Kamaly	Professor, American University in Cairo
Ahmed Ghoneim	Professor, Cairo University
Chahir Zaki	Assistant Professor, Faculty of Economics and Political Science, Cairo University
Macro, Fiscal & Monetary/Finance	
Hala el Said	Dean, Faculty of Economics and Political Science, Cairo University
Sherine El Shawarby	Senior Economist, World Bank
Rania Al-Mashat	A. Sub-Governor and Head of Monetary Policy Department, Central Bank of Egypt
Hany Kadry Dimian	Advisor, Minister of Finance
Hoda Youssef	Research Associate, Woodrow Wilson School, Princeton University
Knowledge Management and Dissemination	
Gillian Potter	Writing, Editing and Dissemination, Egypt Human Development Report
Nagla Rizk	Economics of Knowledge & Information, American University in Cairo
Howeida Adly	Head of Advocacy and Civil Society, Social Contract Center
Hussein Amin	Consultant, Information Systems
Noeman El Zayaty	Editor, Ahram Iktisadi Weekly
Misbah Kotb	Economics Editor, Al Masry Al Youm
Sherine Ghoneim	Director, Global Development Network
Institutional & Legal Reform, and Decentralization	
Ahmed Sakr Ashour	Professor, Faculty of Commerce, Alexandria University
Ziad Bahaa El Din	Legal Expert, Corporate Law
Sahar Tohamy	Former Advisor to Minister of Housing and Policy Coordinator for the Ministerial Group for Social Development
Ashraf Abdel Wahab	Acting Minister, Ministry of Administrative Development
Heba Abou Shnief	Policy Coordinator, Social Contract Center
Laila El Baradei	Professor, American University in Cairo
Nihal El Megharbel	Director, Local Administration Reform Unit (LARU), Ministry of State for Local Development
Statistics and Human Development Indicators & Surveys	
Hoda El Nemr	Former Director, Investment Studies and Project Planning & Management Center, Institute of National Planning
Fatma Zinnaty	Demographic and Health Survey
Heba El Laithy	Head of Statistics Department, Faculty of Economics, Cairo University
Mohamed Ramadan	Head of Quality and Development Department, Information and Decision Support Center of the Cabinet
Poverty Reduction and Social Protection	
Hania Sholkamy	Professor of Anthropology, Social Research Center, American University in Cairo
Omenia Helmy	Deputy Director for Research, Egyptian Center for Economic Studies
Rania Roushdy	Senior Research Manager, Poverty Gender and Youth Program, Population Council
Mohamed Maait	Deputy Minister of Finance for Social Insurance and Pensions
Gender, Child and Population	
Aziza Helmy	National Council for Childhood and Motherhood
Halla Shaffey	Independent Consultant, Economic and Social Development
Rana Hendy	Economist, Economic Research Forum & Paris School of Economics
Abeer Soliman	Media, Communications and Management

Gender	
Heba Handoussa	Lead Author, Egypt Human Development Report
Soumaya Ibrahim	International Consultant for Gender and Development Planning
Eman Maarek	Political Science, Civil Society and Human Rights
Youth and Employment	
Ragui Assaad	Professor of Planning and Public Affairs, University of Minnesota
Mona Amer	Professor of Labor Economics, Cairo University
Salma El Fawal	Team Leader of the Youth Outreach Programme, Social Contract Center Egypt
Ehaab Abdou	Co-founder of Nahdet El Mahrousa and Federation of Egyptian Youth NGOs
Small Business, Industry and Management	
Tarek Hatem	Professor of Management, American University in Cairo
Malak Reda	Senior Economist, Egyptian Center for Economic Studies
Abeer Elshennawy	Assistant Professor, American University in Cairo
Mohamed Youssef	Assistant Deputy Minister, and Manager of SMEs Policy Unit, Office of the Minister of Finance
Sherif Kamel	Dean of School of Business, Economics and Political Science, American University in Cairo
Ashraf shetta	President, Middle East Council for Small Business and Entrepreneurship
Omar Sabbour	Managing Director, Oriental Resorts for Touristic Development
Shaheer Ishac	Former Program Officer, CARE Egypt
Abla Abdel Latif	Professor of Economics, American University in Cairo
Nahla El Okda	Analyst, Finance and Private Sector Development, World Bank
Education	
Malak Zaalouk	Head of School of Education, American University in Cairo, and Expert on Cooperatives
Heba Nassar	Vice President, Cairo University
Mohsen Elmahdy Said	Advisor, Ministry of Higher Education and Director of Reform Program for Higher Education
Mona El Baradei	Director, Egyptian Banking Institute, and Former Dean, Faculty of Economics, Cairo University
Asmaa El-Badawy	Research Officer, Population Council
Health	
Habiba Hassan Wassef	Former World Health Organization, Nutrition and Public Health Specialist
Moataz Saleh	Egyptian Minister's Assistant Office for Primary Health Care, Preventive Medicine & Family Planning
Maha Aon	Consultant, Awareness and Advocacy Campaigns
Rural Development and Food Security	
Dyaa Abdou	Former Food and Agriculture Organization, Agriculture and Rural Development Expert
Zakaria Haddad	Specialist in Agricultural Mechanization and Fisheries, Agricultural Research Center
Hala Yousry	Head of Social Department, Desert Research Center Egypt
Racha Ramadan	Lecturer at the Faculty of Economics and Political Sciences, Cairo University
Ali Ahmed Ibrahim Ali El-Shahat	Professor of Agricultural Economics, Zagazig University, Egypt
Abdel-Aziz Ibrahim Tageldin	Professor of Agricultural Planning & Development, Institute of National Planning, Egypt
Tarek El Baz	Advisor/Consultant, United Nations
Mohamed El-Eraki	Professor of Agricultural Economics, Ain Shams University
Abdel Wahab Shehata	Senior Researcher, Agricultural Economics Research Institute, MALR
Urban Planning and Housing	
Mostafa Madbouly	Head of the Urban Planning Authority, Egypt
Mounir Neamatallah	Director, Environmental Quality International
Sahar Tohamy	Former Advisor to Minister of Housing and Policy Coordinator for the Ministerial Group for Social Development
Water, Sanitation and Solid Waste Management	
Sahar Tohamy	Former Advisor to Minister of Housing and Policy Coordinator for the Ministerial Group for Social Development
Habiba Hassan Wassef	Former World Health Organization, Nutrition and Public Health Specialist
Khaled Abou Zeid	Senior Regional Water Program Manager, Center for Environment and Development for Arab Region and Europe
Mona El Agizy	Independent Consultant, Environment
Environment	
Hala Abou Ali	Professor of Environmental Economics, Cairo University
Mostafa Fouda	Former Director of Nature Conservation Sector, Egyptian Environmental Affairs Agency
Emad Adly	National Coordinator, Global Environment Facility
Khaled Allam Harhash	Project Manager, Egyptian Environmental Affairs Agency
Adel Tag-Eldin	Manager, Medicinal Plants Project, United Nations Development Programme
Yasmine Fouad	Capacity Development Project Manager, GEF/UNDP

Annex 2: Cost Estimates and Work Plan for Sub-Activities of Output C

Activity C1-1: Policy Analysis Matrix and Optimum Cropping Pattern

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
1. Develop a Policy Analysis Matrix (PAM) model for assessing the comparative advantage and the efficiency of the crop and livestock production in Qena supported by optimal crop mix/rotation			Crucial Activity as a prerequisite for all other activities
	Analysis of Domestic Resources Cost (DRC) for each farming and irrigation system taking into consideration the economic return to water under each system and geographical area and to assess the incentives structure facing the farmers and setting the base f		
		15	Ag Economist -5months @\$3000
		15	Livestock Policy Economist -5 months @\$3000
		12	Ag Economist- Rural Programme Development Specialist 4 month @ \$3000 - Supporting the initiation of all other sub-activities
		27	Travel (Tickets; Per Diem); Numerators, Data Entry, Incentives; Test survey, etc.
	Train numerators and data entry personnel from the villages - Data Collection and Field Surveys in selected Upper Egypt Governorates	6	3 workshops -Lecturers; and participants over time
	Formulate and estimate LP model to determine optimum crop mix in selected Upper Egypt Governorates	9	Ag Economist/Operation Research - 3 months @\$3000
	Office Equipment and Indirect Activity Cost	6	
	Report -Suggest new/promising crops and/or livestock activities under each agro-ecological patterns	5	Report preparation; review; workshops to discuss results for advocacy and policy advice
Sub-Total - Sub-Activity C1-1		95	

Activity C1-2: Develop Farmers Field Schools

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
2. Form focus and Farmers Field Schools to ensure participation and advocacy			Serving all other Activities
	Establish FFS groups and Training for the Trainets including Specialists Training	40	Ag Extension - Ag Agronomist in addition to Unspecified Specialization (upon farmers requests)
		18	travel, per diem, incentives to local farmers and leaders, visits for supervisors and consultation with extension specialists
	Training	6	meetings, training materials, incentives to demonstrations,
	Make available manuals for extension service providers including new crops, animal husbandry, mechanization, and water-saving devices based on farmers' schools approach and household participation.	6	Reports and manuals preparation and dissemination
Sub-Total - Sub-Activity C1-2		70	

Activity C1-3: Value Chain Analysis for Promissing Products

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
3. Analyze value chain for each priority crop or livestock and fisheries product			
	Develop Commodity Chains for Selected Crops, livestock and Fish Products	18	Total of 6 months @ \$3000
		7	Travel, per diem, data collection, meetings with institues and decision makersincentives to local staff
	Training	3	Meetings, data collection and incentives to local staff
	Reports and Indirect Activity Cost	2	Report on Commodity Chain Analysis with policy recommendations
Sub-Total - Sub-Activity C1-3		30	

Activity C1-4: Productivity Enhancement in Desert Agriculture

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
4. Pilot project for high productivity agricultural techniques adapted to desert areas.			
	Based on results from (C1) form an integrated pilot project based on desert farming and best available practices including Awareness programmes in continuation for FFS (C1-2)	45	Total of 15 months @ 3000 for experts in best practices and new desert technology Experts - Travel - Per Diem - Workshops
		11	Travel; per diem, local incentives
	Introduce best practices including solar energy	45	Equipment
	Training and Extension Materials	7	FFS sessions and printing materials
	Indirect Activity Cost	2	
Sub-Total - Sub-Activity C1-4		110	

Activity C2-1: Develop Organic Farming and Recycling of Residues

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
1. Develop Integrated Organic Farming including pilot projects for recycling of agricultural residues.			Crucial and a high priority
	Formulate awareness programme for organic farming and recycle of agricultural residues (FFS)	20	Travel - Experts for Workshops - Incentives to local staff - Capacity Building - Networking for FFS as a continuation of C1-2
	Formulate pilot integrated project to train and provide employment opportunities for youth on Organic Farming practices and systems with emphasis on recycling and demonstrating farm activities	208	Equipment - Pilot Phase for Organic Farming / Good Agriculture Practices GAP Demonstration & Equipment - Pilot Phase for Recycle agriculture Residues - Demonstration
		98	Travel, per diem, incentives to local farmers for organic farming and recycling
	Training and Capacity Building	20	Prepare training manuals for organic farming and link with existing successful experiences in the New Valley and other Governorates
	Formulate a component to recycle agricultural residues to value added products based on best practices for small rural households with demonstration activities for composting of farm waste, biogas technology, non-conventional fodder, etc.	120	Experts for organic farming and recycling activities including extension services - Total of 40 months @3000
	Indirect Activity Cost and Reports	4	
Sub-Total - Sub-Activity C2-1		470	

Activity C2.2: Pilot Project for Fisheries

Output/Component C/Activities/Sub-Activities	Items	Cost (\$000)	Notes
2. Pilot Project for Fisheries			
	Training and Formation of focus group and discussion within farmers' schools sessions (FFS) & Determine optimum size and location of the fisheries activities	4	Based on the principles adopted under C1-2 for the formulation of farmer field schools as a base for community and sector - Field visits - Experts - Awareness materials development & select size location, and construction materials for the fish ponds.
	Design and implement a pilot farm for extension purposes: Fish Fingers Bonds; Intermediary Ponds; and Fattening Ponds	62	Construction and Equipment for Fattening Ponds (possibility of 16 m diameter- 1.75 m depth) , Intermediary Bonds (Rectangles ponds) , and Fingers Bonds (3x7x1 m) including design, Air Pedal, Compressors, Digging, Electricity, cooling shades/houses, irriga
		23	Travel, per diem, incentives to local staff
	Provide technical and managerial support to ensure sustainability of the project	30	Total of 10 months @3000 - Experts in Fisheries Development, Economics of Fish Production, and other related fields
	Indirect Activity Cost and Reports	1	
Sub-Total - Sub-Activity C2.2		120	

Following expenditures born by Activity E

Activity C3-1: Agricultural Cooperatives Reform

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
1. Revise legal and regulatory framework for rural cooperatives including agricultural and non-agricultural production, marketing and vocational training.			
	Review and assess existing Cooperative Law and Regulation	5	
	Suggest pragmatic measures to improve the cooperative system	3	
	Knowledge platform	2	
	Dissemination and advocacy	3	
	Monitoring, evaluation and documentation	2	
Sub-Total - Sub-Activity C3-1		15	

Activity C3-2: Sugar-Cane Contract Reform

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
2. Revise legal and regulatory framework to ensure contract enforcement in the market for agricultural and off-farm production with special reference to sugar-cane contracts			
	Review and assess existing contracts and their implication	5	
	Suggest a comprehensive legal framework based on best international practices to ensure appropriate market-based risk management for farmers with emphasis on small farmers	3	
	Knowledge platform	2	
	Dissemination and advocacy	3	
	Monitoring, evaluation and documentation	2	
Sub-Total - Sub-Activity C3-2		15	

Activity C3-3: Agricultural Insurance Reform

Activity C3: Policy and Institutional Reform	Items	Cost Item (\$000)	Notes
3. Revise agricultural insurance legal framework			
	Review and assess existing agricultural insurance measures and regulation	5	
	Suggest pragmatic and innovative measures to improve the agricultural insurance system	3	
	Knowledge platform	2	
	Dissemination and advocacy	3	
	Monitoring, evaluation and documentation	2	
Sub-Total - Sub-Activity C3-3		15	

Activity C3-4: Macroeconomic and National Strategy Linkages

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
4. Link the improvements in agricultural productivity to the wider macroeconomic context, particularly with regard to the Sustainable Agricultural Development Strategy till 2030, Water Master Plan till 2017 and implications on inflation and the balance of payments.			
	Review and assess the contribution of the expected results to achieve overall national developmental goals	5	
	Link improvements in agricultural productivity to poverty alleviation, food security and sustainable utilization of natural resources	3	
	Knowledge platform	2	
	Dissemination and advocacy	3	
	Monitoring, evaluation and documentation	2	
Sub-Total - Sub-Activity C3-4		15	

Activity C3-5: Rural Finance Assessment

Output/Component C/Activities/Sub-Activities	Items	Cost Item (\$000)	Notes
5. Study for Rural Finance to improve agricultural productivity.			
	Review and assess existing rural finance services and their implication for farmers income and productivity	5	
	Link with successful experiences in rural areas	3	
	Knowledge platform	2	
	Dissemination and advocacy	3	
	Monitoring, evaluation and documentation	2	
Sub-Total - Sub-Activity C3-5		15	

Summary Work Plan for Component C:

Output/Component C/Activities/Sub-Activities	Year / Quarter																			
	1				2				3				4				5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Component/Output Coordinator/Management																				
Technical Assistance to Component Coordinator																				
Preparatory and Initiation Activities/Tasks																				
Activity C1: Enhancing Agricultural Productivity																				
Sub-Activity C1-1 Develop a Policy Analysis Matrix (PAM) -LP model / Identify new promising products																				
Sub-Activity C1-2 Form focus and farmers Field Schools / Extension Manuals																				
Sub-Activity C1-3 Analyze value chain for each priority crop or livestock and fisheries product																				
Sub-Activity C1-4 Pilot project for high productivity agricultural techniques adapted to desert areas.																				
Activity C2: Improve and Stabilize Rural Household Food and Nutritional Security and Employment Generation																				
Sub-Activity C2-1 Develop Integrated Organic Farming including pilot projects for recycling of agricultural residues.																				
Sub-Activity C2.2: Pilot Project for Fisheries																				

Annex 3: The Local Level Component of the LEDP

The local level component of the LEDP supports the institutionalization of the LED promotion function within the target tier of local government and introduces the following set of systems, procedures and capacities that enable the performance of such functions:

Cost Estimate:

The institutionalization process entails the recruitment (secondment) of a governorate LED Team to function as the core team to undertake the range of LED promotion functions outlined below. This team would ideally be composed of 3-4 members derived from the governorate staff and possessing a suitable set of capacities that are relevant to the LED promotion role. The estimated cost per staff member could range from **\$1,200 and \$2,400 annually** which would add up to **\$3,600 to \$7,200 for a 3 member LED core team or \$4,800 to \$9,600 for a 4 member LED core Team**. An externally recruited LED Facilitator could also be needed if the capacity of available Governorate staff is found to be limited. The estimated cost of an LED Facilitator at the Governorate level could be **\$400-\$500 per month adding up to \$4,800 to \$6,000 annually**.

An operating budget (covering transport and other incidentals) at **\$2,000 - \$3,000** annually will be required to enable the core team to perform LED field functions including engaging in and gradually playing a lead role in carrying out the Local Economy Assessment, the convening of the LED Forum and the management of a participatory process for the formulation of the LED Strategy. Costs related to supporting the implementation phase of the LED Strategy will have to also be factored in but will be difficult to estimate at this stage.

Timeframe:

The process of recruiting the LED Core Team and the LED Facilitator will require 1-2 months and should be initiated at the outset of project implementation.

- 1- *The Local Economy Assessment* (quantitative and qualitative) and the prevailing business enabling environment of a locality; ENID will utilize this broad local economy assessment and then focus on deepening the analysis of the issues curtailing the growth of MSMEs and others that are undermining rural development and off-farm employment.

Cost Estimate:

Carrying out the full local economy assessment will require the deployment of external consultants (national/local) to work closely with the LED core team at the Governorate level. The estimated cost for carrying out the 1st assessment which will be considered the benchmarking one will be **\$30,000-\$40,000**. After year one, the cost for updating the assessment annually to ensure that the data is reflective of change will be significantly less at **\$10,000 to \$15,000 per year**.

Timeframe:

The Local Economy Assessment will require 45 to 60 workdays implementable over a 2-3 months period. This will include verification with Forum members and fine-tuning of the final local economy assessment report.

- 2- *The Development of a Local Economy Information System* for guiding interventions for promoting LED and gauging economic development outcomes; ENID would focus on

elaborating and further developing the components of this system that capture information and provides indicators on MSMEs, Rural Development and off-farm employment.

The cost for developing the Local Economy Information System will be born by the LEDP since it will be used in all governorates as the program is replicated further. However, there will be a cost for covering the introduction of the system (software) at the target governorate level, providing training on its use and supporting data entry which would be carried out by LED Core Team members. There might be a need to procure the required hardware (a desktop computer and printer) if such hardware does not already exist.

Timeframe:

We anticipate that a preliminary local economy Information System module be developed and made available to the Qena initiative by project launch.

- 3- *The Establishment and activation of an LED Forum* that facilitates communication between economic actors and enables the fine-tuning and deepening of the results of the above assessment; ENID would focus on developing and convening the segment of the Forum which engages MSMEs and rural economic actors as well as sectors that could offer off-farm employment opportunities.

Cost Estimate:

Convening the Forum and conducting interactive field activities with local economic actors will also have to be covered during the pilot phase and until it becomes possible for the Local Administration to cover such costs through their own recurrent budget. An estimated cost for activating and running the Forum could range between **\$2,000 and \$4,000 annually.**

Timeframe:

The LED Forum is a dynamic instrument that is designed to support continuous communication between the various economic actors and will be expected to remain active throughout the local economy assessment and LED strategy formulation processes. It will also be required to ensure communication during strategy implementation. Therefore, it should be seen as a dynamic and responsive year round process.

- 4- *The Formulation of an integrated LED Strategy* that captures the range of interventions and actions needed for stimulating equitable and sustainable economic activities and supporting the locality's specific LED objectives that may include; increasing youth employment opportunities; increasing household income; contributing to the growth of local revenues and/or diversifying the locality's economy; ENID would focus on elaborating the components of the integrated LED Strategy that focus on stimulating growth of MSMEs, promoting Rural Development and increasing off-Farm employment opportunities. Interventions identified by through ENID would be integrated within the overall LED Strategy of the locality (as appropriate) and would be supplemented by the range of other interventions that the strategy proposes for implementation.

Cost Estimate:

The process of participatory development of the LED strategy will require the support of externally recruited (national) specialists who will work closely with the LED Core Team and other participating stakeholders and LED Forum members on the development of the document and its presentation and fine-tuning. A rough estimate for the cost of such consultants could be between **\$25,000 and \$35,000.**

Timeframe:

The LED Strategy formulation, verification and finalization process will be initiated once the local economy assessment is concluded and once the LED Forum has successfully compiled the required qualitative data on the local economy to sufficiently inform the strategy formulation process. The Strategy formulation process itself can be completed in 2-3 months but will sometimes require revisiting to ensure quality and accuracy.

- 5- The Implementation of the LED Strategy starting with the development of the annual LED action plan and budget; project profiling and development, project finance and project implementation and commissioning; ENID would take on the implementation of the interventions and projects that it has identified for achieving its own objectives and that aim to strengthen MSMEs, promote rural development and support the creation of off-farm employment. The implementation of ENID interventions will be coordinated with the implementation of other related interventions that are identified through the strategy and slated for implementation by the local administration, relevant central ministries, the private sector and/or development partners. Such coordination would enable ENID interventions to leverage other interventions and maximize mutual benefit

The LED Strategy implementation process will be synchronized with the implementation cycle of the annual development plan of localities and the annual plans of other public sector entities/ministries. Interventions and projects that will be undertaken by the private sector or development partners will follow a different implementation schedule but will have to be coordinated with the implementation of public sector interventions that are of relevance.

- 6- The Set-up an LED Fund and the development of responsive financing modalities to avail access to finance for the implementation of LED promotion investments and interventions identified through the LED Strategy. ENID resources could be earmarked through the LED Fund modality to finance the implementation of ENID identified projects. Such a mechanism could also enable ENID to utilize the financing modalities that will be introduced through the LEDP and that leverage private sources of finance, which will significantly increase the level of resources available for investing in ENID related initiatives.

The LED Fund will be designed and set-up through the LEDP and will thus have no cost ramifications on ENID. However, ENID may want to use some of its resources to capitalize the Fund with earmarked resources to be allocated to ENID interventions/projects.

To ensure the effective development of a multi-stakeholder LED Strategy by participating localities in close collaboration with their economic actors, the LEDP provides focused support to ensure the engagement of all relevant economic actors in its formulation and verification. ENID could benefit from this effort by ensuring that other actors whose interventions are complimentary to its own can be brought into this process ensuring the coordination of their actions with those of ENID and with the overall integrated LED promotion process at the target locality. The Program also applies a significant level of effort in support of the implementation of LED Strategies through availing access to project development support services as well as access to responsive financing options through private sector, development partner and public sector sources as well as through the LED Fund. ENID identified projects and interventions that are prioritized for implementation would benefit from such support on the project development side as well as on project financing

The Central Level Component of the LEDP supports the initiation of a national level process, which will focus on enhancing the National LED Promotion Context/Environment in the country. This process will facilitate the articulation of an national LED promotion vision, policy and strategy which should be aligned with Egypt's overall economic development vision and plan. ENID will engage in this process and focus on articulating the actions and reforms that are relevant to its areas of focus namely MSMEs, rural development and off-farm employment.

To ground this effort, the LEDP will provide guidance to the launch of the following three grounding assessments, which will be carried out through/or in coordination with relevant central ministries/agencies that hold the mandate for guiding the national process for economic development;

Cost Estimate:

The costs indicated below would have to be shared between the LEDP and ENID since they are focused on the national level primarily where ENID would focus on the components that relate to its areas of focus (MSMEs, Rural Development) and the LEDP would carry the broader effort.

Timeframe:

The three studies described below will be carried out simultaneously and would be launched once the LEDP is launched starting with El-Fayoum and can be completed within a period of 6-9 months. Therefore, it is anticipated that these studies would be completed by end of 2012.

- 1- Based on a close study of Egypt's national economy and the national vision and the national strategy for economic development (if or when one is available), define the expected contribution to such a vision and strategy by Egypt's local (regional and governorate) economies. Such a vision would then be used to provide overall guidance to LED promotion at the sub-national level. Within this effort, ENID would focus on defining the contribution/role of MSMEs and rural development in the overall economic development vision of the country

Cost Estimate:

The estimated budget for producing a synopsis of Egypt's economic development vision through the review of existing research and reports on the matter could be in the range of **\$20,000-\$30,000**. However, and given the fact that a significant amount of work is still required to develop such a vision, it would be very difficult to put an estimate for carrying out vision work and its related grounding research. In any event, we do not foresee this to be part of the role of the LEDP but should be under the responsibility of a higher-level government agency or a national institute delegated to perform this task. A national economic development vision will be crucial for guiding LED efforts at the level of governorates or economic regions would thus be critical to have at some point in the near future and before LED promotion efforts go much further (which is not likely over the coming 1-2 years)

- 2- Conduct an Assessment of LED Relevant Macro Policies (monetary, trade, tax, land, labor and others) and determine the extent to which such strategies are conducive to the growth requirements of local economies. Such an assessment will be further enriched through feedback generated through LED promotion efforts in pilot localities and will be used to guide a process of policy reform which would aim to harmonize such policies with the development requirements of local economies. Within this process,

ENID would focus on the identification and assessment of macroeconomic policies that have an impact on MSME and rural development and would articulate the specific reforms needs in such policies to unleash development in these two critical areas and improve prospects for growth in off-farm employment opportunities

A scan of the LED relevant macroeconomic policies and an analysis of the extent to which they are conducive and responsive to LED promotion efforts at the local level could be carried out in a preliminary manner during year one of project implementation. Further refinements to this analysis would be done during the implementation of the LEDP/ENID and through information that these programs begin to generate from the field on the quality of such policies.

Cost Estimate:

An initial scan and analysis could be carried out with a **\$25,000-\$35,000** budget and the utilization of national capacities.

- 3- Carryout an *Assessment of the National Institutional Landscape for LED Promotion* and define the mandates, assigned functions and resources of its various institutions. This landscape would include sector ministries engaged in LED relevant initiatives such as agriculture, industry, trade, tourism, communication and others. It would also include governmental, quasigovernmental and nongovernmental agencies with LED relevant mandates such as investment authorities, chambers of commerce, associations and others. This assessment would also encompass local administrations/authorities since they usually carry LED related mandates as well. Under this scope of work, ENID would deepen the analysis of functional and resource assignment of functions that have direct relevance to the support of the MSME sector and the promotion of rural development and would pinpoint required realignment to achieve increased effectiveness.

This effort could be costly and complicated (even politically) since it will entail the mapping of functions and resource flows that could prove problematic and will require reassignment. Therefore, this effort is at the core of the decentralization policy debate and should be carried out with the objective of gaining an understanding of who is doing what and not with the goal to introduce changes at this stage.

Cost Estimate:

The cost for conducting such a preliminary mapping could be in the range of **\$30,000-\$50,000** but could increase once we begin to go into details into the specific sectors such as agriculture, trade and industry, vocational education, communication, transportation, public works and others.

This mapping of the institutional landscape for LED promotion will shed light on the existing division of labor which has been put in place to contribute to this development outcome and would expose duplications in mandates, ineffective assignment of functions and/or resources as well as institutional gaps that signal weaknesses in the support system. Such an analysis will enable the gradual realignment of mandates and the reassignment of functions and resources to better suited institutions with the goal of increasing efficiency and effectiveness of LED promotion.

The above set of assessments will be used to guide the development of a National Vision for LED Promotion and the articulation of its related Policy and its National Implementation Strategy. ENID would be in a strong position to contribute to such a vision by focusing on articulating the policy, regulatory, institutional and financing reforms and actions that can

ensure the effective development of MSMEs and the effective promotion of rural development and the expansion of off farm employment opportunities.

	Activity	Cost (low)	Cost (high)
1	Institutionalization and staffing (3 staff members) (4 staff members)	\$3,600 \$4,800	\$7,200 \$9,600
2	LED Facilitator	\$4,800	\$6,000
3	Operating cost for LED Core Team	\$2,000	\$3,000
4	Local Economy Assessment	\$30,000	\$40,000
5	LED Forum	\$2,000	\$4,000
6	LED Strategy formulation	\$25,000	\$35,000
7	Egypt's Economic Development Vision @ 1/3 of Cost	\$6,800	\$10,000
8	Assessment of LED Relevant Macro Policies @ 1/3 of Cost	\$8,300	\$11,650
9	Assessment of the National Institutional Landscape for LED Promotion @ 1/3 of Cost	\$10,000	\$16,650
	TOTAL	\$93,700	\$135,900

¹ Youth is defined as people in the age group 18 to 29 years as per the Egypt Human Development Report 2010

² SYPE was conducted by the Population Council in 2009.

³ UNDP and INP. (2010). Egypt Human Development Report, 2010: *Youth in Egypt: Building our Future*. Cairo, Egypt.

⁴ Local Economic Development (LED) is a process that promotes economic growth and social equity through the mobilization of the human, financial and natural resources of localities and the engagement of the set of relevant actors including the private sector, civil society, local government, central government and development partners in a partnership to contribute to this objective. LED is distinguished from Economic Growth through emphasizing equity and the equitable access to employment and income generation opportunities as well as the sustainable use of a locality's natural resources.

⁵ UNDP and INP (2010). Egypt Human Development Report 2010.

⁶ Population Council/IDSC (2010), Survey of Young People in Egypt.

⁷ See Egypt Human Development Report 2010.

⁸ Handoussa, Heba. Cairo Agenda for Action on Aid Effectiveness, Situation Analysis. (2010). 'Key Development Challenges Facing Egypt.'

⁹ This section is reproduced from the Cairo Agenda for Action on Aid Effectiveness, Situation Analysis. (2010). 'Key Development Challenges Facing Egypt.' Pages 56-57

¹⁰ Mobilizing Egyptian Micro and Small Enterprises in Egypt (2009-2013) from National Strategy for Micro and Small Enterprise Development and Blueprint for Initiatives

¹¹ Largely based on the *Egypt Human Development Report, 2005: Choosing our Future: Towards a New Social Contract*. Cairo, Egypt.

¹² The seven dimensions of deprivation and their indicators have been applied by the UNICEF Child Poverty Study (2009) and are as follows:

Water deprivation: Youth 18-29 using water from an unimproved source such as an unprotected well, unprotected spring, surface water (for example, rivers, streams and dams), tanker truck or cart with small tank or who it takes 30 minutes or more to get water and come back.

Sanitation deprivation: Youth 18-29 who live in households with pit latrine, bucket toilet or no facility, or, used modern flush toilet, traditional tank or traditional bucket flush and in the same time the drainage system is piped connected to canal, or to ground water or no drainage system.

Floor deprivation: Youth 18-29 who live in dwellings with no flooring material (for example, a mud floor).

Crowdedness deprivation: Youth 18-29 who live in dwellings with five or more people per room (severe overcrowding).

Information deprivation: Youth 18-29 with no access to radio, television, telephone, or computer at home.

Education deprivation: Youth 18-29 who had never been to school or who dropped out before completing their primary education.

Health deprivation: Ever married women aged 18-29 who gave birth during the preceding five years before the survey (EDHS, 2008) and did not receive antenatal care during their last pregnancy from a doctor or nurse or midwife, or who did not receive any Tetanus Injection during that pregnancy (last pregnancy)

¹³ Sholkamy, Hania. Draft Policy Brief. Cairo, December 2011.

¹⁴ Economic Policy Research Institute. Draft of Chapter 1 of the second edition of the policy guide *Designing and Implementing Social Transfer Programmes*.

¹⁵ World Development Report 2012. *Capabilities, Opportunities and Participation. Gender Equality and Development in the Middle East and North Africa Region. A Companion to the WDR 2012*.

¹⁶ UNDP and INP. (2005). *Egypt Human Development Report, 2005: Choosing our Future: Towards a New Social Contract*. Cairo, Egypt. Annex to Chapter 1.

¹⁷ UNESCO (2005). Education for All (EFA) Global Monitoring Report.

¹⁸ El-Kogali and Suliman, 2002

¹⁹ Roudi-Fahimi, Farzaneh (2003). "Women's Reproductive Health in the Middle East and North Africa."

Washington, D.C.: Population Reference Bureau.

²⁰ DHS, 2000

²¹ This section reproduced from the UNDP and INP. (2010). *Egypt Human Development Report, 2010: Youth in Egypt: Building Our Future*.

²² See EHDR 2010 – Chapter 6 and Chapter 14 (Dina Shehayab, Housing and Building National Research Center)

²³ Check source

²⁴ CAPMAS Quarterly Bulletin Labor Force Survey, 3rd Quarter 2010.

²⁵ UNDP and INP. (2008). *Egypt Human Development Report 2008 - Egypt's Social Contract: The Role of Civil Society*. Cairo, Egypt

²⁶ UNDP. 2010. EHDR 2010

²⁷ The International Association for National Youth Service (IANYS). The 9th Global Conference on National Youth Service. Alexandria, Egypt, 25-27 October 2010.

²⁸ There has been controversy regarding the definition of micro, small and medium enterprises by different entities and organizations. However, Small Enterprise Law 141/2004 defines micro enterprises as companies or sole partnerships with paid-up capital less than LE 50,000, and small enterprises as companies or sole proprietorships with paid-up capital between LE 50,000 and LE 1 million, and with 6–50 employees. According to CAPMAS, 92.5% of enterprises are micro, 7.3% small, and less than 1% (only 0.2%) is medium or large. Only about 1.5% of private sector enterprises have more than ten employees.

²⁹ Despite making up the vast majority of firms in Egypt's private enterprise sector, the contribution of micro and small enterprises to exports is very low—estimated at only 4% of total exports in 2008.

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- ³⁰ *Mobilizing Egyptian Micro and Small Enterprises in Egypt (2009-2013)* from *National Strategy for Micro and Small Enterprise Development and Blueprint for Initiatives*
- ³¹ Microfranchising. 2010. <http://marriottschool.byu.edu/selfreliance/microfranchise/about>
- ³² The picture is better for microfinance, with women making up 74% of the active clients of SFD-supported MFIs.
- ³³ Kantor, Paula. (2002), "A Sectoral Approach to the Study of Gender Constraints on Economic Opportunities in the Informal Sector in India", *Gender and Society*, Vol.16 (3).
- ³⁴ Nader, Yasmine. (2005), "Le Microcredit et le bien-être socio-économique des femmes au Caire", M.A. thesis, Université Laval, Québec, Canada.
- ³⁵ Dowla, Asif (2006). "In Credit We Trust: Building Social Capital by Grameen Bank in Bangladesh". *The Journal of Socio-Economics*, Vol.35.
- ³⁶ Donahoe, Debra Anne (1999). "Measuring Women's Work in Developing Countries". *Population and Development Review*, Vol.25(3).
- ³⁷ See World Bank (2007), UNDP & INP EHDR (2005), and ILO (2004)
- ³⁸ Betcherman et al. (2004)
- ³⁹ The second intervention area of UN Women Egypt will be concerned with women's political empowerment (WPE), which is outside of ENID's scope of work.
- ⁴⁰ Guidelines on UNDP Implementation of UNDAF Annual Review Process
- ⁴¹ UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.