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COUNTRY PROGRAMME EGYPT 200238 (2013–2017)



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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Cairo Regional Bureau (Middle East, North Africa, Eastern Europe and Central Asia)

EXECUTIVE SUMMARY

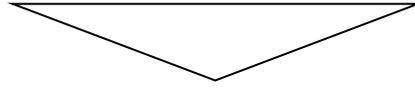
The 2011 revolution reflected the effects of shocks such as the 2007/08 food price crisis, which impaired food security and nutrition; the subsequent political instability substantially reduced Egypt's economic performance. An increasing population, limited arable land and the impact of climate change have driven migration to urban areas, and Egypt hosts increasing numbers of refugees.

Food security in Egypt is related to income rather than food availability. Egypt is the world's largest importer of wheat, so it is vulnerable to fluctuations in food prices. Between 2009 and 2011, the prevalence of poverty rose from 22 percent to 25 percent, affecting 21 million people. The average household spends 40.6 percent of its income on food, and one in three Egyptians has poor dietary diversity. In Upper Egypt, which is home to 67 percent of the poor, education indicators are weak, access to government services is low and livelihoods are vulnerable to climate change.

Food security is constrained by high and increasing needs, and by limited funding for social safety nets. Country programme 200238 will help the Government to reach the neediest people more effectively and efficiently. Its main provisions are: i) technical assistance to develop the capacity of institutions to monitor and address food security and nutrition threats; ii) support for the reform of food-based safety nets; and iii) food assistance in Upper Egypt and frontier governorates to enhance access to preschool and primary education and to build resilience to shocks. The technical assistance includes piloting programmes that can be replicated and scaled up by the Government and guidance in policy formation with a view to national ownership. Voucher transfers will be introduced under the nutrition pilot and school feeding.

Country programme 200238 is based on consultation and is designed to extend partnerships with the Government, local authorities, United Nations agencies, development partners, non-governmental organizations and the private sector. It is aligned with national policies, the United Nations Development Assistance Framework for 2013–2017, WFP's Strategic Plan (2008–2013) and Millennium Development Goals 1, 2, 3, 4 and 7.

DRAFT DECISION*



After due consideration, the Board approves, on an extraordinary basis, the proposed country programme Egypt 200238 (2013–2017) (WFP/EB.A/2013/8/1), for which the food requirement is 74,022 mt at a cost of US\$52.0 million and the voucher requirement is US\$9.3 million; with associated costs, the total cost to WFP is US\$87.2 million.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

SITUATION ANALYSIS

1. The 2011 revolution reflected the effects of shocks such as the 2007/08 food price crisis and the 2006 avian influenza epidemic. The consequent decline in food security and nutrition was cushioned by the expansion of the food-subsidy scheme.
2. Political instability following the revolution was accompanied by a decline in economic growth from 6.2 percent between 2005 and 2010 to 2.2 percent in 2011/12. The Government has limited fiscal options and is considering reforms that include the food-subsidy scheme. Following presidential elections in 2012, a new constitution was approved; parliamentary elections are scheduled in 2013.
3. Food insecurity is income-related at the national and household levels. Egypt imports 35 percent of its food and is the world's largest importer of wheat: 11.5 million mt were imported in 2012.¹ It is therefore vulnerable to fluctuations in food prices, exchange rates and foreign exchange availability. Egypt's balance of payments fell from a surplus of US\$3.4 billion in 2010 to a deficit of US\$11.3 billion in 2012; foreign exchange reserves fell from US\$35 billion in January 2011 to US\$13.6 billion in January 2013, which would barely cover three months of imports.²
4. For households, income through employment is the main determinant of food security. The prevalence of poverty increased from 21.6 percent in 2009 to 25.2 percent in 2011, affecting 21 million people. Unemployment rose from 8.7 percent in 2010 to 12.6 percent in 2012. The average household spends 40.6 percent of its income on food;³ the figure for the lowest quintile – people who are especially vulnerable to high food prices – is 51 percent. In 2011 food prices increased by 14 percent, and by a further 8 percent between January and August 2012. About 86 percent of vulnerable households claim that their income is insufficient for monthly needs; the most prevalent coping strategy is to consume cheaper foods.⁴
5. Egypt is one of the 36 countries that account for 90 percent of child undernutrition.⁵ The prevalence of stunting among children under 5 increased from 23 percent in 2005 to 29 percent in 2008, with 14 percent of children severely stunted; wasting increased from 5 percent to 7 percent in the same period.⁶ The prevalence of anaemia doubled between 2000 and 2005;⁷ recent information is that 40 percent of children under 5 and 47 percent of women of reproductive age are anaemic.⁸ Micronutrient deficiencies stem largely from reliance on bread, rice, oil and sugar. Price increases in animal protein, fruit, vegetables and dairy products reduce dietary diversity and increase the risk of micronutrient deficiencies; this is compounded by poor nutrition, hygiene and sanitation.

¹ FAO. 2012. Food Outlook Global Market Analysis. November. Available at: <http://www.fao.org/docrep/016/al993e/al993e00.pdf>

² Ministry of Finance. 2013. Monthly fiscal report (January). Cairo.

³ CAPMAS. 2011. Household income, expenditure and consumption survey. Cairo.

⁴ IDSC and WFP. 2012. Egyptian food observatory, issue 9. Cairo.

⁵ World Bank. 2010. *Scaling Up Nutrition: What Will It Cost?* Washington DC.

⁶ Stunting prevalence of 20–29 percent is “medium”, 30–39 percent is “high” and 40 percent is “very high”. Wasting prevalence of 5–9 percent is “poor”, 10–14 percent is “serious” and above 15 percent is “critical”. Cut-off values for public health significance. See: www.who.int/nutgrowthdb/en

⁷ El-Zanaty, F. and Way, A. 2008. Egypt demographic health survey. Cairo.

⁸ National Nutrition Institute and WFP. 2010. Baseline survey data on iron deficiency anaemia in Egypt. Cairo. Iron deficiency anaemia is classified as a “severe public health problem” on the basis of World Health Organization cut-off values.

6. The poorest households are in rural areas of Upper Egypt, where 52.3 percent of poor people live, and where 51.5 percent of the population falls below the poverty line.³ In 2008, 36 percent of the people in Upper Egypt consumed less than the minimum dietary energy requirement.⁹ Rural vulnerability to food insecurity is a function of large family size, high dependency ratios, low adult education, lack of savings and limited access to employment or income-earning opportunities. These factors also drive child labour, especially in the agricultural sector, which accounts for 32 percent of employment.
7. Egypt's largest population group is children, 25 percent of whom live in poverty.¹⁰ Net enrolment in primary education is 94 percent,¹¹ and gender parity is 0.96. But there are regional disparities: in Upper Egypt, enrolment in Beni Suef governorate is 70.8 percent and in Assiut it is 73.5 percent; gender parity is poor.¹² Poor retention and low quality of education are also challenges. Of the 2 million young people who have never been to school, 57 percent are in Upper Egypt; girls in rural areas are least likely to attend school. An additional 2.5 million young people – 13 percent – have dropped out of school, and 1.6 million are involved in hazardous work.¹³ Poverty is the main barrier to education: 20 percent of poor children never attend primary school, and many must drop out to work. The Government invests US\$60 million annually in the National School Feeding Programme, which reaches 5.3 million of the 17 million school pupils, but food is only distributed on 40 to 60 days of the annual 220 school days.
8. The Government's economic reforms are set to continue; food policy is increasingly important in view of rising poverty. The Government's safety-net schemes for food security and nutrition include subsidized bread and other staples. In the food price crisis of 2007/08, the number of beneficiaries eligible for ration cards rose from 41 million to 63 million. The World Bank reported that these measures shielded poor households from the impact of high food prices,¹⁴ but the system is leaky and 20 percent of vulnerable households are not ration card holders.¹⁵
9. Until recently, Egypt lacked the systems to monitor food insecurity and its impact. In 2011, the Cabinet Information and Decision Support Centre (IDSC), supported by WFP, established the Egyptian Food Observatory to monitor food prices, gauge their impact on vulnerable households and identify new food security threats to inform decision-making.
10. An increasing population,¹⁶ limited arable land – only 5 percent of Egypt's land can be cultivated – land degradation, desertification and climate change also challenge food security. In Upper Egypt, 51.5 percent³ of the population are poor and experiencing

⁹ See: <http://www.wfp.org/content/egypt-status-food-security-and-vulnerability-december-2011>

¹⁰ UNICEF. 2010. *Child Poverty and Disparities in Egypt*. New York.

¹¹ United Nations Educational, Scientific and Cultural Organization. 2012. *Global Monitoring Report*. Paris.

¹² United Nations Development Programme. 2010. *Egypt Human Development Report: Youth in Egypt: Building our Future*. New York.

¹³ CAPMAS and International Labour Organization. 2010. National child labour survey. Cairo.

¹⁴ World Bank. 2010. Egypt's food subsidies. Washington DC.

¹⁵ IDSC and WFP. 2012. *Egyptian Food Observatory*, issue 8. Cairo.

¹⁶ Egypt's birth rate rose from 28.7/1,000 in 2010 to 30.3/1,000 in 2011, above the regional average of 23.3/1,000.

weather and crop failures; food production is expected to decline by a further 30 percent¹⁷ by 2050 as a result of climate change.

11. Egypt ranks 112th of 186 countries in the UNDP human development index.¹⁸

PAST COOPERATION AND LESSONS LEARNED

12. Country programme (CP) 104500 (January 2007–June 2013) aimed to improve government food safety nets through capacity development and the testing of models for school feeding and food for assets (FFA).
13. The 2010 mid-term evaluation found that CP 104500's activities were aligned with needs; they supported the Government with technical assistance and addressed challenges in agriculture and education; interventions were concentrated in rural Upper Egypt, where needs were greatest. The mid-term evaluation highlighted the importance of the food-subsidy system, and recommended that WFP focus on supporting reforms.
14. Food subsidies are central to Egypt's safety nets. They comprise subsidized *baladi* bread for all citizens and ration cards entitling cardholders to purchase staples at subsidized prices. In response to a government request, WFP found that 20 percent of the poorest people were not ration card holders. WFP also analysed the *baladi* bread supply chain and identified ways of improving efficiency.¹⁹ In 2011, the new Government requested WFP to repeat its recommendations for reforms of the subsidy system.
15. Since 2011, WFP has helped the IDSC to develop a food security monitoring system (FSMS) to enable the Government to anticipate and respond to threats to food security. WFP also supported the Central Agency for Public Information and Statistics (CAPMAS) in adjusting its household income and expenditure survey to include food insecurity and vulnerability analysis. Further analysis of the food-subsidy system with the International Food Policy Research Institute includes the incidence of stunting and obesity.
16. Since 2008, WFP has been helping the Government to improve the food-subsidy system by fortifying wheat flour with iron and folic acid to address the high prevalence of anaemia and has since 2010 been supporting the fortification of cooking oil with vitamins A and D for 63 million ration card holders. Wheat fortification is managed and funded by the Government; oil fortification will follow in 2013. A nutrition-awareness campaign for mothers and children run by WFP and the Ministry of Health focused on anaemia, hidden hunger and food fortification.
17. WFP has supported the expansion of access to pre-primary education in vulnerable areas.²⁰ Its pre-primary nutrition education curriculum and training scheme were adopted by the Ministry of Education, which subsequently requested similar support for primary education. In view of the gender gap, WFP focused on access to informal primary education in partnership with civil society, the United Nations Children's Fund (UNICEF) and the Ministry of Education. At the Government's request, WFP will continue to assist the Ministry of Education in developing a national school feeding strategy.

¹⁷ See: <https://www.adaptation-fund.org/project/building-resilient-food-security-systems-benefit-southern-egypt-region>

¹⁸ United Nations Development Programme. 2013. *Human Development Report: The Rise of the South*. New York.

¹⁹ WFP and IDSC. 2010. The current *baladi* bread supply chain. *Egyptian Food Observatory*, issue 9.

²⁰ Ministry of Education. Education Reform Plan (2007–2012). Cairo.

18. Child labourers constitute a vulnerable population group in Upper Egypt. WFP partners the Combating the Worst Forms of Child Labour Project (CWCLP), the Government, the International Labour Organization (ILO) and UNICEF to support child labourers and those at risk of becoming labourers. This includes formal and informal education for children under 14, livelihood support to enable parents to keep children in school and finding non-harmful employment for child labourers over 14. The mid-term evaluation recommended expansion of the programme and noted the importance of further skills training and work opportunities for parents.
19. Food-for-assets projects targeting the most vulnerable groups in southern and frontier governorates supported landless farmers in reclaiming desert land under a long-standing government priority to create more jobs in agriculture, reduce migration to urban areas, reduce dependence on food imports and improve agricultural practices. Such synergies will be developed under CP 200238.

STRATEGIC FOCUS OF THE COUNTRY PROGRAMME

20. In view of increasing food insecurity and malnutrition and limited funding for safety nets, CP 200238 is demand-driven and provides technical assistance for the Government with a view to eventual hand-over. This includes testing programmes that can be replicated and scaled up by the Government.
21. The objectives of CP 200238 are to:
- enable national institutions to i) monitor and respond to food-security risks; ii) provide evidence-based analysis to guide food-security policy; and iii) support the reform of food-based safety nets (Strategic Objective 5);²¹
 - enhance access to pre-primary and primary education, and combat child labour through food assistance for selected schools in Upper Egypt (Strategic Objective 4);²²
 - enable poor communities in Upper Egypt and frontier governorates to adapt to climate change and market fluctuations, and reduce agricultural losses through support for sustainable livelihoods (Strategic Objective 2);²³ and
 - strengthen national capacity to prevent chronic malnutrition among vulnerable populations (Strategic Objective 4).
22. CP 200238 is based on consultation and partnerships with communities, the Government, United Nations agencies, development partners, non-governmental organizations (NGOs) and the private sector. It is aligned with outcomes of the United Nations Development Assistance Framework (UNDAF) for 2013–2017: (i) poverty alleviation through pro-poor growth and equity; (ii) quality basic services; (iv) food security and nutrition; and (v) environmental and natural resource management. The CP responds to the Government's request, noted in the UNDAF, for partners to focus on institutional capacity development and improvement of policy-making capacities with an emphasis on health, nutrition and primary education for the most vulnerable groups and the sustainable use of natural resources. CP 200238 is aligned with Strategic Objectives 2,

²¹ Strategic Objective 5 – Strengthen the capacities of countries to reduce hunger through hand-over strategies and local purchase.

²² Strategic Objective 4 – Reduce chronic hunger and undernutrition.

²³ Strategic Objective 2 – Prevent acute hunger and invest in disaster preparedness and mitigation measures.

4 and 5, the Strategic Plan (2014–2017), the Rome Declaration on World Food Security, the World Food Summit Plan of Action and Millennium Development Goals (MDG) 1, 2, 3, 4 and 7.²⁴

Component 1: Strengthening National Institutions that Support Food Security

23. Food-security policy is a major concern of the Government. WFP will: i) support the upgrade of the FSMS into an early-warning system for food-security threats that can also inform policy papers; and ii) assist CAPMAS in enhancing its long-term food-security analyses. Technical assistance will focus on refining and automating data collection and improving capacities for making evidence-based recommendations for reforming the food-subsidy system. WFP's vulnerability analysis and mapping will help Egypt's institutions to identify areas of growing vulnerability, particularly in slums and frontier governorates.
24. WFP participates in the Food Policy Advisory Board led by the Ministry of Agriculture and Land Reclamation and the Food and Agriculture Organization of the United Nations (FAO). Reducing the current 30 percent post-harvest losses is a major feature of national plans. In their planned collaboration, FAO will focus on production losses and WFP on supply and value-chain analysis, building small-scale farmers' resilience to market shocks and safeguarding livelihoods. This will include improving access to crop price forecasts and building the capacities of community organizations to use this information for decisions on farming and food storage.

Component 2: Enhance Access to Education and Combat Child Labour

25. WFP's support for the National School Feeding Programme will focus on technical assistance for the Ministry of Education and food incentives to enrol and keep children in school in rural Upper Egypt. Lessons learned will inform the national school feeding strategy to be developed by the Ministry of Education and other stakeholders. WFP will also explore opportunities for public–private partnerships.
26. WFP will complement this with school feeding run by NGO partners for pre-primary and informal primary schools not reached by the Ministry of Education. WFP and the Ministry of Education have tentatively agreed the hand-over of support for pre-primary schools by the mid-point of CP 200238. In response to a government request, WFP, UNICEF, the World Bank and other organizations will collaborate to scale up support for informal schools²⁵ in line with national plans. WFP aims to enhance access to education for 228,000 vulnerable children in disadvantaged areas of Upper Egypt by providing fortified date bars to reduce short-term hunger, help concentration and increase micronutrient intake. Monthly take-home rations will be provided for 112,000 children, predominantly girls, in non-formal schools as a conditional transfer to promote regular attendance,²⁶ reduce poverty-induced dropouts and improve gender ratios.²⁷ WFP's partnership with UNICEF will focus on improving the quality of education in targeted schools.

²⁴ MDG 1 – Eradicate extreme poverty and hunger; MDG 2 – Achieve universal primary education; MDG 3 – Promote gender equality and empower women; MDG 4 – Reduce child mortality; MDG 7 – Ensure environmental sustainability.

²⁵ Overseen by the Ministry of Education.

²⁶ At least 80 percent.

²⁷ Highest in Beni Suef – 16 percent, Assiut – 14 percent, and Menia – 13 percent.

27. WFP-assisted school feeding will also deliver health and nutrition interventions. WFP will help to develop a nutrition education package for schools and will collaborate with the World Health Organization and the Ministry of Health to address intestinal worm infestations among children in marginalized communities.
28. The most vulnerable children targeted by school feeding are engaged in or are at risk of engaging in harmful labour,²⁸ and have particular needs. WFP will continue to work with the Ministry of Manpower and Migration, UNICEF and ILO to provide a comprehensive assistance package that protects 16,000 children from having to engage in certain types of labour. Child labour is driven by poverty and lack of parental awareness of the importance of education: 84 percent of working children live in rural areas, particularly in Upper Egypt. WFP and UNICEF will help targeted children under 14 to access transitional non-formal education and, subsequently, sustainable livelihoods. WFP will provide fortified date bars in schools; families will receive WFP take-home rations as an incentive. Selected households will receive livelihood assistance to keep children in school. ILO offers on-the-job training and apprenticeships to facilitate access to safe work for children over 14. WFP, ILO and UNICEF will help the Government to develop sustainable policies to combat child labour.

Component 3: Build Resilience of Vulnerable Groups

29. For vulnerable rural and remote Bedouin communities, WFP will support activities that:
- i) construct and maintain wells and reservoirs to conserve groundwater and rainwater; and
 - ii) increase access to education and health services and asset creation. Food security will be addressed through more efficient use of water for food production. The Government will provide engineering and technical support and WFP will use food as an incentive to participate in construction and livelihood training; this will benefit an annual maximum of 8,000 people. Participation in these activities will average 120 days per year.
30. Complementary activities will be funded for four years through the United Nations Framework Convention on Climate Change Adaptation Fund. WFP will work to help the southern regions to adapt to potential reductions in food production caused by climate change: the approaches include the introduction of heat-tolerant crops and livestock, diversification of income sources through inter-cropping and loan projects, improved land use and irrigation, and greater access to weather forecasts. National capacities will be built with a view to scaling up and replicating successful solutions.²⁹

Component 4: Support to Nutrition

31. Building on the success of the national fortification programme, WFP will continue its technical assistance to improve food quality and monitoring. At the request of the Ministry of Health, WFP, UNICEF and the World Health Organization will collaborate to address chronic malnutrition in the most vulnerable population groups, with a focus on the first 1,000 days of life. WFP will help the Ministry of Health to develop complementary food

²⁸ Defined by ILO conventions 138 and 182 as “work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons”.

²⁹ The complementary activities are not included in the budget for CP 200238 because they will be supported through a trust fund. Activities will be implemented in 14 villages selected on the basis of agro-climatic and vulnerability analysis. Cash assistance will support 3,500 beneficiaries; complementary activities will support a further 130,000. Tools will include revolving loan mechanisms, demonstration farms, extension services and training. Implementation will be through the Ministry of Agriculture and Land Reclamation and community-based organizations, in collaboration with other stakeholders.

options for infants aged 6–23 months and to investigate the affordability and sustainability of local production and the testing and distribution to 15,000 beneficiaries through mother-and-child health centres. The lessons learned will be used to assess scale-up options for the Government.

TABLE 1: BENEFICIARIES BY COMPONENT (annual maximum)

	Men/boys	Women/girls	Total
Component 1 – Strengthen national institutions	n/a	n/a	n/a
Component 2 – Enhance access to education			
In-school rations (pre-primary, non-formal primary)	90 000	138 000	228 000
Take-home rations (non-formal)	204 000	257 000	461 000
CWCLP (children and families)	40 000	40 000	80 000
Subtotal	334 000	435 000	769 000
Component 3 – Build resilience of vulnerable groups			
FFA support for vulnerable rural communities	4 000	4 000	8 000
Subtotal	4 000	4 000	8 000
Component 4 – Support to nutrition			
Children aged 6–23 months	5 000	5 000	10 000
Pregnant and lactating women	-	5 000	5 000
Subtotal	5 000	10 000	15 000
TOTAL	343 000	449 000	792 000

Targeting

32. The annual maximum number of beneficiaries receiving food assistance will be 792,000, but many more people will benefit as a result of WFP's technical assistance under CP 200238 for the enhancement of national institutions.
33. Targeting of the most vulnerable involved several stages. Nationwide vulnerability data were combined with programme-specific analyses of education, child labour, vulnerability to climate change and nutrition trends such as the prevalence of stunting. Consultations were conducted with communities, NGOs, governorates, thematic experts, ministries, donors, United Nations agencies, NGOs and academia. Geographic targeting criteria included accessibility, security, willingness to participate and availability of partners. Synergies between programme areas include the targeting of vulnerable groups by region and shared school feeding and nutrition activities. Targeting for CWCLP was determined through joint assessments with ILO and UNICEF. The map in Annex III shows the targeting of WFP's activities at the governorate level.
34. Transfer modalities include a combination of in-kind and voucher assistance. WFP has undertaken a feasibility assessment,³⁰ and vouchers will be distributed through contracted retailers. Locations and beneficiary types were determined by the assessment. Most foods are available in markets, but many are too expensive for the poorest households. Beneficiaries report a preference for in-kind transfers, which are more cost-efficient in rural areas. Voucher arrangements will be piloted in areas with functioning markets to encourage dietary diversity.

³⁰ See: <http://www.wfp.org/content/egypt-market-assessment-trader-survey-september-2012>

TABLE 2: FOOD RATION/TRANSFER BY COMPONENT

Food type	Component 2			Component 3	Component 4		
	In-school snack	Take-home ration	CWCLP take-home ration	FFA	Children aged 6-23 months		Pregnant and lactating women
Ready-to-use food	-	-	-	-	50	-	-
SuperCereal Plus	-	-	-	-	-	200	-
Date bars	80	-	-	-	-	-	-
Rice	-	33	33	-	-	-	-
Wheat flour	-	33	67	444	-	-	-
Vegetable oil	-	-	6	40	-	-	-
Dates	-	13	-	40	-	-	-
Total (g/person/day)	80	79	106	524	50	200	
Total kcal/day	360	269	407	1 840	250	700	-
Voucher transfer (US\$)	8/family/month			-	-	-	25/person/month
No. of feeding days	22 days/month or 198 days/year			15 days/person/year	30 days/month/for 18 months		Maximum of 14 months

* During pregnancy and for six months after birth.

35. Most of the food is provided under school feeding. Locally manufactured fortified date bars are provided daily in schools as an incentive for attendance, reduce short-term hunger and aid concentration. Monthly family take-home rations of rice and wheat flour serve as conditional transfer incentives to promote enrolment and at least 80 percent attendance. Fortified vegetable oil is given as an additional incentive to the most vulnerable families targeted under CWCLP. Vouchers of an equivalent value will gradually replace part of the take-home ration. A contribution of 500 mt of dates is received annually to supplement take-home rations and FFA, covering four months of distribution.
36. Under FFA support for vulnerable rural communities, in-kind food is the preferred modality. Beneficiaries will receive monthly family rations of fortified wheat flour and fortified vegetable oil.
37. Nutrition activities will pilot daily complementary rations of ready-to-use supplementary foods for half of the infant beneficiaries and SuperCereal Plus for the other half so that their effects on stunting can be assessed. Special nutrition products will be imported initially, but CP 200238 will support the Ministry of Health in promoting local production. The supplementary food voucher for pregnant and lactating women is intended to facilitate dietary diversity through a mixed food basket with fresh produce supplying two thirds of daily nutritional needs.

TABLE 3: TOTAL FOOD AND VOUCHER REQUIREMENTS BY COMPONENT				
Food type	Component 2	Component 3	Component 4	Total
Ready-to-use supplementary foods	-	-	203	203
SuperCereal Plus	-	-	810	810
Date bars	11 068	-	-	11 068
Rice	27 963	-	-	27 963
Wheat flour	28 384	2 970	-	31 354
Vegetable oil	78	270	-	348
Dates	2 006	270	-	2 276
Total (mt)	69 499	3 510	1 013	74 022
% of total requirements	94	5	1	100
TOTAL (US\$)	5 599 176	-	3 750 000	9 349 176

PROGRAMME MANAGEMENT, MONITORING AND EVALUATION

38. WFP's main counterpart is the Ministry of Agriculture and Land Reclamation; it also engages with the Ministry of Foreign Affairs and the Ministry of Planning and International Cooperation. WFP works with: i) the Ministry of Health and the Ministry of Supply and Internal Trade to address food security and nutrition challenges; ii) the Ministry of Education and the Ministry of Manpower and Migration to support education and combat child labour; and iii) the Ministry of State for Environmental Affairs to support rural livelihoods. The consultations and partnerships with stakeholders to build sustainable resilience will continue during CP 200238. At the governorate level, WFP works through ministries and governors' offices.
39. Local procurement increased 19-fold during CP 104500. Currently, 97 percent of food is procured locally to maximize value for money and stimulate markets. Local procurement was not disrupted in 2011/12 because food stocks and local production ensured availability at competitive prices.
40. WFP activities are implemented in partnership with communities, governorates and NGOs. Partners oversee the transport of goods; WFP staff monitor storage facilities and food utilization. Logistics is divided into: i) FFA, which is handled by the Ministry of Agriculture and Land Reclamation covering inland transport, storage, handling and distribution; and ii) school feeding, which involves private suppliers delivering food to schools and partner NGOs, which also oversee distribution. WFP has investigated the piloting of cash and voucher transfers and the necessary logistics.
41. The progress of CP 200238 will be overseen by the country office. WFP's monitoring and evaluation officer will receive quarterly reviews of key performance indicators to inform programme direction. Baseline studies and evaluations during CP 200238 will include: i) a needs assessment of targeted schoolchildren to determine requirements for de-worming; ii) a joint evaluation of non-formal schools supported by WFP and UNICEF; iii) a mid-term and a final evaluation of CWCLP; iv) an impact evaluation of the effect of wheat flour fortification on anaemia; v) baseline and final studies of nutrition interventions;

and vi) a livelihoods and food security study in the frontier governorates.³¹ A child-tracking system being piloted with the Ministry of Manpower and Migration will be upgraded to a web-based beneficiary monitoring system and handed over to government counterparts by 2015. Peer-review meetings with partners will be convened periodically to assess performance in technical assistance. Key performance indicators will be reported through mechanisms such as the Annual Performance Report and Standard Project Reports; a mid-term evaluation will be facilitated by WFP.

42. All but two of the country office staff are Egyptian nationals. The capacity of the country office is complemented by external technical experts for change-management and capacity-development projects such as supply-chain analysis and food-subsidy reforms. Focal points have been trained in the roll-out of voucher transfers; other staff have received training online.
43. Country Programme 104500 was largely funded with locally mobilized resources; creative financial arrangements such as debt swaps³² were also used. Further interest in such mechanisms has been expressed by bilateral, multilateral and private donors with regard to CP 200238.

RISK MANAGEMENT

44. Political instability remains the main operational risk, especially with regard to institutional enhancements in which it would affect the engagement of local counterparts, disrupt institutional continuity and interrupt funding flows. Instability could also cause a decline in economic performance with a consequent deterioration in food and nutrition security. Increasing food prices could restrict WFP's local purchases.
45. WFP has managed its relationship with the Government during the transition period, and will continue to respond flexibly to administrative changes. WFP's field-level agreements with partners are renewed annually if performance and cost criteria are met. WFP continues to monitor prices, and will opt for regional or international procurement as appropriate. It will seek to enhance the predictability of funding in consultation with partners and the public and private entities that have expressed an interest in funding its work in Egypt.

Security Risk Management

46. The security situation requires constant monitoring, partly because regional events can have spill-over effects. WFP's proposed activities are generally not in areas of high risk. In the frontier governorates, especially Sinai, WFP will work through partners that are accepted by the communities and whose staff have received security training. WFP complies with all United Nations security guidance. WFP participates in United Nations inter-agency contingency planning to address the impact of external events in Egypt; security risk assessment is part of that process.

³¹ Current data do not provide a statistically significant needs analysis.

³² These involve Egypt trading maturing debt instalments to finance local development projects.

ANNEX I-A

BUDGET SUMMARY (US\$)					
	Component 1	Component 2	Component 3	Component 4	Total
Food (<i>mt</i>) ¹	n/a	69 499	3 510	1 013	74 022
Food cost	n/a	48 350 832	1 965 870	1 743 250	52 059 952
Cash or voucher transfers	n/a	5 599 177		3 750 000	9 349 177
Total	n/a	53 950 009	1 965 870	5 493 250	61 409 128
External transport					555 723
Other direct operational costs					11 149 620
Total direct operational costs					73 114 471
Direct support costs ²					8 400 361
Indirect support costs ³ (7.0 percent)					5 706 038
TOTAL WFP COSTS					87 220 870

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	1 337 850
Local staff – national officers	1 745 116
Local staff – general service	707 193
Local staff – temporary assistance	2 335 358
Local staff – overtime	22 500
International consultants	463 000
Commercial consultancy services	84 000
Staff duty travel	356 401
Subtotal	7 051 418
Recurring expenses	
Rental of facility	233 470
Utilities	18 469
Office supplies and other consumables	39 577
Communications services	563 443
Equipment repair and maintenance	5 277
Vehicle running cost and maintenance	79 154
Office set-up and repairs	36 938
United Nations organization services	30 391
Subtotal	1 006 720
Equipment and capital costs	
Vehicle leasing	168 300
Communications equipment	42 000
Local security costs	131 923
Subtotal	342 223
TOTAL DIRECT SUPPORT COSTS	8 400 361



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
UNDAF outcomes 1: Poverty alleviation through pro-poor growth and equity 2: Quality basic services 4: Food security and nutrition 5: Environment and natural resource management	UNDAF Outcome Indicators <ul style="list-style-type: none"> ➤ Increased number and quality of social services ➤ Improved survival and development among children under 5 ➤ Adequate health-related knowledge and improved behaviour with regard to health problems ➤ Improved readiness among children to start primary school on time, especially marginalized children ➤ Reduced gender and other disparities in relation to increased access and completion of quality basic education ➤ Government endorses and implements a national food security strategy ➤ Vulnerable people have access to good quality subsidized food ➤ Vulnerable populations have increased access and awareness regarding adequate and nutritious foods ➤ Food is produced and marketed more efficiently; better agricultural practices ➤ Climate change adaptation and disaster risk reduction policies adopted 	Economic growth continues. Government commitment to social services reform continues.
Component 1: Strengthen national institutions		
WFP Strategic Objective 5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase		
Outcome 1.1 Increased marketing opportunities at the national level, with cost-effective local purchases by WFP	<ul style="list-style-type: none"> ➤ Food purchased locally, as % of food distributed in-country Target: 97%	Local suppliers are able to continue providing supplies.
Output 1.1 Food purchased locally	<ul style="list-style-type: none"> ➤ Tonnage of food purchased locally, by type and country classification ➤ Food purchased locally, as % of total food purchased 	

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Outcome 1.2 Progress made towards nationally owned hunger solutions</p>	<p>➤ National Capacity Index, by hunger solution¹</p> <p>Targets: FSMS = 12/20 National School Feeding Policy = 11/20 National Nutrition Strategy = 11/20</p>	<p>The Government is committed to hunger solutions.</p>
<p>Output 1.2 Capacity and awareness developed through WFP-supported activities and training</p>	<p>➤ Number of people trained in needs assessments, targeting, food management in terms of quantity and quality, market analysis, information management, local tendering processes; disaggregated by gender and category</p>	
<p>Component 2 - Enhance access to pre-primary and primary education and combat child labour</p>		
<p>Strategic Objective 4: Reduce chronic hunger and undernutrition</p>		
<p>Outcome 2.1 Increased access to education and human capital development in assisted schools</p>	<p>➤ Enrolment: Average annual rate of change in number of girls and boys enrolled Target: 10% increase</p> <p>➤ Attendance rate: number of school days in which girls and boys attend classes, as % of school days Target: 80%</p> <p>➤ Gender ratio: ratio of girls to boys enrolled Target: 1</p>	<p>Ministry of Education support for school feeding continues.</p>
<p>Output 2.1 School feeding coverage aligned with programme of work</p>	<p>➤ Number of schools assisted by WFP</p> <p>➤ Number of women, men, girls and boys receiving food, non-food items cash transfers and vouchers, by category, activity, transfer modality and as % of planned</p>	
<p>Output 2.2 Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions</p>	<p>➤ Tonnage of food distributed, by type, as % of planned</p> <p>➤ Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned</p> <p>➤ Total food/cash equivalent of vouchers distributed</p>	



¹ The National Capacity Index measures progress in terms of: i) alignment with national policy; ii) institutional frameworks; iii) funding and budgeting; iv) programme design; and v) community participation. The capacity-development assessment tool is based on standards adapted by WFP from a World Bank system. Peer reviews with partners will gauge the quality of technical assistance.



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Component 3 - Enable poor communities in rural Upper Egypt and frontier governorates to adapt to climate change and market shocks, and reduce agricultural losses through supporting national efforts to create sustainable livelihoods		
Strategic Objective 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures		
Outcome 3.1 Hazard risk reduced at the community level in targeted communities	<ul style="list-style-type: none"> ➤ Community asset score ➤ Target: to be confirmed on the basis of the March 2013 household income, expenditure and consumption survey 	WFP has access to frontier governorates.
Output 3.1 Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food, non-food items and vouchers, by category, activity, transfer modality and as % of planned ➤ Tonnage of food distributed, by type, as % of planned 	
Output 3.2 Disaster-mitigation assets built or restored by targeted communities	<ul style="list-style-type: none"> ➤ Risk-reduction and disaster-mitigation assets created or restored, by type and unit of measure 	
Component 4 - Strengthen national capacity to prevent chronic malnutrition among the most vulnerable populations		
Strategic Objective 4: Reduce chronic hunger and undernutrition		
Outcome 4.1 Increased production capacity for fortified foods, including complementary foods and special nutrition products	<ul style="list-style-type: none"> ➤ % increase in production of fortified foods, including complementary foods and special nutrition products Target: 9%	Fortification programme continues.
Outcome 4.2 Improved nutrition status of targeted women, girls, and boys	<ul style="list-style-type: none"> ➤ Prevalence of stunting among targeted children under 2 (height-for-age as %) Target: < 22.2% <ul style="list-style-type: none"> ➤ Prevalence of iron deficiency anaemia in women and children Target: Prevalence reduced by 15% (baseline for women = 47%; children under 5 = 40%)	

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Output 4.1 Food and non-food items distributed in sufficient quantity and quality to targeted women, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food, non-food items vouchers, by category, activity, transfer modality and as % of planned ➤ Tonnage of food distributed, by type, as % of planned ➤ Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned ➤ Total food/cash equivalent of vouchers distributed 	<p>The Government is committed to hunger solutions.</p>



ACRONYMS USED IN THE DOCUMENT

CAPMAS	Central Agency for Public Mobilization and Statistics
CP	country programme
CWCLP	Combating Worst Forms of Child Labour Project
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FSMS	food security monitoring system
IDSC	Cabinet Information and Decision Support Centre
ILO	International Labour Organization
NGO	non-governmental organization
UNICEF	United Nations Children's Fund
UNDAF	United Nations Development Assistance Framework