



**EGYPT NETWORK FOR INTEGRATED DEVELOPMENT (ENID)**

## **First Annual Progress Report**

**March 2012 – December 2012**





# Table of Contents

## **1. Overview and Executive Summary/1**

Phase One/2

Phase Two/2

Phase Three/2

## **2. Fourth Quarter of 2012/1**

Derailed Baseline Activities/3

## **3. Managing Under Phase Three Constraints/3**

## **4. Program Areas of Focus 2012/4**

### **Program A: Empowerment of Women and Youth (Marwa Kassem)/4**

Major Objectives:

A.1. Achievements/4

A.2. Coordination with Other ENID Programs/6

### **Program B: Promoting MSMEs & Enterprises (Various) /7**

Major Objectives:

B.1. Developing Egypt's South Nile Region & Ecolodge (Gillian Potter)/7

B.2. Case Study: Jewellery & Accessories Project, Dandara, Qena (Heba Handoussa)/10

B.3. Summary of India Visit and Preliminary Analysis (Heba Handoussa)/12

### **Program C: Agricultural Development & Off-Farm Employment (Dyaa Abdou)/17**

Major Objectives:

Field Visits/Missions/17

C.1. Enhancing Agricultural Productivity/19

C.2. Food & Nutrition Security & Employment Generation/24.

### **Program D: Upgrading Basic Services in Rural Areas (Howaida Roman and Sahar Tohamy)/25**

Overall Objectives:

Achievements /25

D1. Conceptual Pillars of Program /26

D 2. Field Visits/27

D 3. Priority Identification of Problems/28

D 4. Sanitation: Identifying Best Practice)/29

D.5. Next Steps for ENID/34

### **Program E: Administrative and Fiscal Decentralization (Mohamad Ramadan)/32**

Major Objectives:

E.1. ENID Local Economic Assessment/34

E.3. Infrastructure & Basic Services/35

### **Program F: ENID Tools (Mohamed Ramadan and Gillian Potter)**

Major Objectives

F.1. Information & Data Collection/37

F.2. Dissemination & Media Support/39

## **5. Annexes (under separate cover)**



## 1. Overview and Executive Summary

The Egypt Network for Integrated Development (ENID) is a five-year initiative targeting some of Egypt's poorest governorates in the South of Upper Egypt (*Ganoub al Sa'eed*). The purpose of the initiative is to develop and design effective strategies that address local challenges and links them to the country's reform policies. The initiative consists of five programs of activity: A) Empowerment of Women and Youth; B) Promotion of MSMEs and Entrepreneurship; C) Agricultural Development and Off-farm Employment; D) Upgrading Basic Services in Rural Upper Egypt; and E) Administrative and Fiscal Decentralization.

### **Phases of Activities**

ENID has been through three phases of its work in 2012:

Phase One: During the Inception Phase (four months, 1<sup>st</sup> Jan-30 April). The Inception Report was finalized by Prof. Heba Handoussa for the flagship UNDP "Wesh el Saad" project that promotes women's entrepreneurship, with an emphasis on the poor and marginalized. The ENID Proposal document was reviewed and detailed, the discussion with donors conducted, and the signing of the agreement between UNDP and government counterparts (MOLD and MOFA) achieved. The agreement confirms the launch of ENID activities to start on 1<sup>st</sup> May 2012, and to implement the ENID Proposal of 4<sup>th</sup> April 2012.

Phase Two (five months, May 1<sup>st</sup> to 30<sup>th</sup> September 2012) covered recruitment and start-up. ENID signed the headquarters rental contract to start 1<sup>st</sup> June 2012. Offices are on two floors with office space for up to 12 staff and two large meeting rooms with a capacity of 20 and 12 consultants and experts meeting on a regular basis. The offices were renovated and painted by the landlord. ENID's regular staff were recruited in May and June following an open advertisement detailing terms of reference and job description per post, and the process was managed jointly with UNDP.

ENID bases all procurement on a competitive selection from at least three supplier offers. Office furniture was selected on the basis of cost and quality to provide the Cairo headquarters with desks, conference table, chairs, etc. Procurement of office equipment including photocopiers printers, PCs and other basic requirements were made, but to date have not been received due to complications met in Phase Three. The Qena office was rented starting 1<sup>st</sup> August 2012, but has neither furniture nor equipment to date, given the problems encountered in paying the procuring companies.

Phase Three saw the freezing of finances and work disruption (three months, October-December 2012). On January 1<sup>st</sup> ENID resumed normal operations, except for the loss of some of its staff due to the difficulties met in Phase Three (Fourth Quarter).

## 2. Fourth Quarter of 2012

The revolution of 2011 has impacted on governance, the rule of law and social stability in Egypt. Inevitably, the unpredictable and volatile conditions prevented the Enid Network for Integrated Development (ENID) to operate at full capacity in 2012, although the need for initiatives such as ENID continues to become even more urgent, as the uncertainty has impacted on Egypt's foreign exchange reserves, and the economy at large has tumbled to crisis point; employment and income have gradually dropped to a new low. In fact, those

below the official poverty level climbed a full 5 percentage points to 25% of the population ENID's ability to fully function and to fulfill its mandate has been severely tested as a result, as 2012 proved to be a year full of unforeseen and indeed exceptional challenges. Two vital obstacles were overriding: **(1)** Official questions were raised over the value of the project as a whole. The Minister of Local Development (MOLD), under whose GOE umbrella ENID first operated, was not cooperative, as he felt that research-based development programs were not as timely or effective as direct employment generation projects identified by his ministry. This reluctance to provide official approval caused delays in the normal conduct of ENID operations, and eventually threatened the survival of the ENID mission itself; **(2)** Practically, it meant that ENID was obliged to defer many activities as well as the purchase of equipment, including computers, copying machines, internet access, and other essentials. A memo from MOLD in mid-year confirmed that approval on all outlays and on salaries of all staff were postponed indefinitely. This clear challenge came against the volatile context of Egypt's ongoing unrest.<sup>1</sup>

### **Derailed Baseline Activities**

In consequence, a number of essential baseline activities were derailed:

- A detailed and indispensable baseline questionnaire drawing on the expertise of 5 consultants in Cairo and Qena was put aside until further notice;
- Preliminary field assessments were disrupted because of the inability to engage consultants and pay for travel;
- LED support for consultants to undertake specific appraisal of the business environment in Qena was first postponed then cancelled;
- Visits to Qena by all 5 ENID Program Directors were discontinued, starting mid-year;
- Appointment of experts (a marketing specialist for handicrafts, a legal advisor for support on franchising was deferred and an architect for the proposed ecolodge continued work entirely pro bono until further notice;
- Plans to engage scholars and graduating business studies students as volunteers to contribute policy recommendations to projects relevant to ENID were also put aside;
- Follow-up was discontinued with potential donors such as Egypt's *Social Fund for Development* on franchising (started in February 2012), Kuwait's *Arab Fund for Economic and Social Development* on revival of handicrafts and the *African Development Bank* on training and dissemination.
- Delays and reversals on permission in allocation of State land for a New Naqada project presented by a respectable NGO, with significant help from ENID and after initial approval and despite successful completion of all bureaucratic procedures at the governorate and district levels.

It became clear that fundamental problems and obstacles needed urgently to be addressed for ENID to be able to function effectively, if at all. In this respect, ENID was fortunate to be endowed with a Managing Director and staff unwilling to submit to the difficulties that threatened the program's existence. Propelled into crisis mode, the program was compelled to devise survival strategies. ENID management initiated a number of official procedures, beginning with the request to shift from the restrictive Ministry of Local Development (MOLD) to the more hospitable Ministry of Planning and International Cooperation (MOPIC) as the partner Egypt government entity. As a UNDP Project, ENID needed also to fall under an official umbrella and MOPIC was welcoming with regard ENID's mandate and donor funding.

---

<sup>1</sup> In this respect, other than from UNDP itself, ENID has been given support from three major donors, DFID, the Rockefeller Foundation and the Sawiris Foundation, with a number of other international donors including the EU, IDRC and the African Development Bank currently processing our request for support. The funding made available is not government-to-government, but provided for use by civil society, and especially for research-related grants.

Additionally, ENID staff showed exceptional resilience. Several projects initiated under these difficult months of 2012 continued, despite lack of funding. Staff used their personal resources to ensure continued headway. Advances on salaries were collected for members most vulnerable to shortfalls in income. Running costs were met by staff contributions. In short, ENID continued to operate against extraordinary and exceptional odds throughout the last 3 months of 2012.

For the immediate future, there remains the need to reinforce the good relationship between ENID and Qena governor and local administration. This will require a degree of diplomacy and good will since it has become increasingly clear that great pressure is being put on the present governor to provide quick fix solutions for job creation, especially for youth, rather than support for sustainable ENID development interventions in a long-term perspective. One example of this has been the suggestion to replace ENID plans for a professional fish farm with “many more simple pools with water and fish to create multiple job opportunities.” This understanding of a preferred ‘development’ mode is discouraging although understandable under present economic conditions. However, it will make achievement of ENID’s mandate more challenging. An additional concern is the persistent rumor that the present governor is to be replaced shortly by a person unknown.

### 3. Managing Under Phase Three Constraints

In the shorter term, the neighboring governorate of Luxor has expressed interest in also applying elements of the ENID initiative. A number of field trips to Qena continued, identification of the poorest villages and a preliminary needs assessment achieved, including on sanitation and preschool education, although follow-up was deferred due to lack of funding. A draft investment map was developed for the governorate of Qena, and three MSME projects initiated there. A well-attended and highly successful training module for jewelry making, financed partly by ENID Managing Director (MD) from October until end December, was implemented. Plans for an ecolodge went ahead, with site identified, arrangements made with landowner, and two Qena visits by an architect. The agriculture module with its training component proceeded intact and with success, also financed through staff contributions through to end December. ENID MD, sponsored by UNDP, also visited India with the specific purpose of learning from India’s vast crafts industry and its organization, for employment value added and export potential.

Although the ENID Qena office remained empty of furniture and equipment, staff there provided continuous support, especially with regard information gathering, travel logistics and the indispensable links to local administration and the governor himself. In short, ENID pushed ahead with its mandate to the best of its ability over those difficult and morale-depleting months, in anticipation of more flexible arrangements and financing. By end December, orders were able to be placed for computers and other necessary equipment, given an improvement in ENID financing conditions, (see below), although these would take up to two months to arrive, given that suppliers no longer stocked locally, given currency shortages.

For the longer term a review of the ENID relationship with the Government of Egypt was undertaken. In this respect, UNDP provided exceptional and welcome backing. Successful negotiations were undertaken with UNDP help to shift ENID standing from MOLD to the Ministry of Planning and International Cooperation (MOPIC), where the Minister was keen to promote the initiative under his wing. Despite the many bureaucratic complications that ensued, by end December 2012, ENID was formally placed under MOPIC, and given assurances that its mandate would be respected at the central level. The minister was also keen for a ‘best practice’ human development report, under his and the Institute of National Planning auspices and that of UNDP, and the options for ENID’s contribution are being explored by UNDP.

Additionally, the invaluable support provided by UNDP facilitated payment of back salaries and MOPIC approval for Managing Director to become the certifying officer for the project. This now allowed ENID to become independent of ministry financial oversight, and to directly operate financially under UNDP supervision. The shift to the MOPIC umbrella will greatly facilitate implementation of ENID programs, although good relations with MOLD must necessarily continue to be cultivated, especially at local administration levels. A newly appointed minister at MOLD may help in this task. UNDP has provided valuable help and protection, not the least being to ensure that back salaries are paid and that future flows of funding will be met under a formula under which the Managing Director assumes special UNDP status.

## 4. Program Areas of Focus

### Program A: Empowerment of Women and Youth (*Marwa Kassem*)

#### **Objectives:**

Women and Youth's empowerment refers to increasing the social or economic strength both within communities and organizations. It also involves that the empowered develop confidence in their own capacities. The common features of disadvantage for women and youth, particularly in poor and rural environments are their level of unemployment, which has persistently been the highest in the world for the past two decades. The focus of ENID is on developing and promoting enabling factors such as education, skill development and employment, or programmatic interventions that would lead to their having more choice, options, control, or power over their life conditions. For a full list of planned services/outputs under Program A (see Annex A1). A documentation of various field visits as well as resources utilized in the conduct of action-based research methodology is attached under Annexes A2, A3, and A4.

#### **A.1. Accomplishments**

Ready-Made Garments & Embroidery: Field visits to the cities of *Farshout* and *Nagaa Hamady* have identified a neglected segment of women in the ultra-poor villages of these two *Marakez*, namely single-parent households where the mother is widowed, divorced, abandoned or whose husband is unable to work for various reasons including poor health. Eight one-on-one interviews in *Nagaa Hamady* and seven in *Farshout* indicated that due to the conservative nature of these villages, women are ready to be trained in a nearby location but insist that they work from the confines of their home. Sewing has been identified as suitable within the context of the cultural requirements and is additionally well received by these women (see Annex A5). Meetings conducted in Cairo with the CEO of Education for Employment (EFE) indicate that they have presented a full proposal on a comprehensive project for sewing for poor women and would be willing and capable to implement this in Qena. (See Annex A6). In cooperation with the Export Council for Ready Made Garments, the project document already has been finalized that includes a model for the Project of a Production Unit for Basic T-shirt production. The approach to this project is one that is all-inclusive whereby not only the infrastructure and hardware is provided. The proposal was already sent to the World Bank MSME Regional Facility to get the fund and start processing accordingly (see Annex A7). It is expected that 2013 will see further developments on the ground.

Vocational Training (VT): It is clear that a GAP analysis is required for identification of best practice VT in Qena. Based on meetings with a number of NGOs involved in skill-training as well as with individual graduates from Qena VT institutions, it has been advised that vocational training is subpar throughout the various schools and centers in Qena. (See Annex A8) It is a neglected area, which would be very useful if developed and given attention. This in view of the fact that Qena exports unskilled labor to several Arab countries, and that up-



graded skill formation, particularly in the building and construction industry, would generate higher levels of remittances sent from abroad. This also applies to higher wages for industrial and technical labor in Cairo and other urban centers. Meetings in January and February 2013 are being planned to visit the various VT institutions in Qena to assess their range and capabilities, review curriculum, identify challenges, etc. This project is expected to produce results that in the longer term will address policy recommendations for upgrading the mediocre VT facilities across Egypt and allow them to better meet market demand for specialized skills and higher quality (see Annex A9).

*Strengthening and Empowering Women and Youth:* Although it is both more costly and time-consuming compared to the top-down approach, the participatory route is more favorable if the goal is sustainability. ENID is keen on applying a comprehensive approach, which involves the various stakeholders and beneficiaries to enable the sustainability of projects beyond the ultimate disengagement of ENID. Through matchmaking between local NGOs, International Partners, local educational institutions, local government, etc. ENID envisages the creation of a self-sustained community and hence sustainability of the initiatives which will be undertaken for the economic development of women throughout the targeted villages/districts in Upper Egypt.

ENID is striving to instill a holistic approach towards youth-focused job creation projects with heavy emphasis on local capacity building, whether it be of local NGOs, Youth Centers Staff, Training of Trainers (TOT) and investing in the initiation of a system for volunteerism whereby local youth can be the ones administering the courses and workshops for their peers. Additionally, involvement of, for example, South Valley University (Qena) is of the utmost importance as it a beacon for Higher Education in Upper Egypt and has the potential to produce students which can serve as volunteers for other under-educated youth. Furthermore, local businessmen and investors will be encouraged to participate as well as private sector organizations as a part of their Corporate Social Responsibility (CSR) which can go towards both the long-term funding of youth projects and provide a safety net for their sustainability. When it comes to local businessmen/investors, whether living in Upper Egypt or originally hailing from there, ENID has found that the benefits of such a partnership are two-fold; acceptance by the local community, value-added for business as it can now find a local skilled labor force to utilize in their businesses/factories and most importantly, encourage future investment projects in the region. (See Annex A10)

The NGO of the Arab–European Center for Human Rights played an integral part in introducing ENID to a number of NGOs, particularly in *Farshout*. Although this NGO only has a base in Cairo, the Qena members met were crucial in the effectiveness and ease of the Qena meetings and interviews that made it possible for ENID to conduct all field visits. This is a success story in the integration that can be made possible when civil society cooperates for the better good and indicates the importance of involving Qena citizens, even those that do not live inside Qena. Focus groups/needs assessment were with youth NGOs in *Nagaa Hamady* (Currently at 100 core members, male/female, Moslem/Christian and 5000+ supporters/volunteers) and *Farshout* (5 villages). Based on introductory meetings, an agreement was reached with some NGOs to cooperate on the conduct of Focus Groups with youth from the localities that the NGOs serve (see Annex A11). A specific focus was made on women as they are a neglected segmented which all of these NGOs are currently serving and keen to help to enable them to generate income rather than rely on charity. Space was identified for the conduct of focus groups as well as future training programs envisioned for youth in villages visited. In Cairo, an orientation meeting was held with the CEO of Education for Employment (EFE). EFE train youth on skills required by the business environment matching market needs, including vocational, language, computer and soft skills. EFE was willing and eager to conduct training for Qena Youth starting in 2013.

*Strengthening Women NGOs:* The identification of existing and successful women NGOs operating in Qena

has been a necessary priority. Two such NGOs were contacted in *Ezbet Hamed* village (*Gameeyet Bent El Reef*, Qena markaz) and *El Gameeya El Nesaeya Li Tahseen El Seha* (*Nagaa Hamady markaz*). An agreement was reached with NGOs to cooperate on the conduct of focus groups and needs assessment from the localities that the NGOs served. Space was identified for the conduct of focus groups as well as future training programs envisioned for young women in villages visited. *Nagaa Hamady* had an excellent preschool (linking up with ENID's proposed intervention), which was clean and well managed and may serve as an excellent model for others.

Mini-focus groups were conducted with university students in Qena City at South Valley University (SVU) on their aspirations, expectations, skills and job requirements. More focus groups are planned throughout Qena Governorate. Further, observation was made of preparatory training for women surveyors who disseminated the UN Women Survey "Egyptian Women's Aspirations after Jan 25 Revolution" throughout various governorates in Egypt. The observation enabled an understanding of focus questions to be asked in upcoming focus groups/needs assessments in Qena Governorate as Qena Governorate was not included in this survey

## **A.2. Program A Overlap with Programs B and D as Coordinated Efforts:**

One Village One Product: Based on field visits to several Qena locations and discussions with potential beneficiaries to identify need, willingness and capabilities, the following products have been acknowledged to-date, with a list of other potential products in preparation. This in coordination with Programs B and D.

Handloom products: Several villages of the *Naqada Markaz* and surrounding areas have been identified to revive this traditional craft. Both a center (land identified, NGO identified and progress underway to finalize official paperwork) and home use looms will build on available skill and train newcomers. Cost and location of centre under review, (see Annex A12). 2013 will see full application on the ground and export potential (to the Sudan and elsewhere in Arab countries) explored in more depth. A local and tourist market is expected, given the quality of the work. This in coordination with Program B.

Jewellery/beads: (Support provided for this Program B activity). Village of *Dandara*: 3 month workshop in session till end December 2012 with 22 women, both Moslem and Christian, married and single, learning together for the first time (see Annex 3 for Production Template). Demand for this activity was over twice the number of places available, and ENID will explore the potential for introducing a second product to meet the enormous demand by women to learn a skill. Production has been successfully marketed to several outlets in Cairo, and it is expected that an ENID marketing director (to be appointed) will establish and systematize all marketing of handicrafts for home, tourist and export potential.

Literacy: (Support provided for this Program D activity). The activity action has been an analysis of existing literacy programs to identify best practice. Identification was made of a simplified and accessible literacy program in *Haw* Village in the *Nagaa Hamady markaz* by *El Amal* NGO, whose youth membership is keen to serve the community, which has a high unemployment rate attributed to illiteracy. This program will be available for both males and females. The *Vodafone Literacy Program* was identified by ENID as a best practice. (See Annex A13). A visit to *Vodafone* was conducted for potential collaboration in providing assistance in the area of literacy programs as well as other potential youth intervention opportunities in Qena specifically, and Upper Egypt as a whole.

Pottery: The village of *Garagous* was once famous for its pottery work, sold across Egypt. Cheap imported plastics and other synthetic vessels slowly replaced the *Garagous* pottery and the skill remains in the hands of only a few elders. The potential for a revival of this skill, particularly with the introduction of new designs and

upgraded quality is expected to open new markets and to consolidate existing patterns. However this is still a work-in-progress to be further investigated in 2013, following several field visits and one-on-one interviews with craftsmen still practicing this trade (see Annexes A2 and A15 ). In support only of Program B.

*Palm Products:* An ancient and traditional use of the palm tree in all its aspects, from the creation of furniture to basket weaving, clothing (hats, belts, handbags and slippers), not to mention the processing of dates suggests that this product requires further investigation (see Annex A14). In support only of Program B.

## **Program B: Promoting MSMEs & Enterprises (various)**

### **Major Objectives:**

The overall objective of ENID Program B was to promote economic development through the provision of select but successful business models that can be replicated by entrepreneurs at the base of the socio-economic pyramid. The main advantages of initiating pilot models included minimizing the risks of start-ups by providing models for new businesses; providing employment opportunities for; integrating training for specialized skills; exploring easier access to finance via public and private partnerships; and reducing the needs for creativity and innovation for the start-up project.

### **B.1. Developing Egypt's South Nile Region or the 'Sa'eed' (Gillian Potter)**

The distinction between Upper and Lower Egypt, South and North, has existed from ancient times, and indeed, had created separate Kingdoms until the two regions were joined in Egypt's earliest history. The kingdoms were united as early as c.3000 BC, but each maintained its own regalia, dialects, traditions and practices. Thus, Egypt's pharaohs were subsequently known as the rulers of the Two Kingdoms (or Two Lands), and wore a double crown, each half representing one Kingdom.

Today, there are eight governorates of Upper Egypt along the Nile, from Cairo to Aswan. However, it can be argued that Upper Egypt as a whole can still be viewed as a discrete entity, maintaining its own distinctive characteristics in Arabic dialect and social mores. Geographic and economic conditions have also played their part in insulating Upper Egypt from the growth and progress experienced in other parts of Egypt. Today, immense efforts are underway to tackle these drawbacks and to focus on the rapid development of this region, which remains largely rural.

### **Why Focus on Tourism in Qena Governorate?**

Only a few Upper Egypt governorates have to date taken advantage of the concentration of historic wealth and magnificent monuments on their riverbanks, the cultural assets that promote tourism. There is rich potential to maximize these attractions and to develop the supporting facilities that would attract investment. Tourism is already the economic backbone to the governorates of Luxor and Aswan. These two locations are frequently treated as discreet destinations, with few links to a broader perception and grasp of the Egyptian experience. For example, the close neighboring Qena governorate's advantageous geographic location, linking it closely to both governorates, its unique Temple of Dandara and considerable Islamic heritage position it as an ideal entry point for synergies to impact significantly more effectively on job creation and poverty reduction. Additionally, the Red Sea port and diving center at Safaga is linked via Qena, which lies at a halfway point. Those visitors wishing to include rural Egypt and its ageless culture in their itinerary make Qena an ideal setting for contemplation and ecotourism.

Qena has been an important, if neglected destination for visitors. The surrounding mainly rural communities are economically depressed. The quality of agricultural output is low, and lacks available off-farm occupations.

An increase in population has brought about an increase in poverty and unemployment, cultural constraints have relegated women to the home, while remittances from migrants find no opportunity for productive investment.

Within the framework of tourism, the ENID Program argues that the relation between tourism and related sectors is a precondition for poverty reduction. If the goal is pro-poor growth, then the strategy to achieve this must take the following into account: The tourism industry in Qena can become a source of livelihood for educated and trained hospitality workers, it can provide opportunities for farmers in the supply chain of food-stuffs and beverages, it can address non-farm livelihood opportunities in the shape of small enterprises such as handicrafts to sell to visitors, it can't rely on local carpentry for furniture and fittings, it attends to growth and diversification in remote areas through handicrafts and the one village one product approach, providing job creation opportunities and ownership for marginalized segments such as women or youth. Additionally, it provides jobs for construction workers and infrastructure, and – if cognizant of corporate social responsibility, it requires staffing for healthcare and environmental management.

Thus to develop Qena's tourism potential, and the promotion of economic development and social justice, one must view poverty-reduction in the larger scale. Policy frameworks must include the means by which it can promote local ownership by facilitating access to finance through credit and loan facilities for the poor and guarantee fair economic returns; it must help educate and inform local/rural communities about job prospects in tourism and related sectors; it must strengthen collaboration and communication between the tourism industry and local communities to facilitate the provision of food, goods, services and infrastructure.

#### **Proposed ENID Pilot: An Ecolodge**

One such project among the many proposed by ENID, is the creation of a low risk, inexpensive pilot hospitality model whose primary function is to display the multiple functions a low-cost, low-priced community-owned project can have on promoting Qena as a destination, provide linkages with other sectors of Qena's economy, reinvigorate the supply chain, employ women and youth, and provide a template that is competitively and easily replicable elsewhere. This exclusive model, attractive to high end trendsetting visitors, would precede and eventually complement the introduction of a traditional hotel chain catering to mass tourism.

The ECOLOGE project is designed to showcase the governorate and its people, and to bring Qena into the international public eye at minimal risk. An ecolodge is a low cost, low-impact, low risk alternative to standard commercial hotels. It offers a setting that uses locally harvested and sustainable or recyclable building materials, it provides an environment that reflects the designs and heritage of the local culture, It is affordable to local investors, and local ownership means shared profit and raised income, with spinoff effects for local producers of material, goods or services. It provides high end visitors immediate access to Egyptian rural life, thereby offering a deeper insight into the physical and cultural integrity of rural Egypt and its ancient history. It is proposed that the development take place in the vicinity of the Dandara Temple, and the surrounding archeological digs, thereby drawing visitors from Luxor for extended stays.

This innovative approach to development engages communities as beneficiaries and guardians of heritage. It will have economic gains, through improving the livelihoods and working conditions of the local population through targeted employment-generation activities, with special focus given to women's and youth employment, as well as the development of locally driven micro and small enterprises (MSMEs). Local handicrafts and skills are created for visitors and show-cased, food and beverages are supplied from local farmers, and environment-friendly use of energy, water, and waste systems will serve as good practice models for locals and for potential duplication by franchisees. A lodge also provides a unique opportunity for visitors to interact

with local owners, and sample genuine Egyptian hospitality, fostering respect for different cultures. A special menu based on ancient Egyptian recipes will add to the attraction.

Qena is relatively new to the tourism industry. It stretches 27 kilometers along the east bank of the Nile, hugging the banks of a pristine rural landscape. Its capital, Qena City, is less than an hour's drive from Luxor. The city has witnessed major restorations and came third in UNESCO's worldwide City Beauty Contest. The governorate also straddles the only road through the Eastern Desert linking Luxor to the Red Sea diving resort of Safaga.

### **Why an Ecolodge?**

The proposal to set up an ecolodge at this early stage is based on a number of considerations:

- The enterprise instill a sense of empowerment and belonging instead of regarding heritage as a commodity for tourists with no cultural value or meaning.
- It promotes creative entrepreneurship in the community, especially among youth and women, through direct or indirect participation in an enterprise that is locally owned.
- Ecotourism is fashionable and growing. It represents about 2 percent of the \$2-3 trillion estimated to be spent on trips worldwide.
- An ecolodge would create a premiere tourist experience attractive to an upmarket segment that sets trends with spin-off effects . Trendsetters look for small-scale, low density destinations that will provide cultural and participatory experience in a natural setting.
- The example of the success of Egypt's Siwa ecolodge serves as a model of good practice in Egypt, whereby a select clientele is targeted with above average income and education and who share this experience by word of mouth, providing free promotion reaching an upmarket audience.
- Experience gained from this low cost tourism development is likely to be followed by the creation of a 'hotel school' training facility and a 5 star hotel, both desired by the Governor of Qena in efforts to position the governorate as a destination for cultural and religious tourism, and as a gateway to and from Luxor and the Red Sea.

### **Operational and Financial Considerations**

The main purpose of the Lodge is to introduce a new livelihood for the local community of Dandara by establishing a unique venue that increases visitors' appreciation of, and sensitivity to, the distinctive cultural, natural, and environmental resources of the area.

Location/size: The lodge will be located on an initial one feddan within proximity of the Dandara Temple, a short distance from Dandara village built-up areas. It will be comprised of 10 rooms, expandable to 20 and will be designed with a minimal footprint of approximately 600-750 sqm with a large garden and shall capitalize on flexible landscaped outdoor space.

Design: The design of the lodge will be a living demonstration of sustainable construction and intelligent planning. Passive and active solar design principals of natural ventilation, shading, solar mass, evaporative cooling and shading will be used to create a comfortable and pleasant environment and will be highlighted as an experiential educational tool.

Materials: Local natural materials, such as adobe brick and stone will be used for thick bearing walls that not only relate to the immediate context, but also mitigate the diurnal temperature fluctuations intrinsic to the desert environment. Palm trees are abundant in the area and are a rich resource for materials from palm trunks with can be used as logs to cover spans of up to 4 meters , midribs (*gireed*) which can be made into

panels for roofing and furniture applications, to leaves which can be woven into mats and rope for screens and floor covers.

Employment creation: Direct jobs 20 staff. Indirect jobs 20. Food and beverage from village, transport, souvenir sales, teaching of local crafts, guided tours, leisure activities. The revival of the crafts involved in the construction process and in the creation of furnishings, and souvenirs is a key to the success of the project and a primary goal. The design will employ local materials in a contemporary and functional way to promote their use both locally and regionally, and will rely entirely on local staffing and craftsmen and women. The gender and youth potential will be a focus point.

Ownership/legal entitlement: Mechanisms for the ownership of the project are under discussion. Initially, privately owned land has been offered by a local businessman at the market rate, with arrangements for ownership to be negotiated. Several meetings have been held in Qena with the landowner, and a site selected. Construction and other costs will be covered by private sector and after an initial operations period ensuring commercial success, the lodge is expected to be opened to shareholding at nominal rates to the local community and to revert to local community ownership. An arrangement with an architect specialized in traditional housing is underway, with two on-site visits already undertaken (see Annex B1 ).

Setting prices and price management: These are under discussion, as is the guest profile, with the expectation that the initial target visitors are expected to be high end tourists seeking an experience that is unusual, personally rewarding and an authentic introduction to an unfamiliar environment and culture.

Supply chain statistics are not included, although the ILO estimates that one job in the tourism industry indirectly generates 1.5 additional jobs in the related economy, not counting the spin-off effects of sales of local products and services.

#### **Estimated Budget Details To Date\***

- Location: Dandara within easy distance of the Temple of Hathor and Qena capital town.
- Area of Construction: 750 sqm footprint set in one feddan of landscaped garden and palm grove.
- Number rooms: 20 (10 double/10 single)
- Room rates: Double LE 420 (US\$ 70), Single LE 300 (US\$ 50). Average rate/ LE 360 (US\$60/night)
- Occupancy: (at 50% occupancy). 6 months x 30 nights x 20 rooms = 3600 nights

\*Cost of land, architectural and construction fees under negotiation. Preliminary estimates of employees and salaries under consideration, as are levels and cost/profit ratios of services (food and beverage, etc), and of maintenance and overheads.

## **B.2. Case Study: Jewellery & Accessories Project, Dandara, Qena (Heba Handoussa)**

### **The Design Process:**

- Two months preparation (June and July 2012). During that stage, the designer was paid.
- Designs were to reflect two major markets: the tourist market and the local market
- Number of design models: 30 necklaces and matching earrings, bracelets
- Low cost raw materials, handwork with a bias to labor intensive products
- During the design stage two of the selected trainers were assigned the production of the 30 necklaces and related accessories on a one to two day per week basis on the rate of LE 15 per day per person.

**Necessary Equipment:**

- Minimal capital requirements needed in beading production, excluding purchase of raw materials.
- Two large tables facing each other with chairs with a capacity up to 22 young women
- One equipment box per trainee made of wood with sliding cover to keep tools and work in process.
- Tools included pliers (flat nose and round nose), scissors, ruler, measuring tape

Once 4 months of training were completed, two weighing machines (scales) were needed. The first is to handle finished goods for costing, pricing and sale purposes. The second can carry up to 20 Kg of bulk purchases of stones, beads, wire and other inputs.

**Production and Training**

Over the course of the training period, each trainer was paid LE 1000 including transportation fees (300 LE per day) The first training session was conducted over seven consecutive days (20 -26<sup>th</sup> of August) by four skilled trainers, Ragab Sarhan Ismail, Hassan Mohamed Mohamed Awad, Taghrid Khalil and Heba Handoussa

Basic information on trainees was made available with respect to age, education, marital status, earnings, number of children, and other details. A first focus group discussion was undertaken by Dr. Howaida Adly from ENID to enquire also into the trainees's aspirations, incentives, quality of 4 captains, and potential natural leaders in the Dandara Community, the DCC connection and network .

Selection of first batch of 29 women and girls out of 45 applicants was undertaken by Ashraf Abbas, Head of Dandara Culture Center who supervised the project and conducted over one month awareness campaigns in the village of Dandara. The main criteria of the first selection were the social background/need for job, and only minimal reading and writing ability. A second round of screening and testing took place over the first 2 days where the number of trainees was reduced from 29 to 22 of whom 9 married. By end of day 3 daily evaluations of all the 22 girls' skills were available and the best 4 were selected to become Captains/Future Trainers to lead the group.

In the first three days all 4 trainers were present for the most sophisticated wire-work (Brass Wire). The next four days included revision of wire work and training in leather (Waxed Cord). Stocks of beads were kept in a secure storage room.

It was expected that a further screening to possibly reduce the total number of trainees (including the 4 Captains) to 15 or even 12 if necessary, for more efficiency. A daily assessment of progress on speed, mistakes and quality of product was conducted under the supervision of Ashraf Abbas to screen out the poor performers.

Each trainee will graduate with an ENID certificate,, and a minimum of 3 month training is to be undertaken. Because of delays in October and November, trainees were kept on for this pilot project. Training began on 20<sup>th</sup> August 2012) and training day started from 8am and ended at 1pm with a break (Juice and biscuits offered).

**Raw Material Supply**

Raw materials included large quantities of beads necessary for the range of 30 necklaces and related accessories as well as findings (clasps, threads, glue,) (Working capital includes raw material and findings whereas tools and machines are insignificant in-value per trainee). The total cost of working capital consisted of a start-up inventory worth LE 60,000 (\$ 10,000) for 32 equipment boxes which arrived at the Dandara Training Center (DTC) on 19<sup>th</sup> August in an ENID microbus with two of the trainers. Cost of equipment was minimal (Tools cost LE 1000, findings LE 5000).

**Marketing**

ENID was recruiting a full time marketing specialist in September 2012 to engage in identifying and securing markets for 10 of ENID handicraft products including the beads. Unfortunately, due to a funding setback, beyond ENID's control the process was cut short and preliminary marketing of jewelry and accessories had to be undertaken by ENID staff in Cairo and Upper Egypt with very promising results for Cairo (four outlets supplied and negotiations with a distributor undertaken).

**Partnership Arrangement on the Ground:**

The Dandara Cultural Center (DCC) was identified as the most suitable partner on the ground to undertake the supervision of the training and production cycle. In fact, the culture center offered ENID, pro-bono, its own facility as location for the training. Activity.

The center consists of three large rooms including an office, a storage area and a meeting room. Two of the three rooms were dedicated to training for beads production. The arrangement was for ENID to provide all of the working capital (raw materials), tools and trainers, as well as the payment of a daily incentive of 15 LE/ trainee over 3 month - 5 days a week.

The DCC also provided accommodation for the trainers for the duration of their stay over the three months training period instead of hotels. This reduced the cost of DSA to the equivalent of the DSA for only one person which paid for all food and local transport.

In addition to providing the space and security of the training area, the DCC made available the most important feature of "reputation, trust and confidence" so as to attract demand from potential trainees and acceptance from their families.

Another key feature and a very pleasant surprise was the request to include four to five trainees from the Christian community as part of the group, given the very warm relations that exist between the "El Osra El Dandaraweya" (the Dandara Family) and both Orthodox and Anglican churches in Dandara. Head or 'Amir' of this 'family' or longstanding traditional group, Hashem Dandarawi, provided immense support and encouragement towards the success of the project.

The beading project in *Dandara* is the third project of the DCC following on their successful intervention in setting up four pre-schools for kindergartens in *Dandara* and planning for many more such pre-schools. They have also been successful in setting up a vegetable pickling plant employing 15 young women and two men working daily, and successfully marketing the product in the capital of Qena itself. Beyond the jewelry-making project, a fourth project that DCC is planning for is a sewing facility for school uniforms starting with the pre-schools. ENID will participate in these interventions.

**Meeting Aspirations:**

A key challenge has been how to deal with those many young women and girls left out of the beading project and who were eager to acquire a skill that would generate income. So far a numbers of options are to be investigated by ENID: Different aspects in the social services including pre-school assistance, basic nursing or other primary health care skills, Introduce beads related products such as beaded fabric for clothing, handbags, beading handloom products, Cut and Sew project for locals and eventually for export, agro-products such as jams, cheese, processed dates and fruit preserves.....



### **B.3. Summary of India Visit and Preliminary Analysis (Heba Handoussa)**

#### **The Visit:**

In a five-day official visit to India, (November 5 to November 9) under the auspices of UNDP (Egypt), ENID Managing Director Heba Handoussa was given an extensive introduction to India's flourishing MSME sector and the organizational structure behind it. The visit took place in New Delhi and outskirts as well as a short stay in Jaipur. It was coordinated by the UNDP Office India, the Indian Embassy in Cairo, the Indian Commission for Handicrafts, the Crafts Commission of India and the Indian Export Promotion Council for Handicrafts. Other than visiting a number of crafts and skills centers, obtaining samples for Egypt in the process, Dr Handoussa was especially impressed with the work of Mr. Shri Harikishan, master potter at a potter's colony. Mr Harikrishan was keen to visit Egypt to demonstrate his specialized skills. Another important contact was with Ms. Jaya Jaitly, the president of Dastakari Haat Smiti. Ms. Jaitly started the urban market model in 1994. Her society has more than 1500 members including organizations. The society provides assistance to up to 700 female producers. Ms. Jaitly's Dastakari Haat provides 180 stalls which are all made available for a period of two weeks for a craftsman or groups to exhibit and sell their wares. She has also organized a cooperative activity process (year-long) with organizations from other countries which display the handicrafts of – so far - Thailand, Vietnam, South Africa and Pakistan (January 2013). Ms. Jaitly extended an invitation to ENID to organize and bring craftspeople from Egypt for the January 2014 Delhi Haat. This opportunity presents a valuable chance to exchange knowledge about certain common crafts between Egypt and India such as calligraphy, hand-woven products, glazing pottery, glass products, wood carving and wood inlay, natural dyes, marble etching and enameling.

A meeting arranged by the Indian Embassy in Cairo, with Mr. Shri S.S. Gupta, Development Commissioner/ Handicrafts, proved to be most important in terms of organizing further engagement between ENID and potential partners to upgrade the handicrafts sector in Egypt with technical assistance from India. Discussions centered on the structure of the support system for handicrafts and how the various government entities are each responsible for one of many interventions. Mr. Gupta insisted that it was important for policymakers to focus on handicrafts as independent of any sector classification because, as seen in India, the handicrafts sector encompasses all possible crafts in any raw material.

In a meeting with Dr. Amar Singh Former joint secretary responsible for India's vocational training centers at the Ministry of Rural Development and current chairman and managing director for Food Cooperation of India, the objective was to promote Egypt/India cooperation in the field of vocational training for handicrafts (and perhaps other sectors) with a focus on the training of trainers (TOT) as well as on equipment and facilities. The other potential areas discussed were those on ENID's target list of five training centers: Building and construction, Tourism and hospitality, Textiles and garments, Handicrafts, IT and IT Enabling Services (ITES). This fifth and last area of potential cooperation may be a great contribution for upgrading Qena's vocational schools in a new field which would help employment of university graduates.

A well-introduced colleague, Mr. Sidharth Mishra agreed to use his network of experts in India on behalf of ENID so as to follow up on ENID's requests for information, documentation and links with the organizations and persons needed in order to undertake tasks related to technical assistance from India to Egypt. It was also agreed that ENID would cooperate with Mr. Mishra on a joint capacity building program or the construction industry for workers in both Egypt and India to cater for the labor demand in Qatar over the next few years.

All in all, the India visit, facilitated in large part by Mrs Anita Nirody, Resident Representative, UNDP Egypt, has been an immense help to ENID. It has demonstrated the extraordinary achievement potential of the handi-

crafts sector, when supported by good policy and commitment, and has succeeded in establishing links likely to help in the organization, structure, product lines, and general upgrade of the MSME sector in Egypt (see Annex B2 for a detailed summary of the India visit).

**Preliminary Analysis:**

The Handicraft sector in India has proven to be an immense stimulus for growth for the past twenty years. Egypt could adopt the Indian model to fight poverty, since there are socio-cultural similarities in poorest districts. The handicraft sector can be used to generate employment and revenue by creating productive value chains. Handicrafts can also become an integral part of exports. With the fast rise in mechanization and mass production, the growing power of telecommunication and the pace at which globalization is taking place, customers from developed nations are increasingly exposed to other cultures and to the value of handmade products. The international demand for handicrafts therefore shows a promising opportunity to grow for the coming years.

Demand is expected to further grow, not only from the West, but from countries like the BRICS nations. Developing nations characterized with large population, such as Egypt, could benefit from local demand for often cheaper local products. A council or a committee similar to the Indian ECPH could provide much needed support to local producers. The support that such a council could provide could help with marketing, locally and externally, networking; provide exposure to local producers in international craft festivals around the world, training; helping producers better the quality of products to give them a competitive edge, upgrading the technology used, thus cutting costs and raising quality, and financing through micro-credits and loans.

Local producers in Egypt are not yet proficient enough to produce quality handicrafts and ultimately to export them. An official support body until the sector fully develops, between Egyptian producers and foreign importers could lead to a strong market presence able to compete internationally. In a report published by USAID, *Global Market Assessment for Handicrafts*, the author proposes 4 strategies for countries wishing to compete in the global handicraft market:

- Focus on markets and channels in which there is less direct competition with high-volume, low-cost producers of “industrial” handicrafts, for example, the independent retailer market by way of wholesale importers. Rather than competing directly with China, identify and sell to market niches such as high-end home accessories and the importers whose smaller orders are declined by large craft factories.
- Develop more products that embrace the concept of global style in order to both access the large and growing demand for contemporary design and remain distinctive in the marketplace. Opportunities for handicrafts exist in all market segments, but are most abundant for products that fit comfortably into people’s homes and bring an authentic indigenous element into their lives.
- Look to local and regional markets for opportunities that may have been overlooked and can serve as a springboard to larger and more competitive markets.
- Constantly upgrade skills and techniques, including detailed handiwork, quality (especially finishes), product development, and customer service to remain competitive, difficult to imitate, and appealing to work with. Investments to reliably deliver modest quantities of unique, high-quality goods destined for higher-end retail stores are advised over those intended to improve the ability to compete with low-cost, high-capacity producers.

Government officials such as the handicrafts commissioner and president of the ECPH made up for the lack of time they allocate for meetings by providing books, reports and documentations. This material is extremely valuable in understanding the success story of the Handicrafts Sector in India in terms of employment, domestic sales and exports.

A key feature of the various craft villages and urban craft clusters surrounding Delhi and Jaipur is the very

small-scale nature of the various activities, ranging from pottery to enameling, block printing and camel bone carving. Although there are no economies of scale within one typical workshop, there are important externalities to the cluster or compound within which a simple craft is performed by multiple numbers of workshops. These savings to the group can be found on bulk purchases of raw materials and intermediates, lower cost of transport and other auxiliary sources needed by the artisans (e.g. maintenance of tools) and in marketing of the handicraft product.

This small scale feature exists in Egypt in many successful clusters which are still alive in spite of decades of neglect by central and local administration. Some of the best examples are in the governorates of *Damietta* (and its capital, *Damietta City*) for furniture, *Mehalla Al Kobra* in *Gharbeya* for hand-woven artificial silk, *Ena in Kafr el Sheikh* for kelims and rugs, and *Akhmim in Sohag* for hand-woven cotton fabric.

One important question was the extent to which Indian artisans had access to newer technologies that save time but maintain the “handicraft” description. The answer was that there were such “middle level” mechanization tools and equipment but were often not encourage. It became clear that although productivity improvements exist in a number of crafts, these are based more on improvements introduced by the producers themselves. The description of tools used by artisans throughout India as found in their craft maps attest to the very traditional and modest nature of these tools.

The ECPH has shown extreme success in promoting handicraft exports throughout the past 18 years; handicraft export revenue has been one of the real drivers for growth in the Indian economy, showing promising returns and a promising future:

- The FY 2004/5 had a 29% increase in export revenue from 2003/4, going up from \$2.3 billion to \$3.0 billion. The average annual nominal growth rates in exports for the past 18 years has been 10%.
- The global financial crisis proved to be a detrimental blow to the handicraft market; exports witnessed a 48% decrease from fiscal year 2007/8 (\$3,5 billion) to the year 2008/9 (\$1,8 billion) giving evidence of the sector’s vulnerability on the international market
- However, the efforts of the ECPH managed to transform that huge drop in exports to a modest 1.8% growth for the following year (\$1,8 billion). Further work by the ECPH turned that 1.8% growth into a 25.8% growth from the fiscal year 2009/10 to 2010/11 when exports reached \$2.3 billion.. The ECPH is expecting a 22% growth rate for this upcoming year.
- The average nominal annual growth rate of handicrafts exports revenue from 2007/2008 - 2012/2013 was 3.74%, slowly recovering after the financial crisis.
- The ECPH also issues a monthly journal to keep track of the achievements made and to further promote handicrafts. That journal (*Craftcil*), contains invaluable articles not only for customers, both local and foreign, who are interested in Indian handicrafts, but also for craftsmen. The journal includes pieces providing market analyses and tips for craftspeople. It also provides a look into contemporary fashion to help the handicraft sector come up with new ideas and designs for the different products.

The success of the Indian model is due to many factors. Catering to global fashion and even becoming trend setters have helped Indian handicrafts survive and prosper. Handicrafts are traditional and ethnic, which is what a customer desires, but Indian craftspeople improve their handicrafts each year, giving them a twist to keep up with the times. The demand for purely ethnic, local designs is not as strong as products that mix ethnic elements with fashionable designs. India’s handicrafts are tremendously popular in the western hemisphere because craftsmen made them with the intended markets in mind.

The ECPH focuses on developed nations' markets and on neighboring countries. The board of directors went on a tour in neighboring countries to explore the possibility of enhancing exports. For example, that to the Commonwealth of Independent States (CIS.) resulted in signing a memorandum of understanding with the Almaty Chamber of Commerce (Kazakhstan) that paves the way for future trade including tech transfer, trade, co-working on designs, labor and craft exchange programs.

The ECPH also hosts craft festivals e.g. the Indian Handicrafts and Gifts Fair. The IHGF is Asia's largest exposition of gifts and handicrafts covering 97,000 square meters, with 1800 manufacturers and exporters of handicrafts. Another ECPH festival is the Indian Fashion, Jewellery & Accessories Show (IFJAS.), an international exhibition dedicated entirely to the jewellery and accessories industry. This presents an opportunity to international buyers to source products from all over India.

The ECPH also issues invitations to handicraft importers and chambers of commerce in countries who have not been exposed to Indian handicrafts to attend the different festivals showcasing Indian handicrafts. The ECPH also organizes festivals in other countries to extensively market handicrafts. It also funds craftsmen and women to perform live demonstrations of their skills in foreign nations.

The Egyptian government must be shown that the handicrafts sector is an underutilized means of growth. Providing support to the sector would help it grow and generate numerous positive effects, namely on poverty reduction and employment, as well as impact on other sectors such as services and tourism. Its export potential is totally ignored. Indeed, very little information is available on this segment of productive activity and most official bodies such as Egypt's Social Fund for Development target financial aid to a very small proportion of small enterprises, mainly start-ups in more sophisticated ventures for youth.

India, on the other hand, has created a full Ministry of MSME whose various commissions and bodies reach across the country and encompass handicrafts as a vibrant subsector. Its embassies are an integral part of its export strategy. Its numerous exhibitions and fairs introduce potential buyers to a range of products, with administrative and bureaucratic facilities shaped to meet demand swiftly and efficiently.

In Egypt, there is no central body to set policy and legislation, provide marketing support such as packaging facilities (as in India) or to simplify bureaucratic activities in line with export requirements. If a council or a committee should be formed to cater to this sector, it could help with its growth. The strategies that could be implemented are numerous. First and foremost, a national umbrella agency would position the sector within the national economic development plan and serve as a guiding hand with regard priorities and goals. Secondly, the many departments within ministries and across diverse governorates should coordinate facilities and activities under directives from the central umbrella body under the national plan. These scattered facilities would need to be restructured such that they become more efficacious in meeting national plans, notably with regard support services in training, packaging, marketing and to set quality standards with incentives to meet these. Third, the NGO sector requires to coordinate efforts and to expand its services at the local level. NGOs themselves would require a central body to provide information, set priorities and support individual efforts and training programs at the local level, with an M&S arm to ensure that goals are met.

Some handicraft clusters in Egypt are in need of rescue, notably pottery. There are numerous locations where handicrafts clusters have existed in Egypt since Pharaonic times, and the few remaining skilled crafts workers have asked for a helping hand in saving their craft from disappearing. This is especially true in Upper Egypt as evidenced by ENID staff interviews in more than 25 villages in Qena. They are part of Egypt's heritage, but are also a rich source of employment and income. Carefully selected handicrafts can easily flourish in Egypt

if given the right support. Frequently, they are better quality than cheap imported goods. In this respect, government policy on taxation of imports and tax holidays or other incentives for local and export products becomes a factor in success. Moreover, new techniques and designs can be introduced or imported to meet international taste. For example, camel hair for weaving, camel bone for carving, high-grade blue pottery and marble work, natural supplies of which Egypt has an unutilized abundance.

### **Program C: Agricultural Development & Off-Farm Employment** *(Dyaa Abdou)*

#### **Objectives:**

The major objectives of this component could be summarized as follows: (i) 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; (ii) 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; (iii) Raise standards of living for farmers and youth 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 with emphasis on developing practices for desert farming, organic farming, recycling of agricultural residues and fish farming.

#### **Field Visits/Missions:**

During the reporting period, the ENID Agriculture Team has made 4 visits to the governorate of Qena with a focus on rural and agricultural development in addition to an initial preparatory/formulation mission. The separate initial formulation mission took place during September 2011 over a 3-day period during which meetings were held with the Directorate of Agriculture and visits were made to some of the poorest villages in Markaz/District *Deshna*. The team consisted of experts from the Social Contract Center (SCC) who have conducted baseline surveys, needs assessment and several focus groups with communities including farmer groups. The purpose of this first ENID mission was to get acquainted with some of the key issues concerning farmers growing tradition crops and women with low incomes and limited earning capacity.

A first visit to Qena took place on 1-2 April 2012 in cooperation with the National Council for Women (NCW) and visits were made to two villages in *Markaz Farshout*. A series of meetings with villagers and farmers reaffirmed the seriousness of problems related to the agricultural sector and the very low levels of income earned by small farmers. The purpose of this second visit was to have a dialogue with farmers and especially women so as to confirm their interest in ENID interventions for income generating projects. In early April, a draft survey questionnaire at the levels of each of the 152 Qena villages was prepared, including a section on the agricultural situation, and this component of the questionnaire has twice been revised by the ENID agriculture team and expanded. These revisions were based on two important brainstorming sessions between the Agricultural Team and the M&E Team and with the benefit of the earlier discussions with Qena Directorate of Agriculture. The Directorate of Agriculture has shown remarkable motivation to cooperate and has shared a wealth of data and information on previous rural development projects they were involved in.

The second mission took place from 17-19 April 2012. The main objective of the mission was to set the stage for ENID agricultural component activities and to get acquainted with key officials, resource persons and public and private institutions. The mission has held briefing sessions with different stakeholders and paid field visits to farms and to selected NGOs. During these visits the mission held discussions and dialogue with several individuals. Meetings were held with H.E. Governor of Qena, Directors of main departments in the Governorate, Undersecretary of Agriculture, research and extension officers, managers of NGOs, farmers, and crop

traders. The mission collected basic information on the agricultural sector in Qena and explored the needs for primary data collection and discussed the first draft of the village-based questionnaire with concerned parties. The mission explored the possibilities of collaboration with key NGOs, agribusiness firms, research and extension institutions, and credit providers. A detailed Back-to-Office report was prepared including major findings and recommendations.

The third mission took place during the period 31 August to 7 September 2012. The mission consisted of: Dr. Dyaa Abdou, Programme Manager; Dr. Mohamed El-Eraky, Expert; Dr. Abdel-Aziz Ibrahim, Expert; and Dr. Abdel-Wahab Shehata, Expert. Based on the agreed upon work plan, the third calendar quarter (July-September 2012) was mainly devoted to the initiation of activities C1-1 Comparative Advantage and Optimum Cropping Pattern; and C1-3 Commodity Value Chain Analysis. However, to ensure proper preparation for the timely implementation of other activities, the team has devoted adequate attention to the preparation for the other activities. The mission achieved the following:

- Discussed the designed questionnaire sheet for collecting primary data (C1-1)
- Discussed the sample frame and selected crops and livestock products to be included in the analysis of the Domestic Resource Cost (DRC) (C1-1)
- Selected local team for data collection (C1-1)
- Agreed on logistics and operational measures for implementing future activities including transportation, computers for enumerators and local staff, training places, etc. (C1-1)
- Agreed on local team supervisors and management arrangements in Qena (Component C)
- Met with selected officers from Department of Agriculture (Component C)
- Visited available NGOs and newly established Agricultural Marketing Cooperatives – AMC - (C1-2; C1-4; C2-1; and C2-2)

The fourth mission took place during the period 5-15 October 2012. The mission consisted of: Dr. Dyaa Abdou, Programme Manager; Dr. Mohamed El-Eraky, Expert (5-12/10/2012) Dr. Abdel-Aziz Ibrahim, Expert; and Dr. Abdel-Wahab Shehata, Expert. Based on the agreed upon work plan, the current fourth calendar quarter (October-December 2012) was mainly devoted also to the activities of C1-1 Comparative Advantage and Optimum Cropping Pattern; and C1-3 main activity of Commodity Value Chain Analysis. However, to ensure proper preparation for the timely implementation of other activities, the team has also devoted adequate attention to the preparation for the other activities. The mission achieved the following:

- Held a start-up workshop on “The Conceptual and Implementations Frameworks for the Agricultural Development Programme under ENID”, to brief all stakeholders on the planned activities and to provide adequate orientation on the main themes of the ENID agricultural component;
- Held an implementation workshop on “Questionnaire Forms for Farm Cost and Return for Seasonal and Permanent Crops”, to train enumerators on the data collection endeavor and to get them acquainted with all crop-specific questionnaires;
- Provided on-the-job-training to enumerators and to pre-test the validity of the questionnaires;
- Visited selected associations to evaluate their capabilities and to discuss the possibilities of future collaboration on ENID planned activities;
- Solicited information on promising crops and livestock enterprises in different districts and communities in Qena; and
- Provided on-the-job-training for a small nucleus of staff on data entry and analysis.

The mission achieved its objectives and a Back-to-Office Report was prepared including findings and recommendations.

**Quarterly Progress Reports:**

In addition to the information on Component C provided in the overall Progress Report provided by ENID for the period January-May 2012, three Progress Reports covering Component C were submitted to UNDP and SFSD. The first covered the period May-June (2<sup>nd</sup> Calendar Quarter) 2012 while the second covered the period July-September (3<sup>rd</sup> Calendar Quarter) 2012. The third progress report covered the period October-December (4<sup>th</sup> Calendar Quarter) 2012. Each progress report included several detailed narrative for implemented activities to achieve the planned outputs.

**Networking:**

During the reporting period, ENID agriculture team established direct contacts and close consultations with the following organizations/individuals:

- Bluemoon Consulting Firm for Global GAP (Good Agricultural Practice). ENID held meetings and investigated the possible collaboration with Private Sector in introducing “Fair Trade” and “Global GAP” to the Component C2-1 (Organic Farming and Recycling of agricultural residues).
- Mine Action Secretariat, North-West region - Ambassador Fathi AlShazli, Director of the Secretariat, Egypt. A meeting was held for exchanging experiences with fair trade and organic farming based on the experiences of the North West Region of Egypt.
- New Horizon Association for Social Development, NGO with successful experience in Organic Farming in the New Valley. Agreement was reached to exchange of information and visits to learn from successful experiences in Egypt.
- Department of Agriculture in Qena, Ministry of Agriculture and Land Reclamation. Several meetings were held and a selected team collaborated with ENID team in carting out field surveys.
- Department of Irrigation in Qena, Ministry of Irrigation and Public Work. Close consultations were held to discuss technical issues and parameters concerning irrigation efficiency and possible improvement.
- Fish Hatcheries in *Nag Hamadi*, Qena. Close consultations were held with the Director and his staff on issues related to fish farming and possible collaboration in implementing the fish farming activity.
- IFAD – International Fund for Agricultural Development is carrying out several projects in Upper Egypt. ENID is working closely with the “Marketing Cooperatives” established with the direct support from IFAD and exchanged views with IFAD supported project on “On-Farm Irrigation Development in the Old lands Project (OFIDO)” to assess possibilities to benefit from the achievements of the project.
- Agricultural Research Center (ARC), Ministry of Agriculture and Land Reclamation. Several meetings were held with Directors and staff members of Horticulture Research Center; Food Technology Research Center, Field Crops Research Center (FCRI).
- Agriculture Experiment Research Station in Qena. Close consultation were held with the Senior staff of the Station and close collaboration is envisaged in implementing training programmes for young men and women in relevant areas.
- NGOs and Marketing Cooperatives in Qena. Contacts with a great number of active NGOs and Cooperatives in Qena were made and close collaboration is envisaged with the short list indicated under C2-1.
- WFP – World Food Programme is carrying out a project on “Climate Change” in Upper Egypt. Meetings were held with WFP (Ms. Nadeen Abdel Hakim, Senior Programme Officer) and agreed to include few questions in ENID farm survey in Qena to assess farmers response and preparedness in dealing with climate changes. Few questions were added to the ENID questionnaire based on this meeting. Results on the analysis will be shared with WFP to plan for further interventions and collaboration.

*Achievements during the reporting period:*

### **C1 Enhancing Agricultural Productivity**

Baseline: Limited knowledge of the size of the challenge due to low incomes and low productivity in agricultural.

Indicators: Situational analysis of the challenges facing the agricultural sector in Qena. Indicators of comparative advantage and competitiveness of crops and livestock in Qena.

Targets: Completion of a comprehensive baseline survey of situation of major crops and livestock products.

#### **Activity C1-1: Determining Comparative Advantage and Optimum Cropping Patterns**

- Designed the Questionnaire Forms: The questionnaire forms for collecting primary data including few questions were designed. In addition, the forms included few questions to reflect the farmers response and preparedness in dealing with climate changes in collaboration with WFP. Initial Draft for the Questionnaire Form at the Farm Level was designed and discussed with several stakeholders during missions to Qena. Revision was made on the Questionnaire Form based on the discussion with farmers, and the final Questionnaire Form was refined further during the training of the enumerators and field tests. An example of the Questionnaire Form for Sugar Cane is provided in Annex.
- Designed the Sample Frame: A sample frame was designed and crops and livestock products to be included in the analysis of the Domestic Resource Cost (DRC) were selected. The selection of the sample frame was based on the cropping pattern and the promising crops and livestock products. The sample of 360 farmers representing different crops, irrigation system, inside the old land (*Zemam*) and outside the *Zemam* and districts in Qena was selected. The final sample included over 400 farmers due to the need to add additional information on promising crops.
- Collected secondary data: All relevant secondary data (i.e., technical coefficients for the studied activities, the available resources and output prices). were collected through communication with staff of the Agriculture Directorate in Qena and through the missions and the direct contact. Data relevant to the Cropping Pattern, the technical coefficient for livestock and crops were collected and examined through visits to farm during the field missions.
- Trained the Staff of Statistics and Agricultural Service: The ENID team provided on-job-training for the staff of the Directorate of Agriculture on using Excell programmes in tabulating statistical data. The ENID experts offered training to the agricultural service directorate on data automation using excel sheets. Two worksheets were designed and the information for five crops was transferred from paper files to excel sheets.
- Conducted a field survey and collected preliminary data: 16 Crop Forms were prepared, discussed with stakeholders and filled through the field work. Detailed questionnaire forms for different crops under different irrigation systems inside and outside the *Zemam* were prepared and used.
- Reviewed collected data: The review and verification of the collected data was completed by the local team under ENID Team supervision. The electronic files of collected data were delivered to the ENID experts by late December 2012. Editing by the experts is underway.
- Completing requirements for estimating the Optimum Cropping Pattern: Determined the optimal activities (crop rotation for one year) and resource constraints for the multi-objectives Linear Programming (LP) model, and carried out training sessions on optimum cropping pattern to the local team and staff and prepared and distributed a report and training materials on LP and tables for technical coefficients.
- Completed the collection of the field primary technical coefficients: Most of the required information



were collected and collated with difficulties. Still few parameters (at the Districts level) need to be verified during the upcoming planned mission.

- Prepared background documents on the existing cropping pattern for 2010-2011 season: The reports assessed the changes in the area and productivity for all crops. These documents will be used in the final report to be shared with the Governorate for decision making on the optimum cropping pattern based on the multi-objectives L.P Models.
- Supporting the preparation of the Investment Map for Qena: Prepared a summary of the major features of the agriculture sector and potentials in Qena in support to the preparation of an “Investment Map for Qena” being prepared by ENID.
- Held a Training Workshop on “The Conceptual and Implementations Frameworks for the Agricultural Development Programme under ENID”: The workshop took place during the period 7-8 October and was attended by about 80 participants from all districts of Qena representing the Ministry of Agriculture, local NGOs and local Marketing Cooperatives. The workshop agenda, list of participants, and distributed technical materials and presentations were adequately reported in a detailed back-to-office report (Annex C).

A Power Point Presentation was introduced under each topic followed by a lively discussion. By the end of the workshop, a C.D. including all presentations was delivered to each participant. Copies of the presentations are available upon request. The workshop covered the following topics:

- Sustainable rural/agricultural development program in Qena as outlined in ENID initiative (Annex C).
- Comparative advantage as a tool for determining development priorities. ((Under Annex C).
- Case Study on comparative advantage of crops.
- Case Study for comparative advantage of livestock and fisheries enterprises.
- Food security and sustainable agricultural development. (Under Annex C).
- Role of non-government organizations in sustainable agricultural development. (Under Annex C).
- Linear programming as a tool for determining the optimal cropping pattern.
- Promising products and value chain analysis.

Held a Training Workshop on “Questionnaire Forms for Farm Cost and Return for Seasonal and Permanent Crops”: The workshop was conducted on 9-11 October 2012. It covered the following practical topics:

- Basis for sample selection of crops in different districts.
- Agricultural calendars and farm operations.
- Costs of production and revenues for seasonal crops.
- Costs of production and revenues for livestock enterprises.
- Costs of production and revenues for perennial crops.
- Irrigation techniques and estimation of crop water requirements.
- Costs of lifting irrigation water according to type of energy.
- Field visits and on the job training.

The workshop agenda list of participants, distributed technical materials, presentations, and prepared and discussed questionnaire forms were adequately reported in a detailed back-to-office report. (Under Annex C). The attendance was limited to the 45 enumerators and supervisors from all 9 districts, and the 5 local staff responsible for Data Entry. In addition, few of the Directors of the Departments in the Agricultural Directorate have attended this workshop. Each topic was discussed after a detailed presentation using Power Point. The workshop included the enumerators involved in the field work and the data entry team. The third day was devoted to a field test of the questionnaire forms. The group was divided to 2 separate teams. Each team was accompanied by 2 ENID experts. The 2 teams visited separate farms to test the questionnaire form with farm-

ers. The participants directed the questions and completed the forms with a little guidance from ENID experts. Based on the lively discussion in the workshop and during the field visits, the Questionnaire form for the comparative advantage was revised and specific questionnaire form for each selected crop was developed.

Copies of these questionnaire forms are available upon request. Due to the importance of including additional promising crops to be assessed, the sample has increased from 360 Questionnaire to about 400 Questionnaire. The additional cost associated with increasing the sample and the need for additional contribution from the data entry team will be considered and the needed funds will be transferred upon completing the required work.

A Power Point Presentation was introduced under each topic followed by a lively discussion. By the end of the workshop, a C.D. including all presentations was delivered to each participant. Copies of the presentations are available upon request.

### **Activity C1-2: Farmers Field Schools (FFS)**

Consultations with Stakeholders: The Preparatory stage included consultations with the Directorates of Agriculture, selected Agricultural Marketing Cooperatives, NGOs and the veterinary medicine. The farmers' schools should encourage farmers to bring their own experiences to the discussion forum so that they can learn from success as well as failure stories. Also, consultations took place as mentioned above with Field Crops Research Institute (FCRI), Agriculture Research Center (ARC), Dr. Abo-baker Mohamed Abo Warda, Deputy Director, Wheat Research Department and Dr. Hesham Alam, Director, Horticulture Research Institute to initiate contact for possible collaboration with the Institutes within the FFS activity.

Identified Programme Components and Potential Partners: The Under-Secretary for the Agricultural Directorate has received an official request from the Director of Experiments and Research Directorate in Qena requesting the collaboration with ENID. The potential of such collaboration will be further assessed during the upcoming visits. Thus, the FFS activity will be divided to the following 3 tasks:

- Training of young graduates to be facilitators for developmental projects and interventions mainly from unemployed youth in the targeted villages);
- Training to farmers through the FFS;
- Advanced Training for Extension Specialists in the 9 Districts on specialized topics and contemporary issues and challenges.

Further assessment for such plan will be carried out during the next few months to ensure sustainability and wider benefit to all stakeholders.

### **Activity C1-3: Analyze Value Chain for Each Priority Crop or Livestock and Fisheries Product**

#### **Promising Crops**

Consultation with Farmers, NGOs and Marketing Cooperatives: Carried out preparatory and initiation visits to farmers, institutes and decision makers, and assessed the priority crops and livestock products. Meeting other stakeholders and decision makers will be carried out early 2013.

Initial selection of promising products/Activities: Final selection of promising crops will be based on the results obtained from activity C1-1 during early 2013. However, an assessment of the promising products and their geographical distribution was carried out and shared with senior staff in the Ministry of Agriculture

and the Governorate for further discussion. Some preliminary results are obtained based on the information gathered till now. The preliminary recommended crops/activities need to be firmed up at later stages. Some preliminary findings include:

- Fennel : *Abo-Tisht and Farshout*
- Cumin: *Dishna*
- Hibiscus: *Nagaa Hamadi and Qift*
- Lemon grass: *Qena and Waqf*
- Molasses: *Abo-Tisht and Farshout*
- Sun dried tomatoes: *Qift and Waqf*
- Fenugreek: *Waqf and Qift*
- Squash: *Qous*
- Dates: *Qena and Naqada*
- Honey: *Abo-Tish and Nagaa Hamadi*
- Recycling of agricultural waste: Regions with high concentration of sugar cane and banana plantations.
- High yielding breeds of small ruminants: Small ruminants will be recommended as an effective tool for poverty alleviation especially among rural women.
- Processing of dairy products: Processing of liquid milk into valuable products such as cheese, yogurt, butter and ghee will be recommended for regions with high concentrations of small breeders who can add value to their products and avoid spoilage of raw milk by means of processing.
- Aquaculture: Fish farming in the desert land could be recommended for private investors in different parts of Qena. ENID pilot aquaculture project will probably help promote fish farming which is quite new to Qena.
- Prepared a report on the promising crops and activities by district in Qena. The salient features for all nine districts were identified and reported.

#### **Activity C1-4: Pilot Project for High Productivity Agricultural Techniques Adapted to Desert Areas.**

Assessment of the desert farming in Qena: The assessment of desert farming in Qena indicated that there is a surge for expanding agricultural production in neighboring desert lands in Qena. But there is no accurate information on the planted acreage, crop production, crop yields etc... At the same time farmers are not receiving proper support services and they are free to grow any crop they like including sugar cane. Currently, desert farming seems to be a costly enterprise and every effort should be taken in order to insure that the farm is economically and environmentally viable. Accordingly, the results of the comparative advantages under different farming and irrigation systems (activity C1-1) will be instrumental in selecting proper crops and farming systems in the suggested farm.

Solar energy: Solar Energy could be of great help to desert farming if provided at reasonable cost. The technology is still in its infancy in Egypt. But there are some experimental pilot projects in the research institutions. The cost is still very high. The project is assessing the alternative available technologies including: (a) A solar panel direct system using a linear current booster to run the pump during peak daylight hours where no battery required the farmer can pump as much water as his/her solar irradiance allows; and (b) A solar charged battery system to operate the pump 24 hours a day whenever water is needed. It is possible the cost would decline as the technology improves and if the technology is applied to large scale operation. However, further search will be made for better and more cost effective technology in other countries. It might be possible to apply the technology to a small green house in association with a research institute in Upper Egypt. An assessment of the possibility of utilizing solar energy in the proposed activities was initiated.

Assessment of Active NGOs and Marketing Cooperatives: Such Activity (in addition to activities C2-1 and C2-2) will be carried out in close collaboration with active NGOs and Marketing Cooperatives. Accordingly, initial assessment of NGO's and Marketing Cooperatives working in Qena were visited and assessed to select the most serious and equipped organization to participate in the implementation of these activities. Several NGOs are situated in the villages in Qena and farmers have easy access to their services. But some NGOs are more viable than others and therefore the selection of NGOs should be guided by certain criteria. The detailed criteria were selected and the following broad indicators were used to short list the capable NGOs and Marketing Cooperatives for further collaboration: Board of directors; Membership; Management; Financial Records; Accounting and Book-keeping; Training Courses (attended by members of board of directors and implemented by the NGO); Record of Completed Projects; Experience within the Agriculture Sector; Total Arable Land that could be served by the NGO; Assets and Arable Land Owned Collectively by the NGO; and SFD Assessment of the NGO. The potential NGOs and Marketing Cooperatives include:

- Al-Nedaa for Social Development in *Dishna*
- Community Development in *Abo-Tisht*
- Community Development in *Refaaa-Farshout*
- South Valley for Development of Agricultural Community in *Waqf*
- Agricultural Cooperative for the Production and Marketing of Fruit in *Dandara-Qena*.
- Community Development in *Bear Ambar, Qaft*
- Community Development in *Olaikat, Qose*
- Islamic Charity in *Bahgour*
- Community Development in *Sheikh Issa Village*
- Community Development in *Naqada*

Integrated Modality for Implementation: Based on the assessment made during the reporting period, it seems more appropriate to implement this activity within a model for integrated farming with activity C2-1 on Organic Farming and activity C2-2 on Fish Farming. This will be further investigated during early 2013.

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

Baseline: Limited knowledge of potential for organic farming and fisheries in Qena.

Indicators: Survey of organic farms in New Valley and other governorates. Survey of fish farms in other governorates.

Targets: Identify best practice farms for organic farming and fisheries.

### **Activity C2-1: Develop Integrated Organic Farming including Pilot Projects for Recycling of Agricultural Residues**

Organic Farming: Organic farming is not new to Qena. According to the Agricultural Directorate about 25 registered organic farms were in operation until very recently. Most of the farms were in the range of 3-5 feddans each. The establishment of these farms was a collaborative effort with large agribusiness companies like HEIA. Unfortunately, the farms are currently out of the organic farming business but some of them still active in the production of compost. The reason for quitting organic farming is low prices on one hand and high cost of production on the other hand. Thus, export markets need to be assessed in order to pay premium prices

and to keep organic produce on the market. Domestic markets are not appreciative yet of organic foods. This could be explained partially by the lack of authentication and rigorous certification and inspection of organic products.

Identified Priority Activity for Recycling: Recycling of agricultural waste has a great potential in Qena. Recycling is important for many reasons. It is needed for a cleaner environment and for turning the waste to useful products such as organic fertilizer and silage. The farmer would enhance his income if he is able to sell the crop residues. Creating new products would add great value to the rural community and will help fill the shortage gaps of animal feed and fertilizers. The Agricultural Directorate provides technical assistance to farmers who are interested in composting. About 150 farmers have received such support. Some NGOs are also active in this field. What is totally lacking is recycling of crop residues to silage which is very much needed to supplement the animal feed resources. Availing cutting machines (Grinders) to farmers through NGOs and Marketing Cooperatives has been identified as a priority activity. This activity will be assessed further and implemented by early 2013.

Integrated Modality for Implementation: Based on the assessment made during the reporting period, it seems more appropriate to implement this activity within a model for integrated farming with activity C1-4 on Desert Farming and activity C2-2 on Fish Farming. This will be further investigated during early 2013.

### **Activity C2-2: Fish Farms**

Assessment of Fish Farming in Qena: Fish Farming has a great potential in Qena. Aquaculture farms are almost nonexistent in Qena. There are informal fish farms and some attempts to establish such farms but the Ministry of Environment turned them down because of noncompliance with the rules and regulations. However, there is one fish farm in *Nagaa Hamadi* that is operated by the General Authority for Fish Wealth (public entity). Clearly there is a potential for fish farming in Qena given the increasing demand for fish and the reliance on Aswan for meeting such a demand. The only catch is according to the Ministry of Water Resources regulations irrigation water should not be used for aquaculture enterprises. Only drainage water could be utilized for this purpose.

Carried out a Pre-Feasibility Study: An initial economic and financial analysis was carried out for establishing a fish farm in Qena. Few alternatives for the location and management modality were studied. Few potential locations for the Fish Farm activity were proposed including a site along the *Marashdah Desert* on the west side of the Nile along the *Qena-Nagaa Hamadi's* west road, and another site in *Dandara*. The analysis indicated that the establishment of ENID Aquaculture Farm requires close collaboration among the Governorate of Qena, the Fish Hatchery in *Nagaa Hamadi* (affiliated to the General Authority for Fish Wealth), the Agricultural Directorate and NGOs. The Governorate of Qena or a NGO could allocate a fenced 10 feddans in *Al-Marashda* desert or in *Dandara* for the project and provide a secure source of water. The hatchery could provide technical assistance while NGOs would help manage the project in association with the Governorate of Qena and ENID. The Governorate of Qena could achieve the following:

- Provide employment opportunities for youth;
- Improve food hygiene and safety through more hygienic process for fish production and distribution;
- Achieve higher degree of food security through availing healthy animal protein at affordable prices; a
- Stabilize food prices by eliminating middlemen and excessive profit margin in several marketing stages and through reaching the consumers directly.
- The draft Pre-Feasibility Study is included under Annex C.

The project will be used as a base for extension and training services and will include a commercial activity to ensure sustainability beyond project life. The participating NGOs with the support of the Governorate of Qena could help in marketing the fresh fish through the establishment of distribution outlets in the main cities for fish and other food products. These outlets will be managed by the NGOs under the Governorate rules and regulations. The expected revenues generated from the commercial activity of the project could be used for reinvestment in maintenance and expansion purposes; support the Youth Employment Agency within the Governorate of Qena; directly support the participating NGOs; and support the NGOs related activities within the Governorate.

It is envisaged to have a training center for fish farming annexed to the fish farm. Collaboration with interested partners in development will be thought to secure needed funds for the establishment of this center. Meanwhile, the long-term plan for the fish farm includes the establishment of freezing and processing facilities.

### **Program D: Upgrading Basic Services in Rural Areas** *(Howaida Roman)*

#### **Objectives:**

The importance of providing services to rural areas is both a matter of enabling communities to participate in national development and a question of guaranteeing citizen rights. Basic services directly affect the rural sector's productivity and the rural poor's quality of life.<sup>2</sup> The overall goal of Program D is to upgrade basic services to reduce poverty and pave the way to empowerment of local communities. Empowerment of local communities means more participation in local decision-making process. Program D therefore not only aims to help improve basic services but also seeks to empower local communities to actively participate in the decision making process at local level and to maximize the ability of these communities to organize themselves. These objectives can only be met by initiating a process over time.

#### **Achievements To Date:**

In the short term, ENID actions have been selective and focussed on the identification of problems in the poorest villages of Qena to properly address implementation strategy in the longer term. The primary task has been hindered by a variety of obstacles that have faced ENID in the latter part of 2012 and that curtailed field visits.

Nevertheless, Program D has been able to develop the conceptual underpinnings that would guide expanding select services at select villages, especially in the fields of healthcare and education, applying local community participation models in the selection of projects. It has explored opportunities to upgrade and expand services, especially for the supply of sanitary services in remote and sparsely-populated rural communities; It is developing sustainable schemes for management and recycling of solid household and farm waste; and in 2013, will start to build capacity of local communities to monitor and evaluate basic services as well as capacity to apply governance dimensions such as participation, transparency and accountability. (See Annex D1).

#### **D1. Conceptual Pillars of Program:**

The concept and design of Program D has depended on multiple sources of desk-bound evidence. It has used an extensive literature review (see Annex D2), and lessons extracted from past efforts in Egypt, as well as several early field visits to Qena villages.

Conceptually, the UNDP Egypt Situation Analysis Report of 2010 aimed at providing an overview of the major development challenges facing Egypt over the next five to ten years, drawing on existing documentation cov-

<sup>2</sup> OECD, Innovative Services Delivery: Meeting the Challenges of Rural Regions, 6<sup>th</sup> Annual Rural Development conference, 3-4 April 2008

ering many dimensions of poverty and exclusion, notably in regard to water, sanitation and housing for poor, health, education and vocational training.<sup>3</sup> This has guided ENID choices in the selection of services to be provided to poor Qena villagers. From a practical perspective, the UNDP and the Ministry of Planning's four recent Egypt Human Development Reports provided needed information on basic services and development indicators. The report for 2005 mentioned specifically that efficient social services and utilities are an entry point to improve living standards, promote higher levels of human development, greater labor productivity and economic growth. It suggested 55 programs to achieve these goals. With regard application based on researched evidence, the Social Contract Center (SCC), created in 2007 and affiliated to the Cabinet, sought to develop this package of programs and produced four surveyed reports related to basic services<sup>4</sup> that have significantly informed ENID Interventions for Program D. These are human right based, and deal in depth with topics such as stakeholders and their role, governance and performance, and mobilization of resources to improve basic services (available upon request).

ENID has also received from the Social Contract Center all of the base-line survey results and asset mapping for 22 Qena villages that were included in the first phase of the "One Thousand Villages" project started by the previous government in 2009. SCC produced two survey-based documents: (i) baseline findings and (ii) findings of participatory needs' assessment<sup>5</sup>. The two rich sources of information have provided much data on the quality of life for these villages in education, health, sanitation, water supply, environment, employment and agriculture.<sup>6</sup> They have been invaluable in formulated an ENID strategy for Program D., and have been supplemented by work from the SCC Civil Society Unit on best practice for expected stakeholder roles, policy obstacles and administrative challenges.

Best practices documentation is continuing to take place., not withstanding the lack of a computerized information and documentation system at ENID, as a result of factors beyond its control in 2012 (see Introduction to this Report). Replication and scaling up of successful development and best practice (BP) initiatives, and especially their disseminate of lessons learnt have therefore been incomplete. Program D is nevertheless manually monitoring and documenting available BP in targeted groups. In that regard, Program D has adopted the BP criteria from Egypt Human Development Report 2008 and UNESCO.<sup>7</sup> Further, in seeking to widen its scope to identify more BP, ENID has gone beyond Qena to neighboring governorates such as Assuit, Menia and Sohag and is seeking to look at Aswan.

## **D 2. Field Visits:**

During the reporting period, the Director of Program D made 3 visits to Qena (September to December 2012).

Visit One: The first visit took place from 4 – 7 September 2012 to five villages of *Naqada*. The main objective was to explore the situation of basic services. To achieve this objective, the Director visited the pre/primary and preparatory schools, literacy classes, health care units, youth centers, vocational training centers, official information centers and some NGOs. Moreover, meetings were held with staff of these institutions, natural leaders and staff of NGOs. This visit affirmed the deteriorating condition of basic services regarding quality, access and affordability.

3 Handoussa, Heba, Situation Analysis: Key Development Challenges Facing Egypt, 2010, UNDP & Dvpt Associates

4 Education and Literacy, Health, Sanitation Housing

5 From the SCC

6 The surveys underlined the similarities between all villages in Upper Egypt, notably the correlation between deterioration of basic services and widespread poverty.

7 Best practices are innovative, they make a difference, they have a sustainable effect, and have the potential to replicate

| The District/Markaz | The Villages         | No. Of Families | Population |
|---------------------|----------------------|-----------------|------------|
| <i>Naqada</i>       | <i>Awast qamola</i>  | 4756            | 23470      |
| -----               | <i>Bahari qamola</i> | 2692            | 13651      |
| -----               | <i>Zawayda</i>       | 3323            | 15282      |
| -----               | <i>28Danfiq</i>      | 3564            | 16702      |
| -----               | <i>Tohk</i>          | 5787            | 24374      |

Visit Two: The second visit took place from 27–29 September. It focused on *Zoayda* village in the Naqada District to investigate the needs of the local community. DIFID staff accompanied the ENID team to discuss first hand with community leaders who identified sanitation specifically. They expressed their readiness to contribute in funding a sanitation project in their village. Following this visit, field work was interrupted due to administrative obstacles with Ministry of Local Development, preventing the ENID team from completing field visits to other Qena villages, notably the poorest villages of Qous, during October 2012.

Visit Three: The third visit took place from 3-4 December, focusing on five pre-school classes in *Dandara*. The Director of Program D met several times with teachers and supervisors., as well as with the Director of Pre-school Department in the Education Directorate. Pre-school classes in *Dandara* are implemented by a local NGO. An initial agreement was achieved between ENID and the NGO (Dandara Cultural Centre) to create other preschools as well as upgrade the existing ones, as it was observed that there was both a need and a desire to make more pre-schools available, evidenced by the waiting lists for enrollment. This area to be addressed is one example of ENID’s methodology to integrate activities synergetically (A Women and Youth - with Activity B - Social Franchising) and Activity D - Upgrading Basic Services in Rural Upper Egypt.

The justifications for implementing the preschool model in Dandara are as follows:

- Existence of the NGO partner in Dandara Cultural Centre (DCC). DCC has previous successful initiatives in pre-schools and will provide the location for implementing the first preschool initiative and health care center for mother and child. ٤
- Chances of success are high in this village, consequently, this will help ENID to evaluate the initiative as a potential BP and replicate in other places.
- In parallel with *Dandara*, ENID is planning to select another poor village to replicate the initiative. To date, ENID has shortlisted villages in *Qous*, must choose one of them upon some criteria such as existence of partner, availability of some facilities and the strong need for project.

ENID has identified the UNICEF model for pre-schools as an obvious candidate for replication and scaling up on behalf of four and five year olds in Upper Egypt villages. Existing UNICEF preschools are Best Practice and evidence of their value in introducing the notion of “equal opportunity” at the social level and enhancing the demand for, and incentive to send young children to these schools across villages where they do not exist. The model includes in-kind participation of village communities via space and structure provision.

### **D 3. Priority Identification of Problems:**

- Identification of 22 villages priorities in Dshna and Abou Tesht Based on reports of participatory needs’ assessment that was conducted by SCC in *Dshna* and *Abou Tesht*, the Director of Program D extracted the priorities of 22 villages. The top priority throughout was sanitation. Lack of sanitation in these villages leads to many problems, related to health, environment, agriculture and housing. The second pri-



ority was job creation, as around 70% of youth in these villages are unemployed. The need to innovative work opportunities, able to absorb the unemployed is imperative. The third priority was waste recycling. Finally, the villagers raised ideas around the need to revive some handicrafts and the establishment of small enterprises .See Annex D3 )

- *Conceptual framework and methodology of participatory needs' assessment* Before interruption of field work, five villages in the *Qous* district were identified to conduct participatory needs' assessment, besides the five poorest villages in the *Naqada* district. Villages of *Naqada* and *Qous* are located in South Qena unlike the villages which SCC focused on (*Deshna* and *Abou Tesht*) in the North. The participatory needs' assessment aims at identifying required basic services projects. The assessment also includes all assets in villages and how these assets can be well used to meet needs. The methodology of PNA adopts two approaches: assets mapping and stakeholders' analysis. The PNA budget was used as well as a field work plan. It is hoped to conduct the study in the first quarter of 2013.
- *Preparing a concept note for Program D* Through critical reading of available literature on upgrading basic services as vehicle for development, the concept note was formulated to define the goals of program D, its outcomes and activities (see Annex D4 ).
- *Building ENID network:* The ENID team in Cairo and Qena pulled together a network of local NGOs in urban and rural areas of Qena to promote their capabilities and build partnerships. The list of NGOs, distributed over all regions of Qena, are available in Annex D5 .
- *Integrated development in Program D:* The integration of interventions is key for ENID. A proposal was therefore developed to define some integrated services suitable to conditions in Qena villages. The proposal suggests two groups of interventions: the first group is preschool classes and a health care center for mother and child to provide educational and health services to mother and child together, while the second is a girls' education and vocational training center together, provide services for drop outs such that both education and vocation together enable them to find employment. (See Annex D6). The proposal was inspired by findings of two studies by UNICEF.<sup>8</sup>

An integrated package of interventions deals with the mother and child together, or with education and market skill formation together. A health care center for woman and child responds to the findings of child poverty and disparities in Egypt (UNICEF 2010) which indicates that education deprivation (and no source of adequate income) are closely related with health deprivation and food deprivation. The results of nationwide nutrition surveys suggest that the main problem among preschool child is stunting. Moreover, anemia is prevalent. The groups most affected are preschool children and their mothers. Deficiency of vitamin A and iodine is a problem. Rates of infant mortality and neonatal mortality in rural upper Egypt are 38.6% and 20.0% respectively against 14.9% and 11.2% for urban lower Egypt.

Health centers will focus on the aspects of deprivation through providing the mother and child with health care and health awareness. This is complemented by education and vocational training to promote employability and raised income levels.

#### **D 4. Sanitation: Identifying Best Practice (Howida Roman & Sahar Tohamy)**

A prominent best practice in Qena is the sanitation project in *Koum El Dabaa* village, in *Naqada* district,

<sup>8</sup> UNICEF: «Child Poverty and Disparities in Egypt” and “Trends of Child Poverty and Disparities in Egypt” 2010.

implemented through community efforts. ENID is gathering related information to document this practice and extract lessons learnt, using focus groups and in depth interviews to complete documentation in early 2013. (See Annex D7).

#### **A Comprehensive Sanitation System:**

Based on a meeting held at the Switzerland Embassy on Tuesday October 30<sup>th</sup>, 2012, the following project was discussed<sup>9</sup> in line with its relevance to ENID sanitation strategy.

This project addressed the deteriorated environmental conditions of targeted villages in Qena (Naqada) with regard a comprehensive sanitation system. The situation in Qena, as for the Upper Egypt area as well, is not good. The community suffers from handmade septic tanks that are not efficiently constructed and need regular emptying. For that, the system was to connect to already existing networks/sanitation system by providing a pump station in the desert by each village, and oxidation ponds.

The project was based purely on a donor-to-NGO agreement where they signed a Memorandum of Agreement/Understanding with the governor. The Governorate was assigned to co-finance through in-kind contributions such as easy access to affiliated companies/ local authorities.

One of the main strengths of this experience is the involvement of a local NGO along with the community in financing, designing, handling a sanitation system project. The community share was almost 20% of the total cost of the project. The NGO was invited to bid to design, construct and maintain the sanitation project through monthly user charges, in close collaboration with local communities. Along with the donor, they were to bear the capital costs for construction and the provision of water and electricity as well. Costs were significantly reduced by requiring that the bids of the NGO – which unlike the private sector contractors are not profit bodies – did not exceed the estimated cost.

#### ***The Role of the Kom El Dabaa NGO<sup>10</sup>***

The cross cutting nature of sanitation calls for clear definition and attribution of responsibility, roles and functions for each partner at each level in addition efficient inter-sectoral coordination mechanisms as follows:

- Early stage involvement in the project from the need identification to day to day monitoring of the project;
- Mobilizing community resources;
- Public Education/Awareness such as Mother-to-Child, impact on the health and hygiene of the individual;
- Services, Delivery and Management (operation and management O&M);
- Collecting fees for ongoing services;
- Advocacy to decision makers (advocacy for legislative/executive action).

#### **Challenges Facing the NGO in Providing Sanitation Services**

- The sustainability of the project such as the cost of maintenance, operation and management (running cost issue). Mainly the NGO will be unable to sustain the cost of maintenance and O&M. The *Kom El Dabaa* experience involved an endowment fund as one of the solution.
- Choosing the right management such as the Local Company as well as the NGO/ CDAs.
- Inability to administer land or access to land as the desert fringe or “Zahir Sahrawy” is considered state property or “Amlak Dawla”. The Local Company would have liked to take over the desert wood trees irrigated by the wastewater of the project.
- Lack of trust especially in collecting the fees from the households. (Public collectors versus NGO in partnership with the local company?).

<sup>9</sup> Project Duration: 3 years, Start Date: July 1<sup>st</sup>, 2002, Total Project Cost: LE 3, 958,634 ,Completion Date: June 30<sup>th</sup>, 2005, ESDf's Share: LE 3,158,634, Others Share: LE 800,000.

<sup>10</sup> Field work assessment to the NGO, the community and the project will be carried out during the 1st quarter of 2013.

- The financial burden put on the individual can be different from a community to another (requiring adoption of a flexibility method in the percentage collected from households).
- A system needed that cuts the role of the civil society, beginning with the financial burden put regarding the running cost, in case of force majeure to the contractual agreement between each party.

#### A Proposed Joint Policy Paper to the Ministry

“ENID and SDC/DBA have agreed to join efforts and work together on detailing a common set-up targeting small communities with the involvement of the civil society and where producing a joint policy paper dealing with the challenges facing the involvement of the civil society in such projects and how setting up a common system legally institutionalized to enhance their role.”

The appropriate mix of government, private sector, individual and civil society contributions are locally acceptable. All sectors have a part to play, and their part must be locally determined. This will require a different role and responsibility from civil society, given the characteristics and parameters of the current situation, and the practical and operational translation of the government’s commitment to sustainable development.

It is believed that the idea that a civil society organization maintains and operates a sanitation system in small sized communities is worth supporting. Designing systems that are appropriate for small sized communities, income level and adapted to existing local conditions are of an urgent need. Usually the system that offers affordable solutions to those communities is not likely to be served by public programs (master plans) in the next decade or two.

Civil Society organizations cannot afford sustaining the actual operation and maintenance finances in such projects unless they have the back up from the holding company and local authorities and this is where the affiliated companies have to pitch in as part of a contractual agreement defining the roles and responsibilities of each party.

Key issues addressed in this Paper include:

- The Role of the Civil Society in such project while identifying successful models (Best practices NGOs, donors and projects in that area).
- The challenges facing the involvement of the civil society in such projects based on lessons learnt from experiences on the ground. (One is *Kom El Daba* for instance).
- Challenges of the legislative and political environment (Constitutional amendments, reconsideration of some laws governing the civil work in Egypt)
- Promoting fiscal and administrative decentralization as a mean for more room to civil society organizations to participate in diverse activities.
- The setting of an institutional framework for sanitation projects that includes the participation of the NGO/civil society organizations as part of the agreement to define the roles and responsibilities of each party involved in the project. For example defining the responsibilities of local water company staff, governorate staff, public collectors’ dilemma, cost recovery, and so forth. (That is, strengthen the institutional mechanisms necessary for effective service provision/delivery)
- Technical assistance - Team of technicians (engineers) – high level of experts – assigned in the central holding company or the delegation of a company in the local community.
- A new set of guidelines for NGOs and CDAs contribution to environmental action: Drinking water and sewage/wastewater services to replace the old ones dated 2004.
- Brief description on low cost technologies/solutions tailored to small sized communities and how the civil society can pitch in.

We believe that this could be scaled up not only to the water and sanitation issue but also to a bigger picture on the role of the civil society as a catalyzing arm for the development of the communities. Advocating for the reconsideration of the NGOs 'law for instance (law 84/2002 – legislative framework regulating civil work in Egypt) given that the enforcement of the law is very weak and not enough.

### ***Meeting with Minister of Utilities (Drinking Water & Sanitary Services) September 17<sup>th</sup>, 2012***

Dr Ali Sherif Ex-Deputy Minister at the Ministry of Housing and Utilities in 2005-2010 also attended in his capacity as advisor the Minister of Utilities. Dr. Sherif has extensive knowledge of the sector's history and problems and was responsible for coordinating the water and sanitation portfolio in the Ministry of Housing and Utilities.

At the beginning of the meeting, a brief presentation on ENID was given, with an explanation on how upgrading of basic services as an activity relates to a more integrated socio-economic development approach that is orchestrated by the Governor of Qena, "Why Qena?" was answered.

The importance of sanitary services in the context of development especially for governorates of Upper Egypt was underlined and how ENID considered it one of the main service areas to work on in Qenalt was expected that the GOE's approach to the sector may be different after the January 25th Revolution, hence, the importance of knowing more details on the strategic direction of the government in this area.

As a result, the remainder of the meeting focused on the Ministry's plan to address sanitary services in general and rural sanitation in particular. The following is a brief summary of what the Minister presented as steps adopted so far. The sector is fortunate to benefit from expertise and previous experiences in the country over the past three decades attempting to solve this problem.

#### **Facts:**

- Proper sanitary service coverage at the national level is estimated to be 50% of population. Included in this estimate are urban areas as well as limited coverage of rural areas (10-15%).
- 85% of rural areas are covered until now by septic tanks and no public networks. Septic tanks, designed to serve individual families function properly without the need to resort to collection (natural evaporation of liquids and utilization of solid remnants, etc)
- These rural areas comprise over 4000 villages and over 25,000 small settlements ("Tab'e, Nag', kafr").
- The problem in rural areas is when resort to septic tanks is utilized to service multi-family houses. The limited capacity of tanks requires collection of waste water to be disposed by trucks, etc. in lieu of pipe networks.
- The Holding Company for Water and Sanitation is the overarching organization under which 24 local companies are located in each governorate; Only Canal Governorates are serviced by the Suez Canal Authority due to historical reasons.

#### **Pilot Experiences:**

Several pilot programs that relied on this approach relied on private operators to be responsible for transporting wastewater to collection/treatment stations. Implementation issues resulted in this setup, primarily for the following reasons:

- Charging families exorbitant fees for collecting wastewater, resulting in many families not being able to afford the cost of collection. Many families' wastewater is collected and left to seep into the groundwater system polluting village and eventually irrigation sources;
- Even for wastewater collected by private operators, disposing of wastewater in the nearest waterway is typical to cut on running cost, without sufficient monitoring from government and/or communities;

- Septic tanks receiving multiples of the designed capacity, hence creating leakages that further pollute

groundwater reservoirs even if wastewater is collected by private operators.

As a result, the current operation of most rural sanitation solutions result in bad service delivery, environmental and irrigation hazards, poor quality of living for the majority of rural households, and political pressures due the feeling that they are not necessarily on the political radar of policymakers.

**The Estimated Cost of Business-as-Usual Public Investment:**

Relying on the usual public investment approach in sanitary services (collection station, pipe network, treatment facilities) is estimated to cost at least LE 80 billion in today's prices and requires at least 10 years of implementation, even if the financial resources are available. In terms of Egypt's overall public expenditure priorities, the allocation of such funds to sanitary services is unlikely, hence the need to resort to more cost-effective solutions.

***Egypt National Rural Sanitation Strategy:***

The Ministry is currently revisiting the strategy for rural sanitation developed in 2008 with technical assistance from various donors (primarily USAID, I think). While the main technical framework and pillars of the strategy are still valid, the time needed and cost effectiveness of the strategy are re-estimated to ensure faster execution of the strategy resulting in speeding up the process of expanding coverage and access and reduces extensive surface and ground water pollution. (See Annex D8)

***Potential Cooperation with ENID in Qena:***

If the national direction is defined for rural sanitation upgrading, several activities will be conducted at the local level in all governorates not just in Qena. Participation of local authorities, youth organizations, NGOs, will be needed not just in the needs identification stage, but also in the behavioral and managerial accountability that the whole community will have to adopt since many of the managerial junctions will be crucial in maintaining the integrity of the system.

An issue that will be necessary to integrate in this area will be the employment creation potential that such an extensive program might have, not just in the construction of collection stations, treatment plants, etc., but also for management and operation (operators of the trucking – transportation network, septic tank maintenance activity, NGO personnel for oversight, education, assessment of inability to pay fees, and even in possible needs for manufacturing of inputs going into the activity. An obvious potential for feeding industrial inputs is insulation for septic tanks that ensures elimination of leakages. The potential for industrial production of inputs could be integrated in the strategic plan for Qena.

A meeting with the Head of the Qena local water/wastewater company responsible for proposing the integrated rural sanitation cluster for the Governorate in Qena. In March 2013, when together with the Governorate ENID can work on detailing the responsibilities of local water company staff, governorate staff, discuss issues of fees, cost recovery, subsidization of needy families, and choice of appropriate solutions that may differ from one location to another.

One of the successful NGO experiences in rural Egypt in general is the experience of *Kom El-Dabaa* (a village in Qena) where the community, with the assistance of an NGO, has designed, financed, and managed a small sanitary service network that includes a small treatment plant. The Minister suggests that ENID arrange with the NGO to document the experience and utilize it as one of the tools to be incorporated in the rural sanitation strategy for the cluster(s) to be developed for Qena. Possibly, Qena villages may be hooked to more than one cluster. This means that arrangements will have to be cross-governorate. Thus, solutions can entail the need for coop-

eration among governorates; an issue that will put more pressure on the managerial aspects of the framework.

#### **D5. Next Steps for ENID:**

- Follow up with the Ministry of Utilities on the results of their upcoming meetings with experts and donors;
- Arrange with Dr. Waleed Brekaa', manager of ENID's office in Qena, a visit to *Kom El-Dabaa* village and prepare a detailed documentation of the experience with emphasis on the management model and necessary community participation interventions at various stages of its operation;
- Meet with the local community in *Kom El-Dabaa* and discuss with them social solidarity solutions that were needed to ensure that all families benefited from the service irrespective of their inability to pay;
- Meet with the head of the local water/wastewater company in Qena and establish cooperation links with ENID in community mobilization and participatory feedback needed especially in the *marakez* where ENID operates;
- If the GOE adopts the strategic direction nationally, then ENID can be instrumental in ensuring that Qena is ready for immediate implementation;
- Utilize mapping of NGOs that ENID will conduct in various parts of Qena for youth and women empowerment for possible involvement in sanitary services as well, possibly developing guidelines that can be standardized for adoption by NGOs in the network of sanitary service delivery;
- Liaison with ENID's circle of general development-oriented donors and partners, beyond the circle of donors involved with the Ministry of Utilities on technical issues, to integrate into the participatory approach similar models for community participation in the design and operation of other services (solid waste management, health, literacy campaigns, etc.).
- Work with the Governorate of Qena to anticipate necessary feeding industries that can be established to service the sector and ensure consistent operation, maintenance, and possible production of parts, intermediates, etc. not just for the Qena market but also for other parts of Upper Egypt.

### **Program E: Administrative and Fiscal Decentralization (Mohamad Ramadan)**

#### **Objectives:**

A local economy and social assessment and identification of the prevailing business enabling environment of Qena governorate are essential for identifying priorities and bottlenecks related to infrastructure and other public goods and services, as well as for designing strategies for funding and implementing across ENID integrated programs and follow-up M&E. In the regrettable but unanticipated absence of LED contributions to governance objectives and to decentralization efforts, ENID has gone ahead with preliminary assessments that will help guide its programs and eventually form the basis of its Knowledge platform and data bank, once computerized equipment becomes available to it.

#### **E1. ENID Local Economic Assessment:**

Seventeen FGDs have been conducted over a duration of one week in Qena with several representatives from Qena's Diwan (governorate council) such as the Manager of M&E Department, government officials from GAFI, Ministry of Youth, and the Social Fund for Development, NGOs staff (chairmen, managers, and accountants,), unions and community associations, community leaders (mayors and *Sheikhs* of different villages), and private sector representatives.

A one-day workshop on investment opportunities and difficulties in Qena was held in Qena. Participants included different stockholders and partners from the public and private sectors, including industrial zone factories, landowners, NGOs, the trade and industrial chamber in Qena, as well as representatives from UNDP and DFID who partially attended. (Annex E1)

## **E2. Infrastructure & Basic Services:**

The M&E team, in cooperation with Program F produced a report based on the 17 workshops and the investment workshop that were conducted in Qena in the second half of 2012. (See Annexes E1 to E10)

*Drinking Water and Sanitation* : This sector faces several challenges such as poor access to *quality* drinking water, lack of maintenance of networks in some of *Naqada* district villages, and in *Markaz* Qeft. Like most Upper Egypt villages, Qena villages are not served with a comprehensive rural sanitation network, especially in small-sized low density communities. *Naga' Hamady*, despite its large size, is served with a partial sanitation network relying on septic tanks.

On the other hand, positives aspects were noted. About 90% of Qena City population have access to drinking water. A few efficient initiatives include the initiated waterworks in *Qeft* and *Naqada*. *Kom el Dabaa's* comprehensive sanitation system underlines the urgent need for community participation elsewhere, as well as the participation of civil society organizations in providing rural sanitation services.

*Health Services*: The health sector in Qena, compared to Luxor and Aswan governorates, is of low quality. Hospitals are not well equipped in terms of well-trained doctors, lack of several specializations, pharmaceuticals, electric generators, number of beds, as well as few doctors relative to the high number of patients who require services from the public hospitals of Qena. Up-to-date medical equipment is also missing. A Faculty of Medicine at the South Valley University has recently been set up, and this may alleviate the shortage of doctors.

There is also a lack in the number of qualified nursing schools (only 9 schools in the whole governorate, specifically in 3 villages), as well as nurses' low wages and monthly incentives. One of the main challenges is the cultural aspect of nursing employment in this highly conservative governorate. The number of girls allowed by their families to work is low, working a night shift is minimal, especially for married young women. There is a need to provide young men with more incentives to join the nursing profession.

The existence of Medical Council managed by the governorate, and two blood banks and one regional blood bank, are of a potential added value for the sector, if upgraded and well utilized, especially with regard public hospitals. Private sector participation in the health services does not exceed 17% although private/public opportunities could focus on the improvement of services. Other opportunities and recommendations include the initiation and equipment of a regional pharmaceutical center that would serve not only Qena governorate, but also Luxor, Aswan and the Red Sea Governorates. Egypt's pharmaceutical industry is well developed and could contribute to this project. There is a need to provide a strategic stock of pharmaceuticals to public hospitals with a minimum average life of 3 months.

*Electricity*: Dual-operational entities serve the Electricity Plan in Qena Governorate. These are the Governorate Plan in what concerns the generators and street lightening, and the Electricity Authority Plan that works independently. However, the electricity is not a big issue in Qena as it is available almost all over the governorate, so interventions would be upgrading the service and does not appear to be a top priority.

*Roads and Transportation*: The road network across Qena is adequate but needs regular maintenance and more lighting. Secondary roads linking villages are often unpaved. The main challenges are a low budget and the inefficiency of local councils. The absence of a two-way desert highway from Assuit to Aswan, passing through Qena limits the capacity of goods vehicles, and a more efficient exchange of produce between these governorates. The Nile is underutilized for transportation purposes. Other challenges include needed street paving of some villages, especially in Naqada, bridges for pedestrians and for vehicles over railway lines (in

Nagaa' Hamady *markaz*, for example), and upgraded or new railway tracks and crossings.

Housing: No urgent housing problems or complaints were documented through the investigation. However, the recent practice to replace adobe (traditional mud brick) with redbrick and concrete construction in villages has meant a loss of the insulation provided by the former, and significantly reduced the livelihood of traditional brickmakers. Growing populations and new housing needs have eaten into valuable agricultural land and the desert fringe is underutilized for such expansion. The cost of housing has also increased with inflation.

Education and employment generation: Qena faces several problems; the most important of which is the lack of enough schools and classes to absorb the number of students over the different educational levels, from preschool to high-school level. This barrier exists in many villages such as *Qous, Abou Tesht, Waqf, and Naqada*.

Technical education relies on theoretical teaching rather than practical approaches, in the absence of equipment and necessary participation of students in technical workshop. Vocational training is unfortunately seen as a low status second chance path. Location of specialized schools often take place in rural areas near the farms, excluding the participation of girls. Positive aspects include a center to provide students and graduates trainings and access to labor market, initiated by South Valley University. Other public and private trainings centers have come into being recently, including services provided by NGOs. This new expansion of technical education has great potential for workshop participation. A study on market demand and supply was conducted a year ago by the office for labor market and immigration in the governorate, with emphasis on migrant labor skills, and the partnership between technical schools and the private sector such as STEPS 2, GILO, ERP all aim at improving the quality of education.

ENID will promote empowerment of career guidance offices in universities. Reviving traditional handicrafts through specialized training is part of its program, as well using the premises of schools as handicrafts training centers for girls afternoon or in the summer.

Industry and Investment: Investors, members of the General Authority for Investment GAFI, receive incentive facilities in registration and exports related activities. Qena is distinguished by the availability of several labor-intensive industries that could be developed such as in Aluminum and Sugar Cane derivatives. There is room and need for more large industries if greater employment opportunities are to be created. These could be in agri-food and clothing. Mining in the desert fringes needs approvals and licenses from the Armed Forces. The Social Fund for Development provides Micro and Small loans and facilities supporting Qena entrepreneurs. In this context, several opportunities for investment were noted, such as the usage of aluminum extracts in other industries, paper recycling and dairy products. *Markaz* Qena is well known for promoting small and medium enterprises, but such enterprises face marketing challenges such as upgrading quality to meet new taste, creating new demand for dying handicrafts, introducing new skills, and a lack of expertise of potential entrepreneurs receiving loans for their start-up companies.

Several opportunities were noted to activate the private sector role in Qena, such as the possibility of preparing the nearby Red Sea Port of Safaga for shipping and transport of containers. This could decrease the cost of transport and empower the private sector to compete or invest in industry. Tourism and Qena's proximity to Luxor and Aswan as well as to Safaga resorts and diving facilities have hardly been exploited. Several private business companies in the governorate are certified with the ISO certificate. However, to benefit from such opportunities, it is important to overcome the complexity of administrative procedures, the non-registration issue, the system of taxation for existing factories, frequent labor unrest and strikes, fuel oil crises, and the unavailability of good quality wheat for mills to ensure basics such as bread, and therefore stability.

Youth Centers: There is a clear fiscal and technical lack in the development of youth centers in Qena where



almost every youth center in any village is underutilized from the equipment of the center to the curriculum provided. Such youth centers should be employed in providing trainings, literacy classes, entrepreneurship curriculum, etc.

*Civic Engagement:* There is general lack of awareness on the role and responsibility of an NGO and on volunteerism. Civil society organizations are facing difficulties raising funds, in sustaining the actual operation and maintenance costs. NGOs are not fully involved in social and community services, sometimes seeing this as purely philanthropic work. The appropriate mix of government, private sector, individual and civil society contributions is locally accepted. But there is the urgent need for monitoring partnerships with other stakeholders. Political interference and manipulation is a growing concern, particularly among the poorer population. This could be addressed by activating and upgrading the role of CSOs, by removing bureaucratic barriers that hinder their performance, as well as by empowering NGOs' governing boards, mayors, city and village councils. These are issues of fiscal and administrative decentralization.

## **Program F: ENID Tools** (Mohamed Ramadan and Gillian Potter)

### **Objectives:**

A local economy and social assessment and identification of the prevailing business enabling environment of Qena governorate are essential for identifying priorities and bottlenecks related to infrastructure and other public goods and services, as well as for designing strategies for funding and implementing across the five ENID integrated programs and follow-up M&E.

### **Constraints on Achievement**

In the regrettable but unanticipated absence of LED contributions to governance objectives and to decentralization efforts, ENID has gone ahead with preliminary assessments that will help guide its programs and eventually form the basis of its Knowledge platform and data bank, once computerized equipment becomes available to it.

Under normal circumstances, ENID tools are a knowledge baseline and an adjunct to conceptualization and identification of the issues, documentation and use of inputs from various disciplines, recognition of stakeholders, development of methodology, application and M&E, communication, dissemination and advocacy activities in all their forms, addressed to the appropriate target. In 2012, many of these objectives were seriously curtailed as a result of ongoing conditions in post-revolutionary Egypt. These obstacles included reluctance at the local administrative and central levels to provide access to data, or to restrict data collection, and the RABET (LED) program discontinued with no indication if or when it could be resumed.

## **F1: Information and Data Collection** (Mohamed Ramadan)

### **Information Infrastructure:**

The ENID team prepared for a survey for gathering the major data and information on Qena's villages and markaz, namely an essential baseline survey. In this regard, the following activities had been implemented:

- A series of meetings were carried with RABET<sup>11</sup> project, which concluded by including ENID's suggested baseline survey within the context of the national information system. Through these meetings, the baseline questionnaires<sup>12</sup>, which were prepared by the M&E team, were revised and agreed by RABET

• **The M&E team** built the guidance manuals for the baseline questionnaires. These guidance manuals were

<sup>11</sup>RABET is a joint project between MoLD and UNDP. It works on building the technological infrastructure that allows the governorates Information Centers to be connected to a central database warehouse. Hereby, the collected data and information can be collected at the local level, and be stored and processed at the central level. In addition, the mentioned system will produce a reporting system that allow the central and local decision makers at different measures to use the different and wide type of reports.

<sup>12</sup> The baseline questionnaires were prepared by ENID M&E team as mentioned in the previous progress report.

- also discussed with the RABET project. (See Annex F1 to 10).
- ENID and RABET estimated the budget for the baseline survey.
- A draft version from the Memorandum of Understanding was prepared and discussed with RABET.
- Moreover, a set of meetings were held with ORDEV to allow ENID's access to the Governorate Information Center. During these meetings ORDEV, RABET and ENID agreed on using the baseline and M&E surveys that were designed by ENID for the national M&E infrastructure. ORDEV and RABET asked ENID to extend the use of the M&E system of indicators and reporting system, to be designed and used in Qena, for use over the rest of Egyptian governorates.
- Unfortunately, activities were stopped for RABET and ENID by the Minister of Local Development instructions.
- In that context, the M&E team started to communicate with: IDSC, CAPMAS and some ministries of interest to gather the required information, which unfortunately is not disaggregated, but attempts were made to accommodate with the adverse situation.
- During Egypt's Constitutional Referendum, Qena's governor responded to the right of access to information by allowing ENID's M&E team to collaborate with Qena Information Center for the purpose of establishing Qena's Investment Map, (See Annex F2.).

#### **Building Capacity for Local Teams:**

Two training workshops were held in Qena. The first training session was conducted over two days, which aimed to build the local team capacities in the areas of data collection and the concept of M&E systems. The second workshop was over a day, which aimed to build the local team capacities in the area of qualitative studies. The participants in these workshops were from the Governorate Information Center.

#### **Community Exploration and Identification:**

Based on pre-designed tools for the qualitative focus group discussions, a number of 17 focus groups were made over a week of field work in Qena. These focus groups were designed to meet with government representative from Qena's Dewan and some other government institutions, e.g. GAFI, in addition to NGOs, unions and community associations, community leaders and private sector. A workshop on investment opportunities and challenges in Qena was executed in Qena, with participation from different stockholders and partners such as government and private sector representatives, NGOs, trade and industrial chamber in Qena and representatives from UNDP and DFID. (See Annex F1)

#### **Reporting System:**

The M&E team has been working on two main reports, which are:

**Qena Fact Sheet** aiming to produce a wide information report based on a database of Qena's statistics. This report/database is considered an alternative for the baseline survey and can be used for the proposed M&E system that ENID will establish over the next year, 2013. (See Annex F1).

**Qena Investment Map** based on ENID Workplan 2012, and also as a result of the re-affiliation of ENID with the Ministry of International Cooperation, the M&E team and the Governorate Information Center (*Diwan El Am*) are working together to produce a detailed investment map for Qena presenting Qena's strengths and opportunities for national and international potential investors. (See Annex F2).

#### **F2: Dissemination and Media Support** (*Gillian Potter*)

ENID in its proposal, under the so called "Knowledge Platform and Data Bank" assured to build an integrated

online knowledge platform that provides available data and analysis to close knowledge gaps, facilitate the benchmarking and review processes, and promote dialogue and information on best practice (see Annex F3). These tools are to combine secondary spatial data 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.

Aiming at spreading effective good practices across Egypt, ENID is poised to invest in leveraging the roles of information technology as well as apply the tools and practices of knowledge management, advocacy and training. The goal is not only to identify best practice and adapt it for franchising use, provide training support material such as manuals, record on film and via documentation the processes and end results of pilots for the 45 ENID products including appropriate M&E recommendations. This to enable not only beneficiaries on the ground, but also NGOs, government and development agencies in relation to policy recommendations, illustrated best practice and information and data on sources of international successful initiatives.

From a practical perspective, funding was suspended from mid July through to end December 2012, and ENID was unable to equip its offices with computers and other equipment necessary to establish an electronic knowledge base or data bank. Website and email address were delayed until funding would become available. Under these conditions, a corporate identity was developed electronically, but no standard hard stationary produced. A few promotional items for the three programs initiated were produced (leaflets, certificates and posters). Monitoring, evaluation and quality control were left to a later date, as were the production of manuals or support publications.

On a promising note, a versatile design consultant and a full service communications agent were interviewed and approved by ENID, after a lengthy elimination process. These must yet receive the approval of UNDP to their appointed as consultants on a needs basis.

