



©IFAD

Investing in rural people in **Egypt**

Rural poverty in Egypt

Since 2011, Egypt has been experiencing political upheaval and social unrest due to the lack of economic opportunities and political inclusion. These developments have adversely affected the Egyptian economy and people's livelihoods.

Growing income inequality and persistent rural-urban disparities are the most critical challenges. Unemployment rates remain high especially among young people and women in rural areas. Indeed, more than three quarters of the unemployed are between 15 and 29 years of age.

Agriculture provides livelihoods for 55 per cent of the population and directly employs about 30 per cent of the labour force. In rural households, 42 per cent of total income comes from non-farm sources, 25 per cent from agriculture and 9 per cent from livestock. The remaining 24 per cent comes from transfers, remittances and rental incomes. Thus, any attempts to reduce poverty in Egypt must address both farm and off-farm sectors.

Most of the poor rural people live in Upper Egypt, where there are higher rates of illiteracy and infant mortality, less access to safe water and sanitation and more underweight children. According to the Central Agency for Public Mobilization and Statistics, around 51 per cent of the people living in rural areas in Upper Egypt are poor. Although most people in Upper Egypt depend on agriculture for their



55 per cent
of the people in
Egypt depend on
agriculture for their
livelihoods

livelihoods, smallholder farming does not provide them with sufficient food security and income. Nonetheless, Egypt is on track to achieve most of its Sustainable Development Goals (SDGs) and falls into the medium human development category.

Eradicating rural poverty in Egypt

Egypt has committed to reducing poverty through sustainable economic growth, income distribution and social development policies. Its main priority is to create more employment opportunities. Its multi-pronged strategy focuses on:

- Economic growth to increase income and job opportunities
- A more efficient agriculture sector, with an emphasis on improving water and land utilization to enhance yields, income and food security for the poor
- Human development to raise poor people's capabilities through education, health care, nutrition and social initiatives
- Women's advancement and closing the gender gap
- Safety net measures for the poor, especially poor women
- Participatory governance

The Government of Egypt has been providing land to unemployed graduates and households that have been displaced due to changes in land tenure arrangements. It is also addressing growing poverty and inequality. Its main goals are to attain higher GDP growth rates, maintain a broad macro-economic balance and broaden the economy's capacity to absorb labour.

IFAD's strategy in Egypt

Egypt is IFAD's largest recipient of financial assistance in the Near East and North Africa, and was one of the first countries to receive IFAD financing. Since 1981, IFAD has committed US\$455.6 million in financing to support agricultural development and reduce rural poverty in Egypt, benefiting about 1.2 million poor rural households.

In total, IFAD has invested in 13 agricultural development programmes and projects – with a total cost of US\$829.1 million – designed in collaboration with smallholders, the government and other partners in Egypt. Nine of the projects have been completed and four are ongoing. They aim at improving the incomes and living conditions of small-scale farmers and their communities, and influencing public policy on land tenure and land settlement systems.

One of IFAD's ongoing projects supports Egypt's considerable investments in reclaiming large areas of desert land (known as "newlands") for distribution to poor rural people. The project provides crucial post-settlement and agricultural support services that make farming viable. Its main objectives are to:

- Adapt technologies from agricultural research in the Nile Valley and Delta "oldlands" to conditions in the newlands
- Use water more efficiently and make irrigation systems more sustainable
- Increase the attention given to off-farm enterprises
- Facilitate the provision of financial services to small-scale farmers in the newlands
- Support marketing and agro-processing

Three of the most recently implemented IFAD projects in Egypt promote markets by linking small-scale producers to exporters and processors. They also seek to use water resources more efficiently by improving farm irrigation in the oldlands.

Several IFAD projects are testing contract farming arrangements where smallholders produce non-traditional, high-value horticultural crops for export. Working through community development associations, these projects also support microfinance initiatives. They aim at creating sustainable employment by nurturing small and medium-sized enterprises and empowering poor rural people.

Ongoing operations

Promoting Resilience in Desert Environments (PRIDE)

The project is focused on reducing poverty and enhancing food and nutrition security through remunerative, sustainable and resilient livelihoods in climate-change-affected areas. It aims to improve the productive capacities of poor rural households and the productive potential of newly reclaimed lands, thereby enhancing nutrition and the socio-economic status of women and children, in particular. The project has two components: climate-resilient livelihoods and integrated nutrition-sensitive investments.

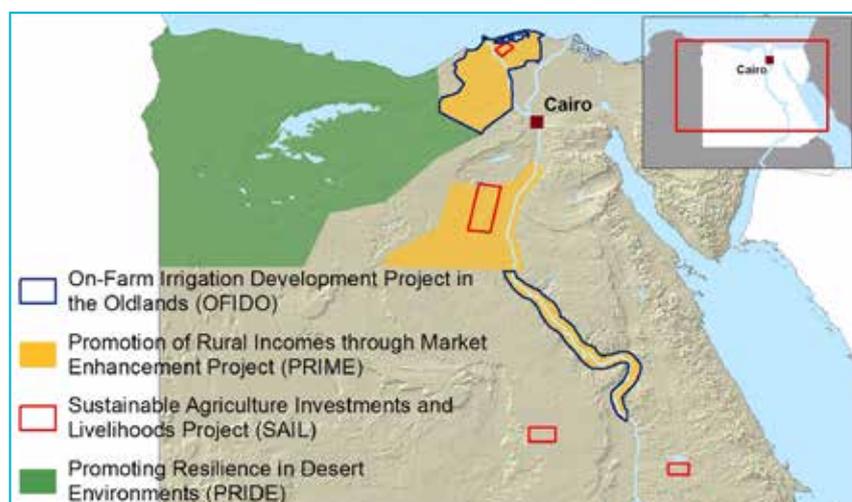
The first component revolves around water for agriculture and watershed management; roads and infrastructure; livestock and rangeland development; and crop production. The second component supports the promotion of gender equality and women's empowerment by providing a comprehensive package that includes access to domestic water and sanitation, nutrition-sensitive interventions and social infrastructures. The project's activities are concentrated in the Matrouh Governorate and include specific interventions for the coastal areas from Dabaa to El Salloum, as well as in the Siwa Oasis and El Moghra in the Al Alamein District. While PRIDE is expected to directly benefit approximately 36,000 households, or 216,000 individuals, the target group is the entire population of the Governorate, which is estimated at approximately 450,000 people or 60,000 households.

Egypt has invested in reclaiming large areas of desert land for distribution to the rural poor

Promotion of Rural Incomes through Market Enhancement Project (PRIME)

The project focuses on seven governorates: Qena, Sohag, Assiut, Minia and Bani Seuf in Upper Egypt, and Beheira and Kafr el-Sheikh in Lower Egypt. Its target groups include smallholder households, landless laborers with rudimentary education and no access to agricultural land, unemployed youth, women and households headed by women, and small and medium-scale entrepreneurs.

The project's goal is to contribute to the reduction of rural poverty in Egypt. Specifically, it seeks to increase the incomes of 50,000 rural households by integrating them into agricultural value chains.



On-farm Irrigation Development Project in the Oldlands (OFIDO)

This project aims to increase the efficient use of water resources threatened by climate change, population growth, industrialization, increasing pollution and poor water management.

It also seeks to improve the livelihoods of smallholder farmers cultivating an average of 3 feddans (1.26 hectares) of land, landless people, unemployed young people and members of women-headed households. Project investments are expected to generate seasonal and part-time work for more than 21,000 poor rural people in the Upper Egypt governorates of Assiut, Qena and Sohag, and the Lower Egypt governorates of Kafr el-Sheikh and Beheira.

Project activities focus on building capacity in water users' associations, rehabilitating irrigation infrastructure to service around 12,000 hectares of land, introducing water management systems, supporting marketing associations and increasing incomes and employment in small businesses and microenterprises.

Sustainable Agriculture Investments and Livelihoods Project (SAIL)

The project builds on the successful West Noubaria Rural Development project and is implemented in Upper Egypt (Minia, Bani Souef and Aswan) and Lower Egypt (Kafr Sheikh).

It targets new settlements with a total population of around 40,000 rural households or 280,000 people. Activities include developing institutions, rehabilitating infrastructure and working with local communities to improve access to social and productive services.

Its overall goal is to reduce poverty and increase food and nutrition security for poor rural women and men. It will do this by building smallholder farmers' capacity to enhance their incomes, increase profits and diversify their livelihoods.

The total project costs are US\$94.6 million, broken down as follows: (i) an IFAD loan of US\$63.2 million; (ii) an IFAD grant of US\$1.4 million; (iii) an Adaptation for Smallholder Agriculture Programme (ASAP) grant of US\$5 million; (iv) a Global Environment Facility (GEF) grant of US\$7.8 million; (v) a Government of Egypt contribution of US\$15.2 million; and (vi) a beneficiaries contribution of US\$2 million.



©IFAD/Marco Salustro

IFAD has invested in rural people for 40 years, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$20.4 billion in grants and low-interest loans to projects that have reached about 480 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

Contacts:

Dina Saleh
Country Director
IFAD
11, El Eslah El Zerai St., 9th floor
Dokki, Cairo, Egypt
Email: d.saleh@ifad.org



International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

[facebook.com/ifad](https://www.facebook.com/ifad)
[instagram.com/ifadnews](https://www.instagram.com/ifadnews)
[linkedin.com/company/ifad](https://www.linkedin.com/company/ifad)
twitter.com/ifad
[youtube.com/user/ifadTV](https://www.youtube.com/user/ifadTV)

November 2018