

Country: Egypt

UNDAF Outcome(s):

UNDAF Outcome 3: By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved.

Joint Programme Outcome(s):

1. Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.
2. Entrepreneurial forms of organization established by small farmers.
3. Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE.

Prog/project Title: "Pro-Poor Horticulture Value Chains
In Upper Egypt"

Programme/project Duration: 36 Months
(Start/end dates):_January 2010- Jan 2013

Fund Management Option: Pass Through

Managing or Administrative Agent: MDTF
(if/as applicable)

Total estimated prog/project budget (including F&A):

7,499,704 USD

Out of which:

1. Planned resources:

- UNDP 3,246,561
- UNIDO 2,521,455
- ILO 1,005,800
- UNIFEM 725,888

2. Unfunded budget: _____

Acronyms

AA	Administrative Agent
ACDI/VOCA	Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance
AERI	Agriculture Exports and Rural Incomes
ALEB	Agriculture-Led Export Businesses
APRP	Agricultural Policy Reform Program
ATUT	Agriculture Technology Utilization and Transfer
AWPs	Annual Work Plan
BDS	Business Development Services
CARE	Cooperative for Assistance and Relief Everywhere
CEDAW	Committee on the Elimination of Discrimination against Women
CPAP	Country Programme Action Plan
CSOs	Civil Society Organizations
EHDR	Egyptian Human Development Report
ETRACE	Egyptian Traceability Centre for Agro-Industrial Exports
EYB	Expand Your Business
F&A	Facilities and Administrative
FAO	Food and Agriculture Organization of the United Nations
FAs	Farmers' Associations
GAFI	General Authority for Investment
GDP	The Gross Domestic Product
GES	Gender Equity Seal
GOE	Government of Egypt
GSB	Growing Sustainable Business
H, S, M, N Risk	High, Substantial, Modest & Negligible Risk
HACCP	Hazard Analysis and Critical Control Point
HEIA	Horticulture Export Improvement Association
HQ	Head-Quarters
IDSC	Information and Decision Support Center in Egypt
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMC	Industrial Modernization Center
ISO	International Organization for Standardization
ITASU	Industry and Trade Advisory Support Unit
JP	Joint Programme
JPD	Joint Programme Document
JPM	Joint Programme Manager
KAB	Know About Business
M & E	Monitoring and Evaluation
MDG	Millennium Development Goals
MDGF	Millennium Development Goals Fund
MDGI	Millennium Development Goals Indicators
MDGR	Millennium Development Goals Report
MDTF	Multi-Donor Trust Fund
MOI	Ministry of Investment
MOSS	Ministry of Social Solidarity
MSME	Micro, Small and Medium Enterprises
MTI	Ministry of Trade & Industry
NARP	National Agricultural Research Program
NGO	Non-governmental organization
NHDR	National Human Development Report
NSC	National Steering Committee
PBDAC	Principal Bank for Development & Agricultural Credit
PHCs	Post Harvest Centers
PMC	Programme Management Committee
PMF	Programme monitoring Framework
PMU	Project Management Unit at The Ministry of Trade & Industry

QED	QED Group, LLC
RC	Resident Coordinator
REAP	Rural Enterprise and Agriservice Project
SBAA	Standard Basic Assistance Agreement
SC	Steering Committee
SFD	Social Fund For Development
SIYB	Start & Improve Your Business
SME	Small & Micro Enterprises
SOEs	State-Owned Enterprises
SPS	Sanitary and Phyto-Sanitary
SYWRB	Start Your Waste Recycling Business
TA	Technical Assistance
TBT	Technical Barriers to Trade
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNWTO	United Nations World Tourism Organization
UPL	Universal Price List
USAID	U.S. Agency for International Development
WED	Women Enterprise Development
WFP	World Food Programme
WIND	Work Improvement in Neighbourhood

Table of Contents

1. Executive Summary	5
2. Situation Analysis	6
3. Strategies, including lessons learned and the proposed joint programme	10
4. Results Framework	17
5. Management & Coordination Arrangements	27
6. Fund Management Arrangements	30
7. Monitoring, Evaluation & Reporting	32
8. Legal Context or Basis of Relationship	39
9. Work Plan	40
10. Budget	40

1. Executive Summary

Egypt's recent economic growth has not sufficiently been pro-poor. Rather, poverty has expanded, especially in rural Upper Egypt which is facing two mutually reinforcing problems; one that has to do with the overall efficiency of the value chain, and the other one has to do with the marginalization of the majority of small landholders. The **purpose of the programme** is to promote viable equitable partnerships between small farmers and private sector investors in efficient pro-poor horticulture value chains in three locations in the poorest Upper Egyptian Governorates. This shall be accomplished upon achieving the following outcomes:

1. Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.
2. Entrepreneurial forms of organization established by small farmers.
3. Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE.

Previous donor assistance has organized small farmers in some locations in Upper Egypt in farmers' associations (FAs). The Programme shall select three local FAs; one in each governorate, representing 800 - 1000 small farmers growing horticultural crops from amongst the poorest governorates of Assiut, Sohag, Minya, Beni Suef and Qena. Some of these associations have established Post Harvest Centers (PHCs). The programme shall facilitate cost sharing arrangements between the small farmers and private investors to establish new PHCs or improve existing ones. The programme shall broker/facilitate partnerships between the small farmers and different kinds of private investors (exporters, domestic retailers, touristic facilities...etc.), by virtue of which the private investors shall:

- Purchase via forward contracts the crops of the small farmers at fair prices.
- Through a management contract with the FAs field professional management for the PHCs.
- Train FA staff in PHC management.
- Supervise the provision of various extension services to the small farmers.
- Co-invest with the small farmers in upgrading the PHC, if needed.

The programme shall support small farmers through supporting their Farmers Associations (FAs) to deliver needed business services (information services, legal and contractual advice...etc.) thus enabling them to participate in the governance of the supply chain. The programme shall also support the entrepreneurial development of small farmers, through raising their business awareness and skills and supporting their incorporation into entrepreneurial forms. In addition, the programme will also help in developing agro-industrial value-adding activities based on local crops (possibly in cooperation with FAO). Finally, utilizing lessons learned and best practices, the programme shall engage with the GOE in a policy dialogue over constraints facing pro-poor private sector-based growth in Upper Egyptian horticultural sector. Having the PMU situated within Ministry of Trade & Industry, together with the partnership of the Ministry of Investment, will have the added effect of creating an information and knowledge hub that would in turn inform policy making and investment promotion efforts.

This programme contributes to the UNDAF Outcome 3: "By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved". The programme also contributes to eradicating extreme poverty and hunger (MDG-1) by primarily targeting poverty pockets in areas with more than 65% vulnerability rank¹. The programme further promotes gender equality (MDG-3) (women are officially registered at below 18% of the work force while in reality accounting more than 75%

¹ World Food Programme Vulnerability Map of 2007 and 2008 Upper Egypt

of the labor force in agriculture); and developing global partnership for development (MDG-8). It is also worth noting that the programme, will contribute to ensuring environmental sustainability (MDG-7); as tracing agricultural products has a positive impact on the environment and the quality of the produce. In addition, shifting the farmers' attention to serve higher quality markets and export markets will lead them to cleaner production (organic or just with monitored levels of pesticides). This programme is also in line with the current GOE orientation towards giving a priority to Upper Egypt in the investment and development programmes. Furthermore, with the GOE's realization that recent economic growth has not been sufficiently pro-poor, the programme will assist the government in its efforts to promote equitable growth.

2. Situation Analysis

Despite its achievement of obvious macroeconomic improvements, Egypt's recent economic growth has not been sufficiently pro-poor. In fact the percentage of poor persons of the total population has increased on the aggregate from 16.7% in 1999/2000 to 19.6% in 2004/05. As a matter of fact, the expected reduction in poverty given the actual growth rate should have been in the order of 30 percent. However, Egypt has only witnessed an 11 percent reduction in poverty. The remaining 19 percent constitutes a dead weight effect due to inequality.² Poverty was much more pronounced in rural Egypt than in urban Egypt, and in Upper Egyptian than in urban, frontier, or lower Egyptian governorates. While Upper Egypt represents 25% of the population, its share of the extreme poor is almost 66%, with almost 95% of the poorest villages. Six out of the eight governorates unlikely to meet the MDG target on poverty, are located in Upper Egypt. Rural Upper Egypt in specific suffers from a high incidence of poverty that captures almost 40% of the population³. Meanwhile, "international aid was not geographically distributed in proportion to the regional distribution of poverty. The five poorest governorates of Assiut, Beni Suef, Suhag, Minya, and Qena have poverty rates ranging between 61% and 33%, but received between 5.6 and 2.2% of aid directed at eradicating poverty"⁴.

Similarly, improvements in labor market conditions were largely limited to wage and salary workers, while conditions of the self-employed and non-wage workers in household enterprises and farms have deteriorated. Accounting for over 36% of total employment in 2006, the latter witnessed a decline in their real earnings over time. The percentage of wage earners in the workforce has steadily declined from 63% in 2001 to 31% in 2006.⁵ In fact, household enterprises, especially family farms, have recently absorbed excess labor in Egypt's labor market, with one third of new entrants employed as unpaid family workers. However, this labor absorption role came at the expense of higher incidence of marginal employment, lower productivity, and hence lower earnings⁶. Poverty incidences among unpaid workers, especially those in rural areas, are nearly three times as high as those of wage workers in urban areas. Here it is worth noting that women are most likely to get involved in non-wage employment in household economic activities and non-wage family agricultural employment. The global economic and financial crisis is expected to compound the above situation. It is expected that the resultant decline in GDP growth will curtail the ability of the economy to create new jobs. It has been estimated that the reduction of GDP growth from 7.5% in the first half of 2007-08 to 5.0% in the first half of 2008-09, i.e. by 2.5 percentage points, will result in the decline in employment opportunities by 1.6 percentage points, or 348,000 jobs.⁷ IDSC estimates that expected some 250,000 migrants (largely

² World Bank MNA Fast Brief , February 2009 · Number 21

³ EHDR 2005 & 2008

⁴ EHDR, 2008

⁵ EHDR, 2008

⁶ EHDR, 2008

⁷ Based on Manal Metwaly and Nihal El Megharbel , The Economic Crisis and its Impact on the Industrial Sector in Egypt, paper presented to the Conference on "The Social Impact of the Global

unskilled labor) are expected to return to Egypt. These are likely to return to rural villages from where they migrated; thereby increasing the supply of unskilled labor. This suggests the expansion of marginal employment along the aforementioned lines of lower productivity and earnings.

The latest poverty assessment report revealed that "agriculture was the main engine for poverty reduction, despite its lower than average growth rate. Over one half of all movements out of poverty during 2005-2008 were accounted for by those employed in agriculture, the elasticity of poverty with respect to the growth of value added in agriculture (around 3) is largest among all sectors of the Egyptian economy"⁸. This points to the strong poverty alleviation potential of the sector.

In agriculture, non-wage work is more likely to be more prevalent in small family-owned landholdings preponderating agricultural land⁹. One important reason for the widespread poverty in rural Upper Egypt, especially among non-wage workers of small farms is the lack of sufficiently integrated agribusiness value chains that effectively and equitably integrate small landholders, especially poor farmers. The special nature of Upper Egypt is that 65% of its agriculture value comes from holdings less than 5 feddans (1 feddan = 4200 square meters) and landless labor. A recent study conducted by UNIDO's ETRACE (Egyptian Traceability Centre for Agro-Industrial Exports) programme revealed that the average plot size in Beni Suef was 1.1 feddans and in Minya and Qena 1.3 feddans¹⁰. While increased exports were improving for some 40 top exporters, this did not add value to small and marginalized growers and processors. Meanwhile, the horticulture value chain in Upper Egypt is marked by a high degree of inefficiency. It is estimated that 60-70% of the crops are lost due to supply chain gaps that primarily affect small producers. Despite resource potentials, inaccessibility is induced by gaps along the supply chain, which if closed can lead to improved livelihoods for rural communities. The supply chain is constrained by a transportation and storage system that is very damaging to product quality. It is estimated that up to 40 percent of total production of highly perishable products are damaged or lost in transit and handling. This is the result of poor packaging, lack of cold chain facilities, rough transport, and multiple handling. The impact of this on the food industries is inconsistent and causes poor quality supply. The impact on consumers is higher retail prices and lower quality than would be the case with proper post-harvest handling.

In recent years a total number of at least 150 agribusiness associations have been established with the help of donor-funded programmes. However, only a few of them have reached a state of sustainability and professional management of business activities. They still need further technical assistance and capacity building to run contract farming and post harvest activities. These associations have a strong potential for providing competent services, but with the need for substantial assistance to reach sustainability. Although initial assistance has been provided, these associations still have technical and managerial gaps that have to be reduced in order to enter into a mature business phase.

Supported by the governmental directions, there have been recent developments in the infrastructure related to the agribusiness sector in Upper Egypt. In total, there exist more than 20 post harvest facilities in addition to a larger number of cold stores distributed in different areas in Upper Egypt, part of them owned by private investors. Two cooling facilities have been established in Wadi El Saida, Aswan. USAID has also funded the design, construction and initial operation of three packing houses, which it conveyed to three newly formed civil society associations located in Beni Suef, Menia, and Qena governorates. Enhancing the

Financial Crisis on the Egyptian Economy, and Means of Confronting It", Cairo University, 12 April 2009, (Arabic), p34.

⁸ World Bank, Economic Growth, Inequality and Poverty: Social Mobility in Egypt between 2005 and 2008, April, 2009.

⁹ Farm sizes in Egypt are generally small, averaging less than 2 feddans. It is estimated that nearly half the farmers own less than one feddan each, 95% of landowners own plots less than 5 feddans in size and 84% of small farmers hold only 50% of the total area. Islamic inheritance laws lead to the continuous exponential fragmentation of land.

¹⁰ UNIDO, E-Trace, Survey Report on Farmers' Associations in Selected Governorates in Upper Egypt. March, 2009

technical and managerial capacities of these facilities along international standards will undoubtedly contribute to the competitiveness of the horticulture value chain in Upper Egypt.

In addition, a newly established terminal at Luxor Airport went into operation in 2008 serving direct exports from Luxor to Europe using low cost spaces of charter flights. Development efforts resulted in new constructed roads such as the Cairo – Assiut West Desert Road and the new Cairo – Aswan East Desert Road (under construction). The recent development in infrastructure for post harvesting and transportation will result in substantial reduction in the logistics and transport costs. This trend, if encouraged and supported by technical assistance, capacity building and policy reform, would strengthen the integration of Upper Egypt horticulture supply chain into both domestic and export markets.

However, currently the persistent nature of these gaps hinders the physical movements of agriculture produce, as well as poses barriers to small landholders and growers to be actively and equitably included in the value chain, thereby depriving them of robust sources of income.

Agricultural growth in Upper Egypt has been neither sufficiently inclusive for vulnerable and marginalized social groups; nor enabling for equitable access to income, especially by women who represent more than 75% of agro sector operations¹¹. This inaccessibility and marginalization of groups of small farmers are compounded with the absence of equitable private investments and partnerships with small growers and processors.

As a result, Upper Egypt faces several developmental challenges. These include among others low income, unemployment, regional disparities, gender disparities, and are compounded by weak supply capacity of local Upper Egyptian population and organizations that further exacerbates the marginalization of small farmers and agricultural workers (especially women). The economic and institutional marginalization of these groups is naturally reflected on the policy level. The rural poor are caught in a vicious trap whereby, due to their marginalization in existing value chains are not actively present on the policy level. This in turn results in a general policy bias that reinforces their fragmentation and marginalization. Lagging development of Upper Egypt is a pressing concern for the Government. In order to tackle the problem, the Government of Egypt acknowledged the need for the creation of a pro-poor policy environment in order to effectively enable these marginalized groups to benefit from economic reform and private sector orientation and is focusing its efforts on fostering growth in the agriculture and agribusiness sectors

Upper Egypt offers significantly great potential for increased agricultural production than is currently being realized. The same products which are grown successfully in Lower Egypt can be grown just as successfully in Upper Egypt. More importantly, the costs of inputs required for this production are significantly less in Upper Egypt, which possesses several additional sources of comparative advantage: 1) Fertile soil and water: In the so called Old Lands which include the strip of land, approximately 2 million feddans in area, which runs parallel to the Nile River; 2) Availability of arable land: in the so called New Reclaimed Land which include approximately 2 million feddans of land located in areas with sources of comparative advantage including low cost land, with good access to sub-terrain non-fossil aquifer water, which is rechargeable; 3) Early harvest: A distinct climatic advantage gives growers in Upper Egypt the additional advantage of 3 to 4 weeks early fruit harvesting and off season vegetable supply allowing for catching high prices in local and export markets and extending prime market export window; 4) Pest free areas: A great part of the cultivated area is free of common pests and diseases found in Lower Egypt due to favourable climatic conditions and nature of cropping structure; and 5) Cheap labour costs: up to one half of what they are in Lower Egypt resulting from high unemployment rates. In addition to the above, the Egyptian Government is stressing the development of Upper Egypt and is putting it as a priority on its political agenda.

¹¹ ITASU / Ministry of Trade & Industry with WFP The Power of Integration: Naga Hamadi Workshop, 2007

Several studies¹² have identified constraints impeding sound business linkages domestically and internationally as follows:

1. Lack of empowered farmers organizations with entrepreneurial capacity to sustain viable business relations and negotiate equitable future (forward) contracting¹³. The existing 150 Farmers Associations in Upper Egypt received minimal capacity building and technical assistance if any to allow them to operate effectively. Recent Field assessments recommended extensive technical assistance and capacity building to these organizations¹⁴.
2. Inadequate and inequitable governance of the value chain suggests the importance of governance/institutional arrangements that increase the share of the poor in decision making along the value chain¹⁵. This is confirmed by several assessments; including among others those conducted by AERI and the Ministry of Trade and Industry ITASU programme .
3. Transaction costs associated with sourcing and shipping products are high for several reasons. First, farming production in Upper Egypt is highly fragmented and individual farm households lack the economies required to produce and harvest lots which can economically be produced and shipped (e.g. truck load lots). Underinvestment in small scale infrastructure is impeding the productivity and efficiency of activities along the value chain. The production and quality of horticulture (particularly perishable) produces depends to a large extent on logistical and cold chain infrastructure. This is significant factor on the quality and pricing upgrade. It is estimated that out of the cold storage and pre-coolers market size of 24 million ton in 2006 (demand expected to increase by 25% in 2008/2009)¹⁶ there is a gap of almost 4 million tons the bulk of which (about 80%) is needed in Upper Egypt. Most of these small scale infrastructure projects need to address the small farmers' fragmentation in poor areas.
4. There is significant demand for specialized and skilled human resources. The Chamber of Food Industries in Egypt estimated, during a World Bank Workshop in 2008, the level of annual demand for about more than 6000 merchandisers, pack - house managers and other skilled labor and professionals every year to meet the specialized growth in the agribusiness sector.
5. Information and Tacit knowledge network serving the small farmers is vital to integrate the value chain operations. With recent decentralized decisions on cropping and marketing, two-way information on pricing and quality between small growers/processors on the one hand, and retailers and exporters on the other, is needed to ensure equitable and efficient governance.
6. Pro-poor policies are not necessary those directly targeting poverty pockets only but those assuring a more pro-poor environment even when addressing large investments and FDI opportunities. There is a need to ensure that large scale projects and devised policies targeting horticultural value chains balance efficiency with equity.
7. Market access for small farmers is being undermined by the increasing complexity and vertical coordination of global value chains in agribusiness

¹² World Bank – Upper Egypt: Challenges and Opportunities for Rural Development, Policy Note, June 2006

¹³ AERI / QED Value Chain Analysis 2006 and Care / El-Shams programme Assessment.

¹⁴ UNIDO, ETRACE, Survey Report on Farmers' Associations in Selected Governorates in Upper Egypt. March, 2009

¹⁵ Dr. Mohamed Goma, World Bank Value Chain Strategy mission, 2008

¹⁶ Logistics for Agri Produce Exports, Market findings by eVelop and Care Service, 2007

8. Farmers in Upper Egypt have only limited access to capital, relevant information and know how to produce and market their products.

To sum up, rural Upper Egypt is facing two mutually reinforcing problems; one that has to do with the overall efficiency of the value chain, and the other one has to do with the marginalization of the majority of small landholders. Recent and on-going efforts need to be integrated with adequate capacity building, technical assistance and a pro-poor policy orientation that encourages among other things equitable and viable partnerships between private investors and small farmers. Meanwhile, Upper Egyptian products have confirmed potentials for domestic and export markets, meeting early export and local windows requirements. Previous efforts exerted to upgrade agribusinesses in Upper Egypt demonstrated initial success.

3. Strategies, including lessons learned and the proposed joint programme

Background/context

This programme contributes to the UNDAF Outcome 3: “By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved”. The programme is also in line with the GOE’s recent orientation to focus more investment and development programmes on Upper Egypt. It also contributes to eradicating extreme poverty and hunger (MDG-1) by primarily targeting poverty pockets in areas with more than 65% vulnerability rank¹⁷. The programme further promotes gender equality (MDG-3) (women are officially registered at below 18% of the work force while in reality accounting more than 75% of the labor force in agriculture); and developing global partnership for development (MDG-8).

Moreover, the programme addresses the following national priorities identified by the GOE in its seven point programme :

- National Priority 1: Creating employment
- National priority 2: Fostering investment
- National Priority 3: Improve income levels and care for limited income citizens
- National Priority 4: Improve the standard of living of citizens and upgrade services offered.

More concretely the joint programme is in line with Government of Egypt (GOE) announcements to increase public agro investments (as means of stimulating private sector) by LE 25 billion over the 5 years targeting enhanced value chains and inclusion efforts (in addition to the LE 40 billion already allocated in the State budget ending 2011). Having the PMU situated within Ministry of Trade & Industry, together with the partnership of the Ministry of Investment, will have the added effect of creating an information and knowledge hub that would in turn inform policy making and investment promotion efforts.

In addition, the proposed programme shall increase small farmers’ contribution to value added, agricultural workers’ and small farmers’ incomes, the competitiveness of small producers of horticultural products, and the entrepreneurial awareness of small farmers in Upper Egypt. Finally, the programme shall also build the capacity of PHCs to effectively and sustainably address some of the gaps along the value chain of horticultural products in Upper Egypt, as well as that of FAs to provide services to member farmers.

More fundamentally, the programme will stimulate and augment private investment trends that are taking place. Several private investors realized the comparative advantage of running

¹⁷ World Food Programme Vulnerability Map of 2007 and 2008 Upper Egypt

agri-businesses in Upper Egypt and the new developments in infrastructure and started integrating their businesses with Upper Egypt supply chains. Some of the investors started sourcing exportable products from medium size farms or from farmers' associations in Upper Egypt. Yet there is still a substantial lack of capacity, technical services and know-how that are necessary for an integrated development effort.

Lessons Learned

In designing the project, special attention was paid to lessons learned from local and international experience. Many efforts have been exerted during recent years to develop competitive value chains in Upper Egypt. A number of donor sponsored value chain development programmes have been launched to date. Over the past eight years most of the agriculture support efforts in Egypt relied on improving irrigation, on-farm level assistance, and sporadic trials to improve quality and initiate farmers clusters. USAID spearheaded the efforts with three consecutive programmes; NARP, Agriculture Led Exports (ALEB), followed by Agriculture Technology Transfer (ATUT), in addition to a policy programme to liberalize inputs and crops pricing (APRP), and Agriculture Exports and Rural Income AERI. Other programmes on asset creation for poor farmers focused on organizing small farmers into effective associations. H.J Heinz, and USAID/Egypt development alliance programme aims to develop Egypt's processed tomato and other value-added horticulture supply chains by establishing good agricultural practices that meet Heinz's rigorous standards; organize, train and support over 8,000 smallholder farmers; and facilitate the purchases of processed tomatoes and other high-value crops by building sustainable supplier relationships.¹⁸

These projects provided several lessons learned on challenges constraining growth in the agribusiness sector¹⁹:

- Disintegration and lack of awareness of managing value/supply chain adversely affects quality and productivity of fresh produce.
- Underdeveloped value chain infrastructure enhances the marginalization of small farmers, especially in Upper Egypt.
- Post harvest and logistical loss is exceptionally high (60-70%) in poor areas of small farmers in Upper Egypt, thus leading to a loss of income.
- There is a marked lack of concerted and sustained efforts promoting private sector investments with equitable partnering with small growers and processors along the value chain.
- Underdeveloped and insufficient agro/food skilled labor²⁰.

International experience from Senegalese Farmers Global Gap branding and the Indian experience with "doing business with Base of the Pyramid"²¹ demonstrate the success of value chain integration when supported by high quality and financially viable business development services and sustained by demand / market driven orientation. Risk sharing in the form of well negotiated forward contracting, among other risk management tasks, with fair pricing proved to be window for integrating the actors on the value chain and creating the essential bonds among small farmers and private sector in viable long term business partnerships (Rural Enterprise and Agriservice Project, Kenya REAP).²²

Field work conducted by the Ministry of Trade and Industry in conjunction with Food Security Center at Ministry of Agriculture concurs the following opportunities:

¹⁸ http://www.acdivoca.org/acdivoca/PortalHub.nsf/ID/news_heinz12.13.07

¹⁹ World Bank Policy Note "Upper Egypt Challenges and Opportunities for Rural Development" 2006

²⁰ Chamber of Food Industries in World Bank & Ministry of Trade & Industry Workshop 2008

²¹ Harvard Business Review 2008 "Doing Business with Base of the Pyramid" by Vicram

²² FAO "Business Services in Support of Farm enterprise Development: A Review of Relevant Experience" by David Kahan 2007

- Small farmers realize the importance of adequate and equitable governance arrangements that involve a multiplicity of stakeholders along the supply chain.
- The existence of the Agribusiness Inter-Ministerial Committee established in 2007 among Ministry of Trade & Industry, Ministry of Agriculture (Food Security Center), and Ministry of International Cooperation alongside Green Corridor Pilot Project Activities.
- Information and knowledge on viable solution and tacit knowledge has been echoed by farmers associations as well as private sector (retailers and supermarkets) as the means to integrate quality and price demand from markets to Farmers and vice versa.
- Women are the major engine of growth along the agribusiness value chain and key to rigorous consolidated income improvements

Description of the Proposed Joint Programme

The **purpose of the programme** is to support pro-poor horticulture value chains in Upper Egypt with a view to improving their position in export and domestic markets. This will be done by promoting and supporting viable equitable partnerships between small farmers and private sector investors in efficient pro-poor horticulture value chains in three locations in the poorest Upper Egyptian Governorates. It includes integrated programmes that help operators and entrepreneurs deal with technical regulations, standards, codes of good practices and conformity assessment required by destination markets (UNIDO). In parallel, operators and entrepreneurs will be supported on business development and advisory services (UNDP), entrepreneurship development (ILO), gender equity (UNIFEM) and marketing activities (all UN agencies). In addition, the programme will also help in developing agro-industrial value-adding activities based on local crops (possibly in cooperation with FAO). The programme shall have the following outcomes:

1. Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.
2. Entrepreneurial forms of organization established by small farmers.
3. Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE.

The programme approach has a high degree of innovation with an integrated concept of assisting service providers and end beneficiaries with the objective to develop sustainable agribusinesses. It will be based on partnerships with the private sector and will provide strong attention to the capacity building requirements of small farmers' associations. It shall build the capacity of PHCs to effectively and sustainably address some of the gaps along the value chain of horticultural products in Upper Egypt, as well as that of FAs to sustainably provide services to member farmers. In addition, the proposed programme shall increase small farmers' contribution to value added, agricultural workers' and small farmers' incomes, farmers' entrepreneurial awareness, as well as the competitiveness of the horticultural value chain in Upper Egypt. Finally, the programme will have a high demonstration effect; as its activities can be replicated in other geographic areas, as well as other economic sectors.

More specifically, the Programme shall:

- ⇒ Select 3 local FAs representing 800 - 1000 small farmers from amongst Assiut, Sohag, Minya, Beni Suef and Qena. Selection shall be based on both equity and efficiency criteria;
- ⇒ Broker partnerships between the small farmers and different kinds of private investors (exporters, domestic retailers, touristic facilities...etc.), thus linking them to international and local supply/value chains;

- ⇒ Upgrading existing PHCs or establish new ones through partnership between FAs and private investors. The programme may provide limited funding to complement the equipment and preparation of the PHCs (additional equipment, pre-coolers...etc.);
- ⇒ Support small farmers through assisting FAs in delivering the needed business services (information services, legal and contractual advice...etc.) thus enabling them to participate in the governance of the supply chain;
- ⇒ Support agricultural workers through upgrading their skills and capacity in harvest and post-harvest operations, as well as creating gainful employment opportunities for them in the upgraded PHCs.
- ⇒ Support the entrepreneurial development of small farmers, through raising their business awareness and skills and supporting their incorporation into entrepreneurial forms; and
- ⇒ Engage with the GOE in a policy dialogue over constraints facing pro-poor private sector-based growth in Upper Egyptian horticultural sector.

The foreseen activities are grouped under four Task Areas/Components.

1. Component 1: Facilitate Partnership between Farmers and Private Investors

The programme shall facilitate partnerships between the small farmers and different kinds of private investors (exporters, domestic retailers, touristic facilities...etc.). Through these partnerships, the private investors shall:

- Purchase via forward contracts the crops of small farmers at fair prices.
- Through a management contract with the FAs field professional management for the PHCs to ensure quality control.
- Market the services of the PHC to other investors.
- Train FA staff in PHC management.
- Process the FA members' crops through the PHC.
- Supervise the provision of various extension services to the small farmers.
- Co-invest with the small farmers in upgrading the PHC, if needed.
- Employ workers trained by the programme in PHCs, or by the private sector.

The above partnership modalities may vary pending the type of investor selected, the location and the preference of the small farmers, among other things. The Programme shall experiment with various types of investors in the three locations; including exporters, retailers, and touristic facilities. Initial investigation suggests a marked degree of willingness to participate in the programme activities amongst the three groups. This component shall serve to broker the link of small farmers with local and international value chains.

2. Component 2: Capacity Development

The programme shall develop the capacity of the FAs, PHCs and the local farmers thereby enhancing productivity and efficiency along the supply chain. Participating FAs shall be selected according to both equity and efficiency criteria. These criteria may include inter alia:

- ⇒ Successful track record and/or initiatives related to horticulture.
- ⇒ Presence in communities of great vulnerability; i.e. high likelihood for addressing poverty pockets in a significant way.
- ⇒ Sound clustering and cooperation among association members.
- ⇒ Potential for growth and scalability.
- ⇒ Willingness and ability to accept value addition in their agri-value chain; e.g. some processing such as dehydrated produce, and/or packaging.
- ⇒ Understanding of sound commercial and business market linkages.
- ⇒ Covering potential crop area in the north and south parts of each of the targeted Governorate, i.e. showing even distribution.
- ⇒ Friendly access to new members with less knowledge or experience.

These criteria are listed for illustrative purposes. They will be further refined by the programme during the inception phase.

A comprehensive gap assessment of the selected FAs shall be conducted during the inception phase of the project in order to identify the specific institutional and material needs of the FAs. Activities will include upgrading PHC systems to international standards (ISO 22000 certification for food safety management systems, Global Gap Certification, traceability, Gender Equity Seal, Leaf Global Gap...etc.), as well as training agricultural workers on harvesting and post harvesting operations, with particular emphasis on value-adding operations. In addition, capacity building of the FAs shall be undertaken to enable them to provide better services to their members; including:

- Information services (prices, demand, inputs and food security information system).
- Legal and contractual assistance and counseling
- Extension services (under supervision of the private investors).
- Advocacy functions.

3. Component 3: Entrepreneurship Promotion

Small farmers in some locations have already started to appreciate the benefits of collective efficiency, as reflected in the establishment of not-for-profit FAs. However, for their full entrepreneurial potential to be unleashed, entrepreneurial forms of organization for these small farmers (e.g. shareholding companies) need to be in place. These forms would enable them to participate more aggressively in the governance of the value chains, provide them with autonomy from the restrictive regulations governing NGOs in Egypt, and possibly open up other investment venues for the poor. This can be accomplished by, enhancing the awareness and the entrepreneurship skills of small farmers, in particular, the knowledge and capacity of starting and improving business, and providing assistance to establish such an entrepreneurial form, which could be wholly owned by the farmers, or incorporated as a partnership between the farmers and private investor(s).

4. Component 4: Monitoring, Evaluation, Documentation, Research & Policy

Scalability and replicability depend on careful monitoring, compilation and analysis of lessons learned. Equitably integrating small farmers in value chains, and the development of rewarding partnerships between small farmers in Upper Egypt and private investors, may both be facing impediments that can be ultimately tackled through policy interventions. In addition, policy and regulatory issues affecting the development of pro-poor private sector-based partnerships on a large scale need to be identified, analyzed and discussed with policymakers. Policy-related work will take place in coordination with the Ministry of Investment, the Ministry of Trade & Industry, and business associations. Both ministries are mandated with promoting and providing incentives for private sector investment and exports. Their partnership to the project will provide for the effectiveness of the policy dialogue. More fundamentally this component will provide for the active engagement of small farmers through FAs in a policy dialogue with the private investors and the GOE. Policy work under this component includes identifying issues for inclusion in the policy agenda, establishing a platform for policy dialogue (involving small farmers, private investors, and relevant UN agencies) with the GOE, disseminating success stories and lessons learned, and strengthening the advocacy abilities of FAs. The project shall conduct several studies to – inter alia:

- analyze the value chain through a gender lens,
- articulate gender concerns,
- assess the feasibility of incorporating small farmers in collective entrepreneurial forms,
- document lessons learned, and
- cover various policy issues.

In so doing, research activities support the three outcomes. Programme activities and results will be documented & communicated to the media, donors, private sector and policy makers (see also section V, below). This will provide for the replicability and scalability of the programme.

Sustainability of Results

The programme is essentially market based. The primary guarantee of its sustainability is the mutual benefit delivered to the small farmers and the private investors. With the assistance of the programme, PHCs shall develop and follow realistic financial sustainability plans. Moreover, it is anticipated that the PHCs will be able to move towards sustainability in the last two years of the programme, with constant revenue streams coming from processing the farmers' crops purchased by the partner investors, as well as from processing other farmers' and other investors' crops. Being the property of the FAs, it is anticipated that this revenue will enable the FAs to deliver the needed extension, information and legal support services needed by their members.

Implementation Approach

The complexity and multiplicity of issues related to value chain development requires a broad range of expertise. This in turn required the participation of several organizations with different corporate capabilities; either directly, or in an advisory capacity. The participating UN agencies possess a set of capabilities and skills. The corporate capabilities of the participating agencies are presented in Annex I.

UNDP will be the lead agency for the proposed programme. In addition to the leading role, it will contribute to outcomes 1, 2 and 3. The assistance furnished by UNDP will ensure that effective and equitable business partnerships are forged between small farmers and the private sector. In addition, UNDP shall contribute to building the productive capacities of small farmers by contributing to equipping the PHCs both directly through availing a small grant to each FA, and indirectly by facilitating cost sharing arrangements between small farmers and private investors. Moreover, UNDP shall strengthen the capacity of FAs in terms of governance, financial management, business planning and M&E. Under outcome 2, UNDP shall provide the knowledge base that would enable small farmers to see the benefit and feasibility of establishing their own collective entrepreneurial organization (e.g. a shareholding company) through a comprehensive study. UNDP shall link this programme to its GSB project, which has value chain development as one of its focus areas. In addition, UNDP shall raise the awareness of the small farmers and provide them with legal assistance in establishing their private sector enterprise. Furthermore, legal assistance shall be provided to facilitate the establishment of the farmers' enterprise. Under outcome 3 UNDP will orchestrate the contribution of the various partner organizations, facilitate policy dialogue with the government, and play a leading role in establishing and activating a policy platform that involves small farmers, private investors, experts and government organization. UNDP shall also inform the policy agenda by documenting the lessons learned and the success stories of the programme, in addition to conducting a study on the policy issues affecting the equitable integration of the poor in the horticulture value/supply chain.

UNIDO will focus on the activities foreseen under outcome 1, aiming at enhancing the horticulture supply chain in Upper Egypt and strengthening its linkages to export and domestic markets, which is of utmost importance to the economic development of Upper Egypt. The assistance provided by UNIDO will focus on promoting and sustaining agribusinesses by providing customized technical, business development and marketing assistance to the PHCs selected by the programme and guiding them to self-dependency. UNIDO's technical services will impact small growers and farmers in Upper Egypt who will be assisted, through the selected PHCs and FAs, in implementing good agricultural and manufacturing practices with a view to meet international quality and safety standards such as compliance with Technical Barriers to Trade (TBT) agreement, Sanitary and Phytosanitary (SPS) and Traceability requirements. Traceability is the ability to trace the movement of a feed or food through specified stages of production, processing and distribution. It generates

production benefit from improved information and control of production and distribution such as: reduction of post-harvest losses, more efficient supply chain management, consumer satisfaction and new market opportunities. In delivering the above services, the involvement of the Egyptian private sector would be encouraged particularly for investments in agro-industrial value-adding activities in Upper Egypt, including for post harvest, cooling, and dehydration and conversion operations. The joint programme will utilize the infrastructure already established by UNIDO ETRACE project including technical expertise, software, database of country-wide agro-industrial operators, technical manuals, e-learning platform, international pesticide database, and updated quality and food safety management systems.

UNIFEM will contribute to all outcomes as gender is a cross cutting theme in all activities; in specific with regards to awareness raising to women farmer worker, applying a certification model to the PHC; high level advocacy and mainstreaming of gender concerns into relevant policies; and on the operational level will provide advise with respect to gender related issues. UNIFEM implemented the GES (Gender Equity Seal) in Egypt after the Mexican Model and already 10 companies in the Egyptian Market are on their way to be the first group to be granted the seal. The objective of this GES is to develop, promote, and encourage gender equity in public sector and private firms. More specifically, the aim is to institutionalize gender equity policies and facilitate equal opportunities for men and women in access to jobs, working conditions, as well as professional development, training, and participation in decision-making processes. The SEAL was defined with a management systems focus and seeks to enable ongoing improvement and self-assessment, as well as the identification and lessening of gaps that may exist between men and women through the application of measures that favor equal opportunities.

The value added that is offered by the adoption of the GES encompasses:

- (i) The optimization of human resources to increase the organization's efficiency and competitiveness.
- (ii) The promotion of good personal relationships in workplaces where men and women with different skills, perspectives, and working styles can contribute to reaching the organization's goals and meeting their personal needs.
- (iii) The generation of greater commitment and loyalty by workers.
- (iv) Allowing the public the means to differentiate participating firms/organisations' products and services as being associated with a commitment to gender equity in the workplace through the use of the gender equity seal.

ILO will play a vital role in achieving outcome 2 and will also contribute to activities under outcomes 1 and 3. The ILO's key comparative advantage in entrepreneurship and enterprise development is the ability to conceptualize and articulate the employment dimension of enterprise development – to design policies, strategies and programme interventions that place productive and decent work at the heart of enterprise growth and productivity. This dimension includes the fundamental principles and rights at work, socially responsible enterprise-level practices, and extends the decent work concept to vulnerable and marginalized groups. The ILO brings tripartite constituents for social dialogue and consensus building. This firmly establishes the central role of employers' and workers' organizations, co-operatives, and business membership organizations. It also underpins dialogue and collaboration at the workplace. The ILO has a natural entry point through business associations associated to employers as well as workers organizations. This also provides the ILO with credibility with workers, which few other organizations possess. Based on its advantage of the promotion of Decent Work Agenda and Decent Work Country Programme as well as on its expertise and experience in Egypt, it will work on stimulating entrepreneurship and upgrading enterprise performance through stronger management skills and better working conditions. It will count on its strong relationship with the Ministry of Manpower, employers' and workers' organizations, work with the Ministries of Education, Higher Education, Investment, Social Fund for Development, the Federation of Development Associations and on its enterprise, employment, skills, and working conditions specialists at its Cairo Office, and Headquarters support.

Agencies may, if needed and subject to the approval of the PMC, execute some activities through any UN/national agencies, if capacities and expertise are relevant to project activities. In addition, the Joint Programme shall seek to create synergies, share experiences and collaborate, wherever possible, with other MDGF programmes both within and outside Egypt, such as the Climate Change Joint Programme.

4. Results Framework

This joint programme will be under the aegis of UNDAF Outcome 3: “By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved”²³. This will be accomplished by enhancing the efficiency and productivity of Upper Egypt’s small farmers and agricultural workers (especially women) and brokering viable business partnerships between small farmers and private investors; and raising the capacity, skills and employability of agricultural workers; hence equitably integrating them in more lucrative domestic and international horticulture value chains (Outcome 1 of the Joint Programme); as well as honing the Upper Egyptian small farmers’ entrepreneurial skills and helping them to incorporate into collective enterprises; thus equipping them to become viable business actors (Outcome 2 of the joint programme). In addition, policy work (outcome 3 of the Joint Programme) is needed to scale up the programme by addressing impediments to pro-poor growth in the horticultural sector and Upper Egypt.

Outcome 1: Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.

Outputs to Outcome 1:

1. More than 75% of crops purchased by high quality markets (export markets, major retailers, touristic establishments).
2. 300 agricultural workers and agribusiness operators (including 75% women) trained in harvesting and post-harvesting operations.
3. 150 trained workers (including 75% women) gainfully employed by PHCs.
4. PHCs equipped and develop realistic plans for financial sustainability.
5. PHCs systems and capacity upgraded to meet international standards (e.g. Traceability, ISO 22000, Leaf Global gap, Global Gap, Gender Equity Seal).
6. FAs capacity enhanced to sustainably deliver services to their members.
7. Partnerships between private investors, small firms and FAs established

Outcome 1 of the Joint Programme will be achieved through forging equitable and viable partnerships between private investors and small farmers (output 9) that would guide an intensive capacity building effort with the objective of enhancing their position in the value chain. This capacity building effort will target human capacity of agricultural workers (especially women) (outputs 3 and 4); the institutional and technical capacity of FAs and PHCs (outputs 7 and 8); the material capacity/capital of the PHCs (output 6); this, together with the reduction of crop losses (output 5); and targeting more lucrative markets (output 2) will serve to improve the farmers’ position in the value chain as reflected in the increase of their income.

Outcome 2: Entrepreneurial forms of organization established by small farmers.

Outputs to Outcome 2:

²³ It also contributes to eradicating extreme poverty and hunger (MDG-1), promotes gender equality (MDG-3) and developing global partnership for development (MDG-8).

1. Feasibility and potential of incorporating farmers in collective entrepreneurial forms assessed.
2. 500 Farmers receive entrepreneurship training to enhance their entrepreneurial skills and awareness.
3. Willingness of farmers to incorporate into entrepreneurial forms increased.
4. At least one company established by small farmers.

Outcome 2 will be achieved through enhancing the awareness of small farmers of the importance of establishing enterprises (output 3), assessing the feasibility and potential of either transforming FAs into private sector enterprises, or establishing new collective enterprises for the farmers (output 1), providing entrepreneurship training to 500 promising farmers (output 2), and assisting the willing farmers to establish the enterprise(s).

Outcome 3: Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE.

Outputs to Outcome 3:

1. Policy issues identified, disseminated and discussed with GOE
2. Success stories and lessons learned promoted.
3. FAs' advocacy capacity and involvement in government dialogue strengthened
4. Policy constraints to incorporating small farmers in value chains on equitable basis identified

Outcome 3 will be accomplished primarily through building on success stories and lessons learned (output 3); disseminating and discussing pertinent policy issues with the GOE (output 1 and 4). More fundamentally, small farmers will be able to participate in the policy dialogue with the government (output 3).

Table 1: Results Framework

UNDAF Outcome: : “By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved”								
Outcome 1: Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.								
<ul style="list-style-type: none"> ▪ Baseline study to be conducted for the entire programme as part of the inception phase ▪ Number of farmers reporting increased incomes (1000 farmers increase their income by at least 30%). ▪ Percentage increase in average wages of trained agricultural workers. ▪ Percentage increase in average wage of trained agricultural women workers. ▪ Percentage increase in incomes of small farmers ▪ No. of existing and renewed contracts between farmers and private investors ▪ Reduced loss in horticultural products by 50%. 								
JP Outputs (Give corresponding indicators and baselines)	Participating UN organization-specific Outputs	Participating UN organization corporate priority	Implem-enting Partner	Indicative activities for each Output	Resource allocation and indicative time frame*			Total
					Y1	Y2	Y3	
<p>1.1. More than 75% of crops purchased by high quality markets (export markets, major retailers, touristic establishments).</p> <p><i>% of crops purchased at high value markets</i></p>	UNDP	<p>-poverty reduction and job creation in order to contribute to achieving MDG1.</p> <p>-reducing regional disparities by focusing on Upper Egypt in response to MDGR & NHDR recommendations.</p>	FAs, Private Investors	1.1.1. Conduct baseline investigation on current and potential crop composition, productivity, markets, marketing channels...etc. in the selected locations.	X			30,000
				1.1.2. Link the FAs to the GSB project, the CSR center and Growth of Inclusive markets Programme .	X			
				1.1.3. Provide Marketing services and legal/contract negotiation advice.	X	X	X	
				1.1.3.1. Training and capacity building for FAs.				100,000
				1.1.3.2. Studies to identify new products and markets locally and internationally.				70,000
1.1.3.3. TA in marketing (including opportunity identification and actual marketing activities).				100,000				
1.1.3.4. Legal Assistance and TA in contract negotiations.				100,000				
<p><i>Note: - Technical support by UNIDO.</i></p> <p><i>- Participation of UNIFEM in baseline investigation</i></p>								
110,000								
20,000								

<p>1.2. 300 agribusiness workers (including 75% women) trained in harvesting and post-harvesting operations. <i>No. of male and female workers acquiring new skills</i></p>	UNIDO	Trade Capacity Building	FAs, Private Investors	1.2.1 Train agricultural workers on harvesting and post harvesting operations and good agribusiness practices with special emphasis on value-adding operations. (UNIDO) <i>Note: Gender sensitization by UNIFEM</i>		X	X	246,000 60,000
	UNIDO	Trade Capacity Building	FAs, Private Investors	1.3.1. Identify recruitment needs of PHCs 1.3.2. Identify and select outstanding graduates of training for recruitment by PHCs <i>Note: Gender sensitization by UNIFEM</i>		X	X	140,000 30,000
	UNDP	-reducing regional disparities by focusing on Upper Egypt in response to MDGR & NHDR recommendations. - Develop BDS services and promote MSMEs.	FAs, Private Investors	1.4.1. Assess existing capacities of selected PHCs 1.4.2. Identify needed equipment. 1.4.3. Provide grants to PHCs. 1.4.4. Develop internal administrative and financial systems of PHCs. 1.4.5. Develop operational plans for services to be provided by PHCs. 1.4.6. Develop financial/sustainability plans for PHCs. <i>Note: Technical Support by UNIDO</i>	X	X	X	564,000 200,000
<p>1.3. 150 trained agribusiness workers (including 75% women) gainfully employed by PHCs. <i>No. of trained workers employed by PHCs.</i></p>								
<p>1.4. PHCs equipped and sustainability plans implemented. <i>Equipment installed in PHCs – Cost recovery ratio for PHCs</i></p>								

<p>1.5. PHCs systems and capacity upgraded to meet international standards <i>PHCs system and capacity upgraded</i></p> <p>1.6. FAs capacity enhanced to sustainably deliver services to their members.</p> <ul style="list-style-type: none"> - <i>No. of Services provided to members</i> - <i>No. of recipients of each service</i> - <i>Client satisfaction</i> - <i>At least 1000 farmers and agribusinesses improve their business practices</i> - <i>Progress of cost recovery of services</i> 	UNIDO	UNIDO's thematic priority: Trade Capacity Building	FAs, Private Investors , MOI	1.5.1. Assist the PHC obtain the required certifications and systems (ISO 22000 certification for food safety management systems, Global Gap Certification, Traceability, Leaf...etc.) and to upgrade their management systems (UNIDO)	X	X	X	
				- In-depth analysis and preparation of individual implementation workplans for grower groups and PHCs	X			100,000
				- Awareness Trainings on Quality and food Safety management systems for farmers and PHCs.	X			100,000
				- Advanced Workshops on the implementation of Quality and food Safety management systems for growers and PHCs		X		300,000
				- Upgrade Management Systems of PHCs and Grower Associations		X		100,000
				- Technical consultation during the Implementation,		X		200,000
				- Establishment of documentation systems,			X	100,000
				- Pre, and final audits and certification,			X	100,000
				1.5.2. Develop Gender Mainstreaming Tools and provide gender sensitization for the FAs, PHCs and project staff. (UNIFEM)	X	X		160,000
				1.5.3. Implement the Gender Equality Model to support the PHC to be granted the Gender Equity Seal from the Ministry of Investment (UNIFEM).		X	X	120,000

<p>1.7. Partnerships between private investors, small firms and FAs established</p> <p>- Number of existing and renewed contracts</p>	UNIDO	Trade Capacity Building	FAs	<p>1.6.1 Conduct institutional baseline investigation to select 3 partner FAs (UNDP)</p> <p>1.6.2 Assess needs of farmers and agribusiness operators to identify needed services.</p> <p>1.6.3. Identify technical and organizational capacity requirements for the delivery of these services.</p> <p>1.6.4. Provide technical assistance and training as needed to build the technical capacity of FAs</p> <p>1.6.5. Provide BDS and extension services to farmers through FAs.</p> <p>1.6.6. Provide TA to build internal management and financial systems (UNDP)</p> <p><i>Note: UNDP providing support to selection of FAs and developing their internal management and financial systems</i></p>	X			20,000
					X			210,000
					X	X	X	
					X	X	X	
					X	X		80,000
	UNDP	-poverty reduction and job creation in order to contribute to achieving MDG1. -reducing regional disparities by focusing on Upper Egypt in response to MDGR and NHDR recommendations.	FAs, Private Investors	<p>1.7.1. Conduct baseline investigation to identify potential private sector partners.</p> <p>1.7.2. Broker partnership between private investors, FAs and small farmers.</p> <p>- Governorate-level promotional events among small farmers</p> <p>- Annual National Conference</p> <p>- Business to Business meetings between Private Sector and Small Farmers</p> <p>1.7.3. Hold promotional workshops showcasing the work and the potential of the small farmers and FAs in the 3 selected governorates.</p> <p><i>Note: UNIDO providing technical support</i></p>	X			20,000
					X	X	X	
					X	X	X	60,000
					X	X	X	180,000
					X	X	X	50,000
					X	X		110,000

UNDAF Outcome: : “By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved”								
Outcome 2: Entrepreneurial forms of organization established by small farmers. ⇒ Number of entrepreneurial organizations established by small farmers with assistance from the project.								
JP Outputs (Give corresponding indicators and baselines)	Participating UN organization-specific Outputs	Participating UN organization corporate priority	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*			Total
					Y1	Y2	Y3	
2.1. Feasibility and potential of incorporating farmers in collective entrepreneurial forms assessed. <i>Study conducted</i>	UNDP	developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy	FAs, MOI, MTI	2.1.1. Comprehensive study on the transformation of farmers associations into entrepreneurial forms of organization conducted (UNDP) <i>Note: Technical support by UNIDO</i>		X		150,000
								20,000
2.2. 500 Farmers receive entrepreneurship training to enhance their entrepreneurial skills and awareness. <i>No. of farmers successfully passing training</i>	ILO	Promoting productivity and decent jobs	FAs	2.2.1. Assess farmers and operators' entrepreneurship training needs 2.2.2. Customize and deliver entrepreneurship skills courses to farmers (Know About Business (KAB), Start & Improve Your Business (SIYB), Expand Your Business (EYB) and Start Your Waste Recycling Business (SYWRB)). (ILO)		X		40,000
				<ul style="list-style-type: none"> - Adaptation & translation of training material - Training of Trainers and Master Trainer - Production of Training Material & Business Games - Delivery of Training (2 courses x 500 trainees) 		X	X	150,000
2.3. Willingness of farmers to incorporate into entrepreneurial								

forms increased. <i>Percentage of Farmer swilling to start establishing collective enterprise(s)</i> 2.4. At least one company established by small farmers. <i>No. of companies established</i>	UNDP	developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy	FAs, MOI, MTI	2.3.1 Assess farmers' awareness levels of the merits incorporating in entrepreneurial forms 2.3.1 Deliver awareness campaigns to convince small farmers in the targeted locations of the merits of incorporating in entrepreneurial forms. (UNDP) <i>Note: Technical support by UNIDO</i>		X			
							X	X	350,000
	UNDP	developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy	FAs, MOI, MTI	2.4.1 Provide legal assistance to small farmers establishing their collective entrepreneurial organization. (UNDP)			X		110,000
									60,000

UNDAF Outcome : "By 2011, regional human development disparities are reduced, including reducing the gender gap, and environmental sustainability improved"								
Outcome 3: Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE. ⇒ Number and importance of identified policy and regulatory measures that are tackled by the GOE with assistance from the programme.								
JP Outputs (Give corresponding indicators and baselines)	Participating UN organization-specific Outputs	Participating UN organization corporate priority	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*			Total
					Y1	Y2	Y3	
3.1. Policy constraints to incorporating small farmers in value chains on equitable basis identified <i>No. and importance of identified policy and regulatory measures.</i> 3.2. FAs' advocacy	UNDP	-poverty reduction and job creation in order to contribute to achieving MDG1. - Developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy.	FAs MTI MOI	3.1.1. Policy study to identify policy constraints to incorporating small farmers in value chains on equitable basis (UNDP). 3.1.2. Develop Gender mainstreaming Tools for the Value Chain, related Policies and legislation. (UNIFEM) 3.1.3. Study on gender concerns (UNIFEM) 3.1.4. Study on labor concerns (ILO) <i>Note: Technical support by UNIDO</i>		X		250,000
						X	X	160,000
							X	50,000
							X	150,000

<p>capacity and involvement in government dialogue strengthened</p> <p><i>Frequency & effectiveness of FAs' participation in the identification & discussion of policy & regulatory issues with GOE</i></p>	UNDP	- Developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy.	FAs	3.2.1. Capacity building for advocacy. 3.2.2. Training on Gender Issues (UNIFEM)			X X	210,000 50,000	
	UNDP	- Developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy.	MTI MOI	3.3.1. Documentation of the experiences in every governorate and making the case for investing with small farmers and linking them to marketing opportunities using the communication/documentation and brokerage services. (UNDP). <i>Note: Support on Technical issues by UNIDO</i> <i>Note: Support on Gender issues by UNIDO</i> <i>Note: Support on Labor issues by ILO</i>	X	X	X	300,000 50,000 40,000 40,000	
	UNDP	- Developing a pro poor private sector which generates jobs for the poor in line with UNDP global corporate private sector strategy and UNDP Egypt private sector development strategy.	MTI MOI FAs	3.4.1. Develop Policy Briefs on a variety of pertinent issues (e.g. Women Farmer Rights, labor issues...etc.) to support policy dialogue. - UNIDO - ILO - UNIFEM - UNDP 3.4.2. Facilitating policy dialogue with farmers, private investors and the government using business associations; creating a policy forum and platform to put small farmers' issues on the policy agenda. (UNDP)		X	X	120,000 40,000 48,000 40,000 160,422	
<p>3.3. Success stories and lessons learned promoted.</p> <p><i>No. and significance of lessons learned compiled and presented</i></p>									
	UNDP	Programme Cost							2,964,272
		Indirect Support Cost							212,392
Support of the RC Office (@ 1% of total Joint Programme budget)							69,397		
UNIDO	Programme Cost							2,356,500	
	Indirect Support Cost							164,955	

UNIFEM	Programme Cost				678,400
	Indirect Support Cost				47,488
ILO	Programme Cost				940,000
	Indirect Support Cost				65,800
Total	Programme Cost				7,009,069
	Indirect Support Cost				490,635

No.	Budget Items	Amounts in USD\$			
		UNDP	UNIDO	UNIFEM	ILO
1-	<u>Direct Costs:</u>				
1.1	Supplies, commodities, equipment and transport	460,000	240,000	N/A	N/A
1.2	Personnel (staff, consultants, travel and training)	1,275,272	1,464,600	438,400	910,000
1.3	Training of counterparts	N/A	N/A	N/A	N/A
1.4	Contracts	1,185,000	611,900	210,000	N/A
1.5	Other Direct costs (Miscellaneous + 1% for RC Support)	113,897	40,000	30,000	30,000
	Total Direct Costs	3,034,169	2,356,500	678,400	940,000
2-	<u>Indirect Costs:</u>				
2.1	UN Agency Indirect Cost (7% per Agency)	212,392	164,955	47,488	65,800
	Grand Total	3,246,561	2,521,455	725,888	1,005,800

5. Management & Coordination Arrangements

Role of the Resident Coordinator

The Fund will rely on the UN Resident Coordinator (RC) to facilitate collaboration between participating UN organizations to ensure that the programme is on track and that promised results are being delivered. The Resident Coordinator will exercise his authority over the programme by taking leadership of the overall programme design, ongoing programmatic oversight of the Fund's activities by chairing the National Steering Committee meetings. To ensure proper checks and balances, the RC will establish committees at two levels:

- National Steering Committee
- Programme Management Committee

The role of the National Steering Committee (NSC) is to provide oversight and strategic guidance to the programme. The NSC will consist of *non-implementing* parties to allow for independence and will include, among others, a representative of the GOE, a representative from Government of Spain and the RC. The RC and the representative from the GOE will co-chair the NSC. Other representatives and observers may be invited by the co-chairs (Civil Society, other donors, etc.). The NSC will meet semi-annually and will make decisions by consensus. The responsibilities of the NSC will include:

- a. Reviewing and adopting the Terms of Reference and Rules of Procedures of the NSC and/or modify them, as necessary
- b. Approving the strategic direction for the implementation of the Joint Programme within the operational framework authorized by the MDG-F Steering Committee.
- c. Approving the documented arrangements for management and coordination
- d. establishing programme baselines to enable sound monitoring and evaluation
- e. Approving the annual work plans and budgets as well as making necessary adjustments to attain the anticipated outcomes.
- f. Reviewing the Consolidated Joint Programme Report from the Administrative Agent and provide strategic comments and decisions and communicate this to the Participating UN Organizations.
- g. Suggesting corrective action to emerging strategic and implementation problems.
- h. Creating synergies and seeking agreement on similar programmes and projects by other donors.
- i. Approving the communication and public information plans prepared by the PMC.

The NSC and the PMC shall integrate their work under the UNDAF thematic structures already in place in Egypt. The two committees may organize occasional joint meetings to enhance communication between the oversight and operational coordination functions.

The NSC will meet normally twice a year to review accomplishments and future activities, investigate bottlenecks and barriers in order to reach a decision on expected actions. The NSC will also serve as a channel for inter-partner exchange of communication and decision-making is done by consensus. Support to the NSC (0.5%) will include, but not be limited, to oversight of the PMC, field visits, and the provision of technical support, when requested, by the lead agency (UNDP) during the JP's lifetime.

The Programme Management committee (PMC) is formed from the partner UN and GOE agencies and is charged with operational coordination of the programme and its activities, and with ensuring that the contribution of each agency is delivered in a timely and effective manner. It shall also provide direct oversight for the programme, monitor performance and delivery of results, and liaise with stakeholders on policy issues. The RC or *his/her designate*

will chair the PMC. Joint Programme managers and experts can be invited to the PMC meetings as needed. The PMC will normally meet quarterly, but may have to meet more often depending on the need to address issues related directly to management and implementation of the programme. The responsibilities of the PMC will include:

- a. ensuring operational coordination
- b. managing programme resources to achieve the outcomes and output defined in the programme;
- c. aligning MDG-F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities;
- d. establishing adequate reporting mechanisms in the programme;
- e. integrating work plans, budgets, reports and other programme related documents; and ensures that budget overlaps or gaps are addressed;
- f. providing technical and substantive leadership regarding the activities envisaged in the Annual Work Plan;
- g. agreeing on re-allocations and budget revisions and make recommendations to the NSC as appropriate;
- h. addressing management and implementation problems;
- i. identifying emerging lessons learned; and
- j. establishing communication and public information plans.

Each participating government partner and UN agency will designate a task manager, who is not remunerated by the JP, for activities relating to the Joint Programme. UN agency task managers will liaise with and support, where applicable, their national counterpart task managers, providing technical expertise, and programmatic support to ensure effective implementation of the JP activities. The task managers will be members of the PMC and collectively recruit JP staff, as needed. The task managers, as members of the PMC will be responsible for guiding the strategic implementation, in coordination with the JPM, and be responsible for collectively reporting to the SC. Additionally, each task manager will coordinate all activities with the Joint Programme manager.

An *Advisory Board* will be formed of other collaborating agencies such as the Ministry of Social Solidarity, Ministry of Agriculture and Land Reclamation, Ministry of Local Development, pertinent Governors, prominent private sector figures (including agricultural exporters, investors and SMEs), FAO, WFP and IFAD. The Advisory Board shall also include media, academia, relevant donors and some experienced NGOs like HEIA and CARE.

Its role will include policy advice to the project team as needed, dissemination and advocacy of project achievements, fund raising and public awareness campaigns on the issues and concerns related to small farmers and agricultural value chain development, The detailed TOR of the Advisory board and the frequency of its meetings will be developed by the PMC and shared with the NSC.

It is anticipated that the Advisory Board shall meet on semi-annual basis, as well as when needed to engage in or prepare for policy dialogue with the GOE. The project manager will act as secretary to the Advisory board, will develop the agenda for the meetings and will be responsible for note taking and for convening the meetings.

Reference to the already existing UN coordination groups:

The joint project document will be presented to the UNCT, the SME subgroup and the Gender Subgroup.

UN Country Team

UNDP will be the lead agency for the proposed programme. In addition to the leading role it will contribute to outcomes 1, 2 and 3.

UNIDO will focus on the activities foreseen under outcome 1, but will also play a role under outcome 3.

UNIFEM will contribute to all outcomes as gender is a cross cutting theme in all activities; in specific with regards to awareness raising to women farmer worker, applying a certification model to the PHC²⁴; high level advocacy and mainstreaming of into relevant policies; and on the operational level will provide advise with respect to gender related issues.

ILO will play a vital role in achieving outcome 2 and will also contribute to activities under outcomes 1 and 3.

Government Partners

The Ministry of Trade and Industry (MTI), which is the government counterpart for the UNIDO/ETRACE programme, shall house the Programme Management Unit (PMU) and provide the project with space as the ministry's in kind contribution. Work on policy analysis, reforms and policy dialogue will take place in coordination with the Ministry of Investment (MOI), business associations and chambers, as well as other pertinent government entities. Both MOI and MTI are mandated with promoting and providing incentives for private sector investment. In addition, MTI is mandated with enhancing and providing incentives for exports. Their partnership with the project will be highly instrumental in providing for the effectiveness of the policy dialogue, as well as the replicability and scalability of the programme. Both partners have actively participated in the development of this concept note and are committed to their participation in the programme.

Programme Management

Programme Manager

Within the first quarter, a national full-time Joint Programme Manager will be recruited and agency task managers will be designated. The Joint Programme Manager will be responsible for daily programme management and will coordinate with designated task managers in the relevant agencies who will be collaborating with the host national counterpart for each programme component. The Joint Programme will be accountable and reporting to only the PMC(s). An Advisory Board for the Programme will be established comprising renowned national experts.

A Project Management Unit will be placed in Ministry of Trade and Industry (MTI). The PMU shall be composed of the following full-time personnel:

- Joint Programme Manager/Policy Officer
- Deputy Manager/Value Chain Officer
- Research & M&E Officer
- Capacity Building Officer
- Gender Officer
- Financial Officer
- Administrative Assistant

In addition, the project shall field in each of the three PHCs

- A Field Coordinator
- Administrative Assistant

These will be supported by a pool of short term experts in various specialized fields (e.g., training, legal advice, public awareness, horticulture, value chain analysis, agronomy,

²⁴ Participating private investors may obtain the GES for their firms at cost.

traceability, information systems, agricultural extension, policy analysis, research, institutional capacity building, public awareness...etc.).

All participating UN agencies and their Egyptian partners will engage in an exercise to elaborate an inception report detailing activities, outputs, inputs, indicators and means of verification within the overall Results and Resource Framework of this JP. This report is a requisite prior to dispersing the funds for implementation and execution of planned activities.

Programmatic and Financial Accountability

Each participating UN organization shall assume full programmatic and financial accountability for the funds disbursed to it by the UNDP as the Administrative Agent. Each participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by UNDP MDTF. As decided by the MDG Fund Management Board, participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, which will not exceed 7 per cent of the budget.

External Communications

As for external communications that fall outside the working process of the JP given to the press or the beneficiaries of a programme will only be coordinated by UNDP as a shared statement and always acknowledge the Egyptian Government, the Spanish Government, and/or any other donor, and each UN agency involved in the JP in an equal manner. Beyond message and brand harmonization, joint external communication will focus on the benefits of the JP including, but not limited to: lower transaction costs, effective programme delivery and efficient operation.

Private Sector and CSOs

The JP will mobilize private sector involvement as well as CSOs through private sector organizations (e.g. chambers and business associations), as well as specialized associations (e.g. HEIA) and will also coordinate with the relevant national counterparts. Furthermore, during the inception phase of the programme, consultations aiming collaboration or synergies with ongoing programmes will be carried out with other donor agencies, programmes and entities. These include MTI's Industrial Modernization Center (IMC), the Social Fund for Development (SFD) and the Principal Bank for Development and Agricultural Credit (PBDAC). Furthermore, the SME Donors subgroup, which is co-chaired by the UNDP and attended by the ILO and UNIDO in addition to several GOE entities, can serve as a useful platform for coordination with other donors and actors.

6. Fund Management Arrangements

A pass-through management arrangement will be used and UNDP HQ New York is the Administrative Agent (AA). These functions are the responsibility of the Multi Donor Trust Fund (MDTF) Office at UNDP Headquarters.

Upon receipt of the Fund Steering Committee's final approval of the Joint Programme Document, the Fund Secretariat will release funds for the implementation of the full Joint Programme to the MDTF Office. On receipt of a copy of the signed Joint Programme Document, the MDTF Office will transfer the first annual installment to each participating UN organization. To request the fund transfer, the RC will submit the Fund Transfer Request Form to the MDTF Office. The transfer of funds will be made to the Headquarters of each Participating UN organization.

Each organization assumes complete programmatic and financial responsibility for the funds disbursed to it by the administrative agent and can decide on the execution process with its partners and counterparts following the organization's own regulations and rules.

Each Participating UN organization establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Participating UN Organizations are requested to provide certified financial reporting according to the budget template.

Participating UN Organizations are entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. These indirect costs shall not exceed 7% of the total budget per agency.

Subsequent installments will be released in accordance with Annual Work Plans approved by the NSC. The release of funds is meeting a minimum commitment threshold of 70% of the previous fund release to the Participating UN Organizations combined commitments (Commitments are defined as legally binding contracts signed, including multi-year commitments which may be disbursed in future years).¹ If the 70% threshold is not met for the programme as a whole, funds will not be released to any organization, regardless of the individual organization's performance.

On the other hand, the following year's advance can be requested at any point after the combined disbursement against the current advance has exceeded 70% and the workplan requirements have been met. If the overall expenditure of the programme reaches 70% before the end of the twelvemonths period, the participating UN Organizations may upon endorsement by the NSC request the MDTF to release the next installment ahead of schedule. The RC will make the request to the MDTF Office on the NSC's behalf.

Any fund transfer is subject to submission of an approved Annual Work Plan and Budget to the MDTF Office.

In case agencies are providing implementation services on behalf of other agencies, implementation support services fees will be charged according to UPL.

Vehicles for use by the Joint Programme will all be brought from the local market. By the end of the Joint Programme, all cars and assets will be kept with the Joint Programme if the project is extended.

Cash Transfer Modalities

The allocated funds from MDG-F for executing activities will be transferred through UNDP, as the AA, to the participating UN Organizations in line with provisions of the JP Guidance Note Annex 4. Upon receipt of a copy of the signed JP document, the MDTF Office will transfer the first annual installment to the Head Quarters of each participating UN organization. Each organization assumes complete programmatic and financial responsibility of the funds disbursed to it by the administrative agent and can decide on the execution process with its partners and counterparts following the organization's own regulations, which will then transfer the received cash among the other UN agencies participating in this JP. Below are the specific cash transfer modalities arrangements of the UN agencies involved:

- UNDP: According to the CPAP,
 - (part VI, 6.3) all cash transfers to an implementing Partner are based on the Annual Work Plans agreed between the Implementing Partner and UNDP).
 - Part VI, 6.4 Cash transfers for activities detailed in the AWP's can be made by UNDP using the following modalities:
 - 1. Cash transferred directly to the Implementing Partner: a) prior to the start of activities (direct cash transfer) or b) after activities have been completed (reimbursement)
- UNIDO: Direct agency implementation.
- UNIFEM: Direct agency implementation.
- ILO: Direct agency implementation.

7. Accountability, Monitoring, Evaluation & Reporting

The programme shall conduct a baseline study covering all programme indicators and assessing the status of the FAs and their needs, gender issues, as well as looking into the crop composition and the highest value horticultural crops. Except where noted, all baseline data shall be obtained by the baseline study. Based on the baseline, a comprehensive M&E plan shall be developed by the programme's M&E/Research officer.

The studies and baseline investigation activities are delineated in the Results Framework and the AWP. All in all the estimated cost of this component is expected to be approximately \$510,000 divided as follows:

- Baseline investigation: \$100,000
- Documentation of experience in the selected Governorates: \$300,000
- 50% of the time of the Research/M&E officer: \$79,200
- Mid-term and Final Evaluations (as part of the studies budgeted to the UNDP): \$30,000

In addition, the programme shall conduct a series of studies and policy briefs that will be brought to bear on the M&E functions. Among these are the gender audits that will be conducted in the course of developing the Gender Mainstreaming Tools by UNIFEM. UNIFEM shall also play a key role in informing and sensitizing the M&E framework of the programme.

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<i>Outcome 1: Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.</i>	<ul style="list-style-type: none"> ▪ Baseline study to be conducted for the entire programme as part of the inception phase ▪ Number of farmers reporting increased incomes (1000 farmers increase their income by at least 30%). ▪ Percentage increase in average wages of trained agricultural workers. ▪ Percentage increase in average wage of trained agricultural women workers. ▪ Percentage increase in incomes of small farmers ▪ No. of existing and renewed contracts between farmers and private investors ▪ Reduced waste in horticultural products by 50%. 	Evaluation, project reports	Annual reports		<p>MOSS is not supportive of project and Farmer associations are restrained from working with private sector.</p> <p>Private sector companies reluctance to work with small farmers</p>
1. More than 75% of crops purchased by high quality markets (export markets, major retailers, touristic establishments).	<ul style="list-style-type: none"> ⇒ Percentage of crops purchased by high quality markets. <ul style="list-style-type: none"> ○ ⇒ Baseline study 	Evaluation, PHC & FA records	Seasonal (pending crop cycle); Quarterly and Annual Project reports	UNDP	<p>1. Difficulty in ensuring 75% sales to high quality markets due to economic-financial crisis.</p> <p>2. Private sector limited capacity and experience in managing PHCs</p>
2. 300 agribusiness workers (including 75% women) trained in harvesting and post-harvesting operations.	<ul style="list-style-type: none"> ⇒ Number of workers and working women acquiring new skills. ⇒ % of increase in productivity ⇒ Baseline study 	Project records Evaluation, training evaluations, PHC records, project reports	Quarterly and Annual Project reports	UNIDO	1. Agricultural workers' reluctance to participate in training

3. 150 trained agribusiness workers (including 75% women) gainfully employed in PHCs.	⇒ Number of men and women workers graduates of the training course(s) employed by the PHCs	Project records Evaluation, PHC records, project reports	Quarterly and Annual Project reports	UNIDO	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector.
4. PHCs equipped and the sustainability plans being implemented	⇒ Equipment obtained for PHCs ⇒ Cost recovery ratio for PHCs	PHC records, Project reports	Quarterly and Annual Project reports	UNIDO	1. Private sector limited capacity and experience in managing PHCs 2. MOSS is not supportive of project and Farmer associations are restrained from working with private sector.
5. PHCs systems and capacity upgraded to meet international standards	⇒ Number of PHCs complying with international quality standards and management systems.	Evaluation, PHC records, project reports	Quarterly and Annual Project reports	UNIDO	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector. 2. This component of the programme envisages the significant expansion of testing, technology and information services and capabilities. The impact would depend on the availability of qualified staff and the willingness to utilize the assistance rendered to enhance the development of agribusiness 3. Negative reactions to the implementation and adoption of the GES
6. FAs capacity enhanced to sustainably deliver services to their members.	⇒ Number of services provided to members ⇒ No. of recipients of each service ⇒ Degree of Client satisfaction ⇒ At least 1000 farmers and agribusiness operators improve their agribusiness practices ⇒ Progression of cost recovery of services	FA records, Project reports Clients' satisfaction survey, Evaluations	Quarterly and Annual Project reports	UNIDO	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector. 2. The capacity development of the FAs can be achieved only if the selected counterparts show ownership of the development work and cooperate closely with the Project Management Unit and the Field project coordinators to achieve the project target and reach independency and sustainability by the end of the programme
7. Partnerships between private investors, small farmers and FAs established	⇒ Number of existing and renewed contracts between farmers and private investors.	Evaluation, PHC records, project reports	Quarterly and Annual Project reports	UNDP	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector. 2. Private sector companies reluctance to work with small farmers

<i>Outcome 2: Entrepreneurial forms of organization established by small farmers.</i>	Number of entrepreneurial organizations established by small farmers with assistance from the project.	Evaluation, project reports	Quarterly and Annual Project reports		Farmer Associations not willing to explore and change into different organizational forms.
1. Feasibility and potential of incorporating farmers in collective entrepreneurial forms assessed.	⇒ Feasibility study conducted	Feasibility Study	Quarterly and Annual Project reports	UNDP	
2. 500 Farmers receive entrepreneurship training to enhance their entrepreneurial skills and awareness.	⇒ Number of farmers receiving training	Project records Project reports	Quarterly and Annual Project reports	ILO	1. Farmers' reluctance to attend training.
3. Willingness of farmers to incorporate into entrepreneurial forms increased.	⇒ Percentage of farmers willing to establish a collective enterprise ⇒ Baseline study	Post training evaluation Post awareness campaign opinion survey	Post training evaluation Evaluations	UNDP	
4. At least one company established by small farmers.	⇒ Number of enterprises established by small farmers with assistance from the project.	Evaluation, project reports	Quarterly and Annual Project reports	UNDP	1. Farmer Associations not willing to explore and change into different organizational forms.
<i>Outcome 3: Policy and regulatory changes to promote pro-poor private sector-based growth in Upper Egypt's horticultural sector identified and discussed with the GOE.</i>	Number and importance of identified policy and regulatory measures that are tackled by the GOE with assistance from the programme.	Expert opinion, project reports, GOE official correspondences with the programme, evaluation	Quarterly and Annual Project reports, Evaluations, Policy study	UNDP	Unwillingness of GOE to engage in policy dialogue.
1. Policy and regulatory constraints to incorporate small farmers and workers, especially women, in value chains on equitable basis identified.	⇒ Number and importance of identified policy and regulatory measures.	Policy Study, project reports, GOE official correspondences with the programme, evaluation	Quarterly and Annual Project reports	UNDP	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector.

2. FAs' advocacy capacity and involvement in policy dialogue with the GOE strengthened	⇒ Frequency and effectiveness of the participation of FAs in the identification and discussion of policy and regulatory issues with the GOE	Policy Study, project reports, GOE official correspondences with the programme, evaluation	Quarterly and Annual Project reports, Evaluations	ILO	2. MOSS is not supportive of project and Farmer associations are restrained from working with private sector.
3. Success stories and lessons learned promoted.	⇒ Number and significance of lessons learned compiled and promoted. ⇒ No. of publications	Project reports	Quarterly and Annual Project reports, Evaluations	UNDP	1. MOSS is not supportive of project and Farmer associations are restrained from working with private sector.
4. Policy issues disseminated and discussed with the GOE	⇒ Number and importance of policy issues that are tackled by the GOE with assistance of the programme	Policy Study, project reports, GOE official correspondences with the programme, evaluation	Quarterly and Annual Project reports, Evaluations	UNDP	1. GOE reluctant to engage in policy dialogue

Risks and Risk Mitigation Strategies

RISK	RISK RATING				RISK MITIGATION STRATEGY
	H	S	M	N	
EXTERNAL RISKS					
MOSS is not supportive of project and Farmer associations are restrained from working with private sector.			X		UNDP has ongoing relationship with MOSS and will orient different levels at MOSS to project objectives.
Farmer Associations not willing to explore and change into different organizational forms.			X		This risk can be mitigated by ensuring that benefits and incentives are linked to change such as access to credit facilitated through SFD, PBDAC and IFAD projects.
The global financial and economic crisis might have repercussions on the outcomes of the joint programme; especially that the economy began to witness negative effects on tourism and exports (the high end markets of horticultural products).			X		The government is providing fiscal stimulus programmes and encouraging private investment to create employment opportunities and enhance aggregate demand.
INTERNAL RISKS					
Difficulty to attribute increase of income and to measure it with beneficiaries.			X		Measuring indicators at the beginning (baseline data collection) and using panel survey methodologies. The Programme will have a full-time M&E Officer on board to address such issues.
Private sector companies reluctance to work with small farmers		X			Start with companies which have previously worked with AERI and ETRACE. Use champions. Link to private sector projects such as GSB for synergies. Showcase examples of similar successful partnerships. Financial and technical support provided by the programme will offset private sector concerns by lowering the costs of investment.
Private sector limited capacity and experience in managing PHCs					Select experienced exporters, trained managers?
Difficulty in ensuring 75% sales to high quality markets			X		Develop a diversified marketing strategy targeting regional, European and local markets.
Difficulty in achieving policy change within project duration			X		Use project advisory board members for advocacy. Capitalize on the programme's partnership with two important members of the ministerial economic group (MTI and MOI).
<p><i>Risk ratings: High Risk (H)</i>—greater than 75 percent probability that the outcome/result will not be achieved; <i>Substantial Risk (S)</i>—probability of 50 - 75 percent that the outcome/result will not be achieved; <i>Modest Risk (M)</i>—probability of 25 - 50 percent that the outcome/result will not be achieved; <i>Low or Negligible Risk (N)</i>—probability of less than 25 percent that the outcome/result will not be achieved.</p>					

Participating UN Organizations in receipt of the MDG-F resources are required to provide narrative reports on results achieved, lessons learned and the contributions made to the Joint Programme. The PMC will establish a reporting and monitoring arrangement, whereby a Programme Manager will be hired to oversee the overall progress of the project. The incumbent will be responsible for collecting annual narrative reports from each of the participating UN organizations, consolidating the reports and presenting the consolidated report to the PMC and the National Steering Committee for their approval. The final report will then be sent to the AA for consolidation with the financial report. UN Organizations and their partners are responsible for the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 March, to be provided no later than two months after the end of the applicable reporting period;
- Annual financial reports on 30 April each year with respect to the funds disbursed to it from the JP Account, to be provided no later than three months after the end of the applicable reporting period;
- A final narrative report and financial report, after the completion of all JP activities financed from the Fund, to be provided no later than 30 April of the year following the financial closing of Joint Programme Activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of project activities.

In addition, participating agencies will be required to provide short quarterly progress reports to the JP Programme Manager for consolidation. Based on the results framework summary table and Programme Monitoring Framework (PMF), each UN agency will prepare its own quarterly progress report using standard forms that will be agreed on during the programme inception phase. The monitoring form will focus on:

- Reporting on the number, size, kind, and quality of activities and tasks executed when the course of action started and completed;
- Reporting on the outputs both in quantitative and/or qualitative terms;
- Describing the kind and level of capacities development achieved;
- Reviewing and reporting on the achievement of the immediate objective;
- Examining the impact of the capacity development efforts.

Participating UN organizations are accountable for their implementing their own funds. The MDTF Office is responsible for the annual Consolidated Joint Programme Progress Report, which will consist of three parts:

AA Management Brief. The Management Brief consists of analysis of the certified financial report and the narrative report. The management brief will identify key management and administrative issues, if any, to be considered by the NSC.

Narrative Joint Programme Progress Report. This report is produced through an integrated Joint Programme reporting arrangement. The report should be reviewed and endorsed by the PMC before it is submitted to the MDTF Office on March 31st of each year.

Financial Progress Report. Each Participating UN organization will submit to the MDTF Office a financial report stating expenditures incurred by each programme during the reporting period. The dead-line for this report is April 30. Quarterly reports will be made available to the donor.

The JP will be subject to a final evaluation and a mid-term review to assess the relevance, effectiveness of the intervention, and measure the development of the results achieved, on basis of the initial analysis and indicators in the PMF. The mid-term review shall be organized by the MDG-F Secretariat. Nevertheless, activities carried by the UN Agencies shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the Steering Committee will consult with the UN Agencies on any additional specific audits or reviews that maybe required, subject to the respective Financial Regulations and Rules of the UN Agencies. Participating Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the Administrative Agent and submission to the Fund Steering Committee and National Steering Committee.

A variety of means for monitoring are available for use by programme and other stakeholders in monitoring JP, including: 1) *Work Plans:* Programme or project managers must prepare annual work plans that translate this JPD into operational terms. The work plans should describe in detail the delivery of inputs, the activities to be conducted (which ones and how), and the expected results. They should clearly indicate schedules and the persons and/or institutions responsible for providing the inputs and producing results. Preparing the inception report is a sine qua non for initiating fund transfer. The work plans should be used as the basis for monitoring the progress of programme implementation. To keep representatives of

the Government and UN agencies informed of the progress of programmers, managers should also provide them with work plans that do not need to be very detailed. These work plans could simply indicate critical milestones in implementation with the corresponding timetable and responsible actors. 2) *Field Visits*: Programme managers must make field visits at regular intervals and adequate budgetary resources should be allocated for this purpose. In addition to inspecting the sites, physical outputs and services of the programme, the visits must focus on interaction with target groups to obtain their views on how the programme is affecting them (directly or indirectly, positively or negatively) and their solutions to perceived problems. The RC or his/her staff must visit each project as often as necessary but no less than once a year. In some cases, it would be useful to organize joint field visits by UNDP and other development partners involved in the same types of programme. This may be more practical in terms of logistics than visits by one agency, but, more important, it will allow a more transparent approach to the discussion of similar issues with target groups and other stakeholders. Persons undertaking the field visits must prepare their reports either at the site or immediately after the visits, focusing on relevance and performance, including early signs of potential problem or success areas

Impact, MDGs and UN reform indicators will be added to the results framework based on a consultative participatory exercise led by the Joint Programme Director in close consultation with the PMC.

8. Legal Context or Basis of Relationship

Given that UNDP is the Administrative Agent for the Joint Programme, this Project Document shall be the instrument referred to as such in Articles I and IX of the Standard Basic Assistance Agreement (SBAA) between the Government of EGYPT and the United Nations Development Programme. The host country-implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The UNDP Resident Representative is authorized to affect in writing the following types of revision to this Project Document, provided that he/she is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document.

Participating UN Organization	Agreement
UNDP	This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Egypt and the United Nations Development Programme, signed by the parties on 19 January 1987.
UNIDO	The United Nations Industrial Development Organization and the Government of the Arab Republic of Egypt signed an agreement for the establishment of the UNIDO Regional Office in Egypt on 19 November 2002.
UNIFEM	UNIFEM administratively is working under the administration of UNDP with all its guiding agreements
ILO	The Office of the International Labour Organization based in Cairo and covering Egypt was established in 1958. Its operations were strengthened by the 1995 Agreement between the Government of the Arab Republic of Egypt and the International Labour Organization

9. Work Plan

Annex II contains the work plan for the first year of the programme. The first six months will focus on programme start up and inception. The highlight of the inception phase will be a thorough baseline investigation aiming to present a diagnosis of the horticulture value chain in Upper Egypt, the institutional and material capacities and needs of FAs and PHCs, as well as the needs of small farmers (especially women). Based on the outcome of the inception phase, the Programme will be able to more specifically define the capacity building and technical assistance needs of small farmers, workers, FAs and PHCs. Once these needs are identified in detail, the Joint Programme, subject to the approval of the PMC, may reallocate technical and financial resources to meet those needs.

10. Budget

See Annex III

ANNEXES

Annex I: Capabilities Statement by Participating Organizations

The over-arching mandate of the **Ministry of Trade and Industry (MTI)** falls into three broad but inter-related areas. The first is Internal Market Policy, the second is Industrial Policy and the third is International Trade Policy. Different aspects of all three of these policy areas are relevant to the proposed UN-Spain/MDG Private Sector Development Joint Programme (JP). An array of regulatory instruments and other market intervention tools are available at the disposal of the MTI so as to implement its mandate in each policy area. As a post-harvest agribusiness project based on adding value (with a direct poverty alleviation impact), the JP reflects a core objective of shifting Egypt's production and export in that sector from low to higher added value. Other high priority MTI policy focus areas relevant to the JP include, inter alia, (a) the economic integration of underdeveloped regions with developed regions through the promotion and facilitation of internal trade as a part of Internal Market Policy, (b) the establishment and implementation of industrial policies which serve job creation and sustainable economic growth as a part of Industrial Policy and (c) export development and promotion as a part of International Trade Policy. Thirteen (13) different JP Outcomes are directly linked to the aforementioned policy focus areas of the MTI, while over ten (10) different agencies and quasi-governmental bodies linked to the MTI have policy implementation functions relevant to the JP. Through the political role of the Office of the Minister of Trade and Industry, a horizontal and strategic level of coordination is planned so as to leverage the MTI's capacity to advance the JP's successful implementation, with special attention to adjusting policy through attention to lessons learned.

The Ministry of Investment (MOI)

The Egyptian **Ministry of Investment (MOI)** was established in 2004, with a mandate to reform the investment environment in Egypt, further develop non-bank financial services, and introduce a comprehensive Asset Management Program to state-owned enterprises (SOEs). Since July-2004, reform efforts undertaken by the Ministry of Investment have resulted in significant improvements in the perception of an opportune investment and business friendly environment in Egypt. This makes MOI an important partner in the policy dialogue the Programme seeks to hold under Outcome 3. In specific, MOI is committed to improving quality standards in the agribusiness industry. Moreover, MOI, through GAFI, can play an important role in facilitating partnerships with private sector investors (Outcome 1). The sector is considered one of the top sectors for investment promotion efforts by the General Authority for Investment (GAFI); an affiliate of MOI. In addition to the industry's commitment to applying HACCP standards, MOI, together with the Ministry of Finance, announced the establishment of a US\$ 146 million fund in 2005 to help upgrade agri-food processing operations in Egypt and increase processed food exports. This provides a facility that can be accessed to leverage the efforts of the Joint Programme in building the capacity of the entire value chain. Finally, since gender is a cross cutting theme in all activities of the programme, it is worth noting that MOI is a partner to the World Bank-UNIFEM's Results-Based Initiative to promote women's access to employment, training and career advancement in private firms through the Gender Equity Seal project. The active presence of a strong government partner as such will strengthen the gender component of the programme.

UNDP has a wide experience in poverty reduction as it is one of its practice areas. Almost 20 million dollars yearly are delivered in poverty reduction programmes which include micro and small credit, business development services and capacity development of governmental and non governmental organizations. In addition, UNDP is the UN agency with most experience in private sector development; it has a corporate strategy with value chain development and growth of inclusive markets as one of its pillars. UNDP country office in Egypt is responsible for the Global Compact Network and has established a CSR center and Growth of Sustainable Businesses project which gives it credibility and access to private sector. It has projects implemented in the four governorates suggested which gives it access to local government and has a large programme for NGOs capacity development which allows it to build the capacity of the farmer associations. UNDP has established sustainable NGOs in

Upper Egypt providing BDS in agribusinesses, it has ongoing programmes for private sector development with the ministry of investment which positions UNDP in an excellent way to address policy issues. UNDP has a global experience in value chains development and its international experts will provide technical backstopping to the project. UNDP just launched the Growth of Sustainable business program with IMC /MOTI , it links UNDP to an important network of global projects among them several are in agricultural value chain development. UNDP private sector division in New York has strong experts value chain development and in brokering partnerships with the private sector . Moreover the existing ties with the private sector will make attracting PS players easy as UNDP enjoys credibility among the key private sector players.

As the specialized agency of the UN system promoting industrial modernization, **UNIDO** has long been operationally engaged, in the enhancement of the productive capacity of the agro-industrial sector development with special attention to the needs of small-scale farmers and food processors, particularly women. UNIDO has also been long engaged in assisting developing countries to participate effectively in global trading systems. In the area of agribusiness, the focus of UNIDO is on delivering technical services to reduce post-harvest losses, promote rural off-farm employment and increase the levels of value added to traditional agricultural products, with the well-known implications for income generation on a more sustained basis and, as a consequence, poverty reduction. A notable success has been observed with the establishment of the Egyptian Traceability Centre for Agro-Industrial Exports (ETRACE) which aimed at enhancing competitiveness, exports, product quality and safety and national image in order to support the Egyptian agro-industry to stand at a position to match the global economy. The proposed project will utilize the infrastructure already established by UNIDO ETRACE project including technical expertise, software, database of country-wide agro-industrial operators, technical manuals, e-learning platform, international pesticide database, and updated quality and food safety management systems. The experience of UNIDO in enhancing agro-based supply chain development is substantial. The organization is implementing projects in several countries in Africa, Latin America and Asia, to assist producers, associations, warehouses, manufacturers and plant quarantine institutions on the establishment of a documented chain of product flow from the origin of the product to the market place.

The **ILO's** key comparative advantage in entrepreneurship and enterprise development is the ability to conceptualize and articulate the employment dimension of enterprise development – to design policies, strategies and programme interventions that place **productive and decent work** at the heart of enterprise growth and productivity. This dimension includes the fundamental principles and rights at work, socially responsible enterprise-level practices, and extends the decent work concept to vulnerable and marginalized groups. ILO will contribute a family of entrepreneurship capacity building packages: Know About Business (KAB), Start & Improve Your Business (SIYB) and Expand Your Business (EYB), which can be tailor-made to any context. These tools can target various levels of trainees based on: (a) time and experience in business (b) enterprise size and stage of development and (c) entrepreneurs' degree of education (illiterates to university graduates). They have been implemented in 90 countries with 600 partner organizations. In 1998-2005, SIYB alone resulted in supporting 300,000 entrepreneurs and creating 250 000 jobs. KAB and SIYB are already available in Arabic, the former with over 30 trainers from Upper Egypt. Other key relevant innovative ILO tools include: (a) "Women Enterprise Development (WED) Capacity Building", "Gender Sensitive Value Chain Analysis", etc; (b) "Start Your Waste Recycling Business" and "Work Improvement in Neighbourhood Development (WIND)" improving working and living conditions in rural life, and its close links with community development and empowerment of agricultural workers and farmers, (c) COOP-related legislation and guidelines, e.g. ILO Recommendation No. 193. It will count on its strong relationship with the Ministry of Manpower, employers' and workers' organizations, work with the Ministries of Education, Higher Education, Investment, Social Fund for Development, the Federation of Development Associations and on its enterprise, employment, skills, and working conditions specialists at its Cairo Office, and Regional and Headquarters support.

UNIFEM will play catalytic role, with a specific focus on inspiring and enabling implementation of commitments to gender equality and women's empowerment in Egypt. UNIFEM will

continue to base its work on a theory of change that is premised on three focus areas: (a) aligning laws and policies to create a conducive environment for the empowerment of women and human rights; (b) strengthening institutions and organizations in work processes, resources, and capacities to fulfill obligations to the CEDAW , as well as other global, regional and national normative agreements; and (c) supporting community-level initiatives that demonstrate how changes in practices and attitudes can be achieved to permit the implementation of commitments to gender equality and women's empowerment. UNIFEM implemented the GES in Egypt after the Mexican Model and already 10 companies in the Egyptian Market are on their way to be the first group to be granted the seal.

The project is contributing to the UNIFEM Overarching Principles. Gender equality and the empowerment of women are the responsibility of the entire United Nations system; achieving progress requires a strong driver, committed leadership and a multi-stakeholder approach. The outcomes will tend to ensure UNIFEM Thematic Area: Enhance women's economic security and rights and it will be reported directly to UNIFEM Strategic Outcome 8: Community-level initiatives generate a greater number of effective models for advancing the human rights of women and eliminating gender inequality.

Annex II: Workplan

Work Plan for: Pro-Poor Horticulture Value Chains In Upper Egypt

Period (Covered by the WP) ²⁵ January 2010 – January 2011

JP Outcome 1: Outcome 1: Small farmers and agricultural workers are more equitably integrated into domestic and international value/supply chains of horticultural products through enhanced efficiency, productivity and viable business partnerships with private sector investors.										
UN organization-specific Annual targets	UN organization	Activities	TIME FRAME				Implementing Partner	PLANNED BUDGET		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Programme Start-up: Offices set up and operational and long-term staff recruited										
Set up and staffing of PMU & Field Offices Completed	UNDP	1. Set up PMU at MTI	X				MTI	MDG - F	Equipment & supplies	91,000
		2. Recruit JP Manager, Research officer, Capacity building officer, Financial Officer and Admin Asst.	X				MTI	MDG - F	Personnel (long-term)	248,424
		3..Set up field offices		X			MTI	MDG - F	Rental, Equipment & Supplies	74,000
		4. Purchase Vehicles Locally	X						Equipment	66,667
Set up and staffing of PMU & Field Offices Completed	UNIDO	5. Recruit Deputy JP Manager, and Support Staff.	X				MTI	MDG - F	Personnel (long-term)	63,360
		6. Recruit Resident Field Officers and Field Admin Assts.		X			MTI	MDG - F	Personnel (long-term)	114,840
		7. Purchase 3 Vehicles Locally	X						Equipment	160,000
Set up and staffing of PMU & Field Offices Completed	UNIFEM	8. Recruitment of Gender Officer	X				MTI	MDG - F	Personnel (long-term)	52,800

²⁵ Annual Work plans cover not more than a 12-month period. However, usually at the start-up of the programme, these may cover less than one year. In both cases, the corresponding period should be specified.

Output 1.1. More than 75% of crops purchased by high quality markets (export markets, major retailers, touristic establishments).										
Small farmers and operators and FAs are introduced to higher value markets.	UNDP	1.1.1. Conduct baseline investigation on current and potential crop composition, productivity, markets, marketing channels...etc. in the locations of the selected FAs (see 1.4.2. below).		X			FAs	MDG - F	Contracts	30,000
		1.1.2. Conduct GSB Training			X	X	MTI FAs	MDG - F	Training	50,000
		1.1.2. Link the FAs to the GSB project, the CSR center and Growth of Inclusive markets Programme .			X	X	MTI FAs	MDG - F	Contracts	30,000
		1.1.3. Provide Marketing services and legal/contract negotiation advice - Studies to identify new markets and products both locally and internationally - Legal Assistance and TA in Contract Negotiaition			X	X	FAs	MDG - F	Contracts	30,000 10,000
Small farmers and operators and FAs are introduced to higher value markets.	UNIDO	1.1.1. Participate in baseline investigation on current and potential crop composition, productivity, markets, marketing channels...etc. in the locations of the selected FAs (see1.4.2 below).		X			FAs	MDG - F	Long Term personnel	11,110
Small farmers and operators and FAs are introduced to higher value markets.	UNIFEM	1.1.1. Conduct Needs Assessment for the Women Farmers		X			FAs	MDG-F	Contracts	20,000

Output 1.4 PHCs equipped and sustainability Plans Being Implemented										
Partner FAs identified and the capacity of their PHCs enhanced	UNDP	1.4.1 Identification of candidate FAs in the proposed governorates. (see 1.5.1)	X					MDG - F	Short-term TA	5,000
		1.4.2. Selection of FAs and Governorates. (see 1.5.1)		X			FAs	MDG - F	Short-term TA	5,000
		1.4.1. Assess existing capacities of selected PHCs		X			FAs	MDG - F	Short-term TA	20,000
		1.4.2. Identify needed equipment.		X			FAs	MDG - F	Short-term TA	20,000
		1.4.3. Provide grants to PHCs.			X	X	FAs	MDG - F	Contracts, PHC Grants	270,000
		1.4.4. Develop internal administrative and financial systems of PHCs.			X	X	FAs	MDG - F	Training	20,000
		1.4.5. Develop operational plans for services to be provided by PHCs.				X	FAs	MDG - F	Short-term TA	20,000
		1.4.6. Develop financial/sustainability plans for PHCs.				X	FAs	MDG - F	Short-term TA	20,000

Output 1.5 PHCs systems and capacity upgraded to meet international standards										
PHCs obtain required certifications	UNIDO	1.5.1. Assist the PHC obtain the required certifications and systems (ISO 22000 certification for food safety management systems, Global Gap Certification, Traceability, Leaf...etc.) and to upgrade their management systems			X	X	FAs	MDG - F	Contracts	
		- In-depth analysis and preparation of individual implementation workplans for FAs and PHCs			X	X				100,000
		- Awareness raising/Training on quality and food safety management systems for farmers			X	X				100,000
PHCs & FAs receive gender sensitization training	UNIFEM	1.5.2. Develop Gender Mainstreaming Tools and provide gender sensitization for the FAs, PHCs and project staff			X	X	FAs	MDG - F	Contracts Training	40,000
Output 1.6. FAs capacity enhanced to sustainably deliver services to their members.										
Three partner FAs selected, assessed and their internal systems strengthened	UNDP	1.6.1 Conduct institutional baseline investigation to select 3 partner FAs	X				FAs	MDG - F	Contract	20,000
		1.6.6. Provide TA to build internal management and financial systems (UNDP)		X	X	X	FAs	MDG - F	Contract	40,000
Technical capacity of Partner FAs strengthened	UNIDO	1.6.2 Assess needs of farmers and agribusiness operators to identify needed services.			X		FAs	MDG - F	Contracts	50,000

		1.6.3. Identify technical and organizational capacity requirements for the delivery of these services			X		FAs	MDG - F	Contracts	20,000
		1.6.4. Provide technical assistance and training as needed to build the technical capacity of FAs				X	FAs	MDG - F	Contracts	20,000

Output 1.7. Partnerships between private investors, small firms and FAs established										
	UNDP	1.7.1. Conduct baseline investigation to identify potential private sector partners.	X				Private sector	MDG - F	Contracts	20,000
		1.7.1. Broker partnership between private investors, FAs and small farmers.		X	X	X	FAs	MDG - F	Contracts	
		-Governorate-level promotional events among small farmers			X	X				50,000
		-Annual National Conference				X				60,000
		-Business-to-Business Meetings between Private Investors and Small Farmers			X	X				40,000
		1.7.2. Hold promotional workshops showcasing the work and the potential of the small farmers and FAs in the 3 selected governorates.			X	X	FAs	MDG - F	Contracts	50,000
Total Budget UNDP										1,380,397
Total Budget UNIDO										684,062
Total Budget UNIFEM										120,696
Total Budget ILO										0

No.	Budget Items	Amounts in USD\$			
		UNDP	UNIDO	UNIFEM	ILO
1-	<u>Direct Costs:</u>				
1.1	Supplies, commodities, equipment and transport	231,667	160,000		
1.2	Personnel (staff, consultants, travel and training)	248,424	189,310	92,800	
1.3	Training of counterparts	70,000			
1.4	Contracts	740,000	290,000	20,000	
1.5	Other Direct costs (Miscellaneous + 1% for RC Support)				
	Total Direct Costs	1,290,091	639,310	112,800	
2-	<u>Indirect Costs:</u>				
2.1	UN Agency Indirect Cost (7% per Agency)	90,306	44,752	7,896	
	Grand Total	1,380,397	684,062	120,696	

Signatures²⁶:

UN organization(s)	Implementing Partner(s)
<i>Replace with: Name of Representative Signature Name of Organization Date</i>	<i>Replace with: Name of Head of Partner Signature Name of Institution Date</i>

²⁶ When CSOs/NGOs are designated Implementing Partners, they do not sign this Work Plan. Each participating UN Organization will follow its own procedures in signing Work Plans with CSOs/NGOs.

Annex III: Budget

	UNDP	UNIDO	UNIFEM	ILO
	1. Programme costs			
1.1 Supplies, commodities, equipment and transport	<p><u>Supplies & Commodities:</u> Stationary & operating expenses (USD 180,000) Field offices rental (USD 60,000) Equipment (USD 100,000) (Total Supplies & Commodities: USD 340,000)</p> <p><u>Equipment:</u> PMU Vehicle (USD 40,000) Vehicles Running Costs (USD 40,000) Vehicle rental (USD 40,000) (Total Equipment: USD 120,000)</p> <p><u>Transport:</u> N/A</p> <p>(Overall Total: USD 460,000)</p>	<p><u>Supplies & Commodities:</u> N/A</p> <p><u>Equipment:</u> Field Offices/PMC Vehicles (USD 120,000) Vehicles Running Cost (USD 120,000) (Total Equipment: USD 240,000)</p> <p><u>Transport:</u> N/A</p> <p>(Overall Total: USD 240,000)</p>	<p><u>Supplies & Commodities:</u> N/A</p> <p><u>Equipment:</u> N/A</p> <p><u>Transport:</u> N/A</p> <p>(Overall Total: N/A)</p>	<p><u>Supplies & Commodities:</u> N/A</p> <p><u>Equipment:</u> N/A</p> <p><u>Transport:</u> N/A</p> <p>(Overall Total: N/A)</p>

	UNDP	UNIDO	UNIFEM	ILO
1.2 Personnel – Local (staff, consultants, travel and training) –	<p><u>Personnel:</u> Programme Manager/Policy Officer (USD 198,000) Research & M&E Officer (USD 158,400) Capacity Building Officer (USD 158,400) Financial Officer (USD 158,400) PMU Admin Assistant (USD 72,072) (Total Personnel: USD 745,272)</p> <p><u>Travel:</u> Local Travel & DSA (USD 400,000) (Total Travel: USD 400,000)</p> <p><u>Training:</u> NGOs capacity development in financial management & governance (USD 80,000) Training on GSB (international) (USD 50,000) (Total Training: USD 130,000)</p> <p>(Overall Total: USD 1,275,272)</p>	<p><u>Personnel:</u> Deputy Programme Manager/VC Officer (USD 174,240) Project advisor (short-term) (USD 90,000) Short-term consultants (USD 50,000) Resident Field Technical Officers (3) (USD 225,720) Local Administration staff (3) (USD 118,800) Other Support Staff (USD 15,840) (Total Personnel: USD 674,600)</p> <p><u>Travel:</u> International travel (UNIDO BSO HQs) (USD 20,000) Local Travel & DSA (USD 500,000) (Total Travel: USD 520,000)</p> <p><u>Training:</u> Local Training & Services(USD 70,000) Overseas Study Tours (USD 200,000) (Total Training: USD 270,000)</p> <p>(Overall Total: USD 1,464,600)</p>	<p><u>Personnel:</u> Gender Officer (USD 158,400) (Total Personnel: USD 158,400)</p> <p><u>Travel:</u> Local Travel & DSA (USD 100,000) (Total Travel: USD 100,000)</p> <p><u>Training:</u> Gender Training (USD 180,000) (Total Training: USD 180,000)</p> <p>(Overall Total: USD 438,400)</p>	<p><u>Personnel:</u> Short-term consultants (USD 200,000) (Total personnel: USD 200,000)</p> <p><u>Travel:</u> Local Travel & DSA (USD 200,000) International Travel (USD 70,000) (Total Travel: USD 270,000)</p> <p><u>Training:</u> Training needs assessment, adaptation of curriculum, documentation of training (USD 210,000) Entrepreneurship Training Courses (KAB, SIYB...etc.) (USD 230,000) (Total Training: USD 440,000)</p> <p>(Overall Total: USD 910,000)</p>
1.3 Training of counterparts	N/A	N/A	N/A	N/A
1.4 Contracts	<p>Policy Forum (local) (USD 60,000) PHC grants (local) (USD 270,000) Baseline Study (USD 100,000) Collecting existing studies (local) (USD 15,000) Advocacy study & capacity building (USD 110,000)</p>	<p>Agronomists for Agribusiness centers (18) (USD 180,000) National Technical experts (7) (USD 302,400) Short term technical assistance (USD 129,500)</p>	<p>Studies and Gender Audits (local) (USD 210,000) (Overall Total: USD 210,000)</p>	N/A

	UNDP	UNIDO	UNIFEM	ILO
	Promotional workshops (local) (USD 150,000) Studies (USD 200,000) Short term technical assistance (USD 200,000) Documentation & Communication (USD 50,000) Evaluations (USD 30,000) (Overall Total: USD 1,185,000)	(Overall Total: USD 611,900)		
1.5 Other direct costs (Miscellaneous) + (plus 1% for RC Support)	Miscellaneous (USD 44,500) RC Support (USD 69,397) (Overall Total: USD 113,897)	Miscellaneous (USD 40,000) (Overall Total: USD 40,000)	Miscellaneous (USD 30,000) (Overall Total: USD 30,000)	Miscellaneous (USD 30,000) (Overall Total: USD 30,000)
2. Indirect costs				
2.1 Indirect costs (7% per Agency)	Agency Management Support (USD 212,392) (Overall Total: USD 212,392)	Agency Management Support (USD 164,955) (Overall Total: USD 164,955)	Agency Management Support (USD 47,488) (Overall Total: USD 47,488)	Agency Management Support (USD 65,800) (Overall Total: USD 65,800)
Total Budget Per Agency	(Overall Total Budget: USD 3,246,561)	(Overall Total Budget: USD 2,521,455)	(Overall Total Budget: USD 725,888)	(Overall Total Budget: USD 1,005,800)