



**MDG ACHIEVEMENT FUND (MDG-F)**

“Pro-Poor Horticulture Value Chains  
In Upper Egypt”

**ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT**

**REPORTING PERIOD: 14 DECEMBER 2009 – 31 DECEMBER 2009**

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**Country and Thematic Area**

Egypt / Private sector and development

**Programme No:** 00070412

**MDTF Office Atlas No:** 00067258

**Programme Title:** Pro-poor horticulture value chain in Upper Egypt.

**Participating Organization(s):**

- UNDP
- UNIDO
- ILO
- UNIFEM

**Implementing Partners:**

- Ministry of Trade and Industry
- Ministry of Investment

**Programme Budget (from the Fund):**

UNDP	3 246 561
UNIDO	2 521 455
ILO	1 005 800
UNIFEM	725 888
Unallocated Amount to be Programmed	296

**TOTAL**

7 500 000 USD

**Programme Duration (in months): 36**

Start Date : 14 December 2009

End Date : 13 December 2012

**Budget Revisions/Extensions : N/A**

## I. Purpose

The purpose of the “Pro-poor horticulture value chains in Upper Egypt” Joint 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.

The programme shall support small farmers through supporting their Farmers Associations (FAs) to deliver needed business services 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

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 rank. 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). 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).

### **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.*

#### *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 2: Entrepreneurial forms of organization established by small farmers.*

*Outputs to Outcome 2:*

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

## II. Resources

### **Financial Resources:**

Following the receipt of the formulation funds on 15<sup>th</sup> April 2009, a consultant was hired to finalize the Joint Programme document. The Joint Programme document was endorsed by the Programme Management Committee (PMC) members and subsequently approved by the National Steering Committee (NSC).

The project received the 1st installment on 14<sup>th</sup> December 2009. There are no revisions of the budget at this time.

### **Human Resources:**

The process of recruiting a full-time National Program Manager started in December 2009. In this respect, an interagency taskforce was established and composed of Ministry of Foreign Trade and Industry, Ministry of Investment, UNDP, ILO, UNIDO, UNIFEM and UNRC. The taskforce members revised the Terms of Reference for the Joint Programme Manager. Consequently, a vacancy was advertised on UNDP Egypt and UNDP Global website from 14/12/2009 to 05/01/2010. An advert was also published in the local newspaper, Al Ahram. The recruitment process for the Programme Manager will be finalized in the 1st quarter of 2010.

## III. Implementation and Monitoring Arrangements

During the period under the review, focal points for each agency were designated and the recruitment process for hiring a national full-time Joint Programme Manager started. The recruitment procedure is based on the UNDP Programme and Operations Policies and Procedures and is being conducted in a participatory manner to ensure that all PMC members agree and endorse the entire process. The Joint Program Manager will be responsible for the daily programme management and will coordinate with designated focal points in the relevant agencies.

UN agencies and National Partners are represented in the Project Management Committee (PMC). This mechanism brings necessary coordination to the project and ensures integration while delivering the project activities.

Each UN agency follows their own organization's rules and regulations to implement the respective activities and to ensure accountability and transparency.

The implementation modalities of the UN agencies involved in the Joint Programme are as follows:

- 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
- ILO: Direct agency implementation.
- UNIFEM: Direct agency implementation.

Quarterly Progress reports, Annual Progress Reports, Monitoring reports, field visits and mission reports will provide the basic platform for monitoring.

## IV. Results

### Summary of Joint Programme Progress in relation to planned outcomes and outputs

**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.**

**Progress in Output 1.1: More than 75% of crops purchased by high quality markets (export markets, major retailers, touristic establishments).**

Activities not started as of 31/12/2009

**Progress in Output 1.2: 300 agricultural workers and agribusiness operators (including 75% women) trained in harvesting and post-harvesting operations.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 1.3: 150 trained workers (including 75% women) gainfully employed by PHCs.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 1.4: PHCs equipped and develop realistic plans for financial sustainability.**

Activities not started as of 31/12/2009

**Progress in Output 1.5: PHCs systems and capacity upgraded to meet international standards (e.g. Traceability, ISO 22000, Leaf Global gap, Global Gap, Gender Equity Seal).**

Activities not started as of 31/12/2009

**Progress in Output 1.5: FAs capacity enhanced to sustainably deliver services to their members.**

Activities not started as of 31/12/2009

**Progress in Output 1.6: Partnerships between private investors, small firms and FAs established**

Activities not started as of 31/12/2009

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

**Progress in Output 2.1: Feasibility and potential of incorporating farmers in collective entrepreneurial forms assessed.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 2.2: 500 Farmers receive entrepreneurship training to enhance their entrepreneurial skills and awareness.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 2.3: Willingness of farmers to incorporate into entrepreneurial forms increased.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 2.4: At least one company established by small farmers.**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**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.**

**Progress in Output 3.1: Policy issues identified, disseminated and discussed with GOE**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 3.2: Success stories and lessons learned promoted.**

Nothing to report as of 31/12/2009

**Progress in Output 3.3: FAs' advocacy capacity and involvement in government dialogue strengthened**

Activities under this output are planned to start in the 2<sup>nd</sup> year

**Progress in Output 3.4: Policy constraints to incorporating small farmers in value chains on equitable basis identified**

Activities under this output are planned to start in the 2<sup>nd</sup> year

## V. Future Work Plan<sup>1</sup>

The AWP for the first year is valid until mid December 2010. As soon as the Joint Programme Manager is on board, a meeting with all PMC members will be organized to revise the AWP for Year I.

The detailed annual work plan is shown in Annex 1.

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<sup>1</sup> See annex 1 for details of the annual work plan

## Annex I: Work plan Pro-Poor Horticulture Value Chains in Upper Egypt

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
<b>Programme Start-up: Offices set up and operational and long-term staff recruited</b>										
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

**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 <b>baseline investigation</b> 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 <b>baseline investigation</b> 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 - In-depth analysis and preparation of individual implementation workplans for FAs and PHCs - Awareness raising/Training on quality and food safety management systems for farmers			X	X	FAs	MDG - F	Contracts	100,000
					X	X				100,000
					X	X				
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 <b>baseline investigation</b> 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									616,267
	Total Budget UNIFEM									120,696
	Total Budget ILO									0

## VI. Abbreviations and 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