

## THE SUPPORT TO RURAL DEVELOPMENT PROGRAMME - SRDP

The SRDP is a pilot project implemented by the Ministry of Agriculture and Land Reclamation (MoALR) and funded by the European Union (EU) through the European Neighbourhood and Partnership Instrument (ENPI) which is the main source of funding for the Financial Cooperation with Mediterranean and Eastern European Countries.

This pilot project aims at contributing to the MoALR commitment towards a comprehensive National Strategy for Rural Development that include a conditional incentive-based approach reaching small farmers in deprived rural areas.

The pilot project is the result of a consultation process initiated in 2006 by the Union of Producers and Exporters of Horticultural Crops (UPEHC) of MoALR with the assistance and support of the Embassy of the Netherlands to assess the current development trends in the rural areas and more specifically in the old lands: Nile Valley, the Delta and Fayoum. In 2007, MoALR adopted a road map specifying the necessary steps to formulate a comprehensive National Strategy for Rural Development aiming at facilitating the development of the old lands into dynamic rural areas. Then, a national task force was formed and a Concept Paper was adopted for the implementation of a pilot project that applies the conditional incentive based support model, on a limited scale, with the objective of feeding into the formulation of the final National Strategy for Rural Development. The entry into force of the SRDP Financing Agreement was signed in October 2010 by the European Commission, the Ministry of International Cooperation (National Coordinator) and the MoALR (Beneficiary).

The overall budget for the SRDP pilot is ten million Euros funded by the EU and is being implemented over a period of 72 months divided in two phases: the operational implementation and closure phases.

The project is implemented in three locations in the governorates of Fayoum and Menia. The choice of districts within these Governorates is based on the severity of poverty and land fragmentation problems and on the effort to provide the benefit to as large a number of farmers as possible. These two Governorates are characterised by a high density of farming population, cover areas in Upper Egypt and, given a long history of irrigated agriculture, symptomatic of the acute problems facing Egyptian agriculture.

## Objectives

The Overall Objective of the SRDP pilot is to contribute to poverty reduction and socio-economic development of the rural poor through increased land productivity, employment creation and income generation.

The specific objective of the project is to demonstrate and establish the modality of conditional incentive based development as an approach to poverty reduction and growth in the rural areas of Egypt. It aims at providing direct and tangible benefits to the population demonstrating a better use of Government resources. This would contribute to the adoption of a new approach to rural development that would be the basis for a Rural Development Strategy for the country.

The project purpose, based on the partnership between beneficiaries and the Government, is to support poor farmers and their families to improve the productivity of their land and increase their outputs and incomes on condition that they participate and agree to comply with measures that support:

- good agriculture practices related to the use of land and water (both in terms of quantity and quality),
- adopt appropriate land use measures,
- invest in appropriate recommended technologies, knowledge transfer,
- the preservation of biodiversity, including the mitigation of, and adaptation to, climate change.

It would also assist in job creation through support for small scale agro-processing and/or marketing including investments in social assets.

The SRDP directly addresses the issue of environment. Environmental concern is a real problem in the tenuous land and water resource base in Egypt. The SRDP interventions explicitly address the issue by integrating measures to improve the environment with other measures aiming at improving the resource base to increase productivity. Gender issues are also addressed both directly and indirectly through project interventions via the possibility of rural women participating in - and benefiting from farm agro-processing and/or marketing opportunities.

## Policy Linkages

The four pillars for the future direction of agricultural and rural development in Egypt include:

- 1- Improving agricultural competitiveness,
- 2- Contributing to economic diversification and quality of life,
- 3- Halting environmental degradation, and
- 4- Establishing an institutional structure for sustained development.

The SRDP - and its expected results - constitute a forum providing opportunities for dialogue among policy makers on how to pursue the strengthening of the four pillars of agriculture and rural development.

An SRDP Steering Committee is set up , chaired by the Under Secretary of State for Foreign Agricultural Relations and with the membership of Senior Executives of the following concerned authorities:

- the Ministry of International Cooperation
- the Ministry of Water Resources & Irrigation
- the Ministry of Environment
- the Under Secretary of Agriculture of Fayoum Governorate
- the Under Secretary of Agriculture of Menia Governorate
- A Representative of the EU Delegation to Egypt on observer status.

The Steering Committee has the authority to co-opt any other member as it pleases.

The responsibility of this Committee is to establish the strategic orientation of the project, discuss and approve progress and resolve issues. The Steering Committee will also ensure that crosscutting issues such as environmental protection and equal rights for women are sufficiently taken into consideration in the implementation of the programme.

The four pillars of agriculture and rural development future strategy are the major issues for policy dialogue among the concerned sectors and the SRDP implementation teams at national and sub-national levels.

## Expected results

The SRDP strategy is based on the principle of 'conditional incentives' to be provided to the participating population. Based on the partnership between beneficiaries and the Government, support would be provided to poor farmers and their families to improve the productivity of their land and increase their outputs and incomes on condition that they participate and comply with measures that support Good Agricultural Practices (GAP).

The expected results include:

- 1 Increased outputs and incomes from a combination of better cropping practices, increased water availability (for irrigation) and improved land development; reduced environmental degradation at the farm level and environmental impact of agricultural practices;
- 2 Increased employment and income generating opportunities from off farm post harvest and marketing activities;
- 3 Improved communication between farmers and local agricultural support networks;
- 4 Upgraded capacities of NGOs and CBOs operating in targeted areas in better identifying needs of the local community and proposing how to respond to such needs. Local organisations will, as a consequence, be better placed in identifying and designing development activities, job creation and income generation opportunities and to act as focal points in the communities;
- 5 Upgraded abilities of Ministry of Agriculture staff at the District and local/village level to initiate, appraise, propose projects, for funding support in close consultation with beneficiaries.

## Major Activities

The beneficiary farmers have available to them a menu of activities under two main headings:

### 1- **Natural Resource Management or improving the physical resource base through improvements in:**

- Irrigation - including repairs to the water conveyance structures at the village level, adoption of modern and efficient irrigation technologies and techniques, on-farm water management practices, adoption of modern and sustainable management system for irrigation, etc;
- Drainage - including improvement of drainage structures, reduction of pollution in the drains, etc;
- Land - including land levelling; undertaking soil management measures; minimising the impact of fragmentation, residues and biomass management or preservation and rehabilitation of ecological functions through erosion and desertification control, etc.

### 2- **Better Management of Agricultural Practices or improving agricultural husbandry through improvements in:**

- Crop mix and cropping patterns - including introduction of new crop varieties, adoption of traceability systems, adoption of community based natural resources management following international best practices or improving land degradation through Integrated Environmental Management, etc;
- Fertilisers and pesticides usage/reduction - including the introduction of non-chemical fertilisers, composting, etc;
- Supporting post harvest activities including small scale processing and transformation (value added) of agricultural products and/or organising better marketing of outputs or the establishment of specific social assets. This could include the development of small and medium enterprises in agricultural production and marketing, the participation of small farmers in the production of non-traditional and organic horticultural produce for export, upgrading production methods and introduction of food safety standards or promoting innovative research and extension systems that respond to the needs of small farmers and rural women, etc.

These two headings form **Component 1** of the programme. Activities related to this Component 1 are being financed through contracted Grants Beneficiaries based on a set of criteria and appraisal of the proposals received.

**Component 2** of the programme focuses on Strengthening Local Institutional Capacities by:

- Upgrade capacities of local NGOs, PVOs and other Community Based Organisations (CBOs) through training and exposure to function as change agents both on the software aspects of community/group formation and mobilisation and the more technical aspects of resource management and conservation measures.

The pilot project gives special attention to the direct involvement of the local community in the identification and selection of projects through participatory techniques. NGOs and CBOs are ensuring full engagement from local communities in the identification of needs and submission of proposals. They are also expected to function as vehicles for social and infrastructural services

aimed at the poor and in the implementation of demand-driven activities as part of the ongoing decentralisation process. This should increase the targeting of projects on the poor and achieve a stronger involvement of local workforce. Consultation of the local community will be organised at all stages of the projects cycle, from definition until conclusion.

- Strengthen capacities of involved line agencies (Ministry of Agriculture and Land Reclamation, Ministry of Water Resources and Irrigation, Governor's office and others) to respond, initiate and propose measures in resource management and conservation, in consultation with farm beneficiaries.

The MoALR provided the conditions for a successful implementation, establishing a Project Support Office at UPEHC Headquarters, and a District Implementation Office (DIO) at each one of the two concerned MoALR Technical Directorates.

The SRDP receives needed support through the Technical Assistance Team (TAT) led by Vakakis International S.A., Greece<sup>1</sup>. This support consists of technical advice, on-the-job coaching, a number of training workshops, and consultancy on issues related to the programme's implementation to MoALR, UPEHC, and the grant beneficiaries (NGOs, CBOs, Farmers Associations, Cooperatives, etc.). The TAT provides extra capacity to assist UPEHC with the ongoing procurement procedures, particularly related to the Grant Schemes.

Project interventions will contribute to good governance through the modality of its support to a decentralised system of project implementation. The involvement of group based organisations, NGOs and CBOs and other civil society in the identification of priorities for project support will exercise an element of participation and awareness and contribute to transparency and better governance.

Most activities are undertaken on a group basis reflecting an improved use of a common property resource by a common group and articulation of real needs. There is, however, possibilities for individual support for a number of activities primarily in the area of post harvest/marketing. The focus for the interventions in post harvest and/or marketing are meant to demonstrate the viability of the projects and assist them in accessing existing sources of credit.

Finally, a Strategic Environment Assessment is being carried out at the beginning of the implementation phase of the programme in order to create a basis to measure SRDP impact at the end of the implementation period.

## Duration

The execution period of the Agreement is 72 months. This execution period comprises 2 phases:

- a) The operational implementation phase started from the entry into force of the financing agreement and has a duration of 48 months. The principal activities are carried out during this phase.

<sup>1</sup> The consortium contracted to provide long-term technical assistance for implementation of the project is Vakakis International S.A. (Greece), in association with North South Consultants Exchange (Egypt), Stichting Dienst Landbouwkundig Onderzoek, research institute LEI (Netherlands) and CA 17 International (France).

b) The closure phase of a duration of 24 months that starts from the expiry date of the operational implementation phase. Final audits and evaluation are carried out during this phase.

## Management Structure

The SRDP is implemented through a three axis management structure:

- 1- At the national level there is a Project Steering Committee under the Chairpersonship of the Under Secretary of State for Foreign Agricultural Relations and the membership of Senior Executives of the relevant national authorities.
- 2- A Project Support Office (PSO) is established within UPEHC with full time staff. The PSO, under the authority of designated SRDP Director is responsible for overall management of the project, coordinate project's components and their implementation, estimate and establish priorities in coordination with agencies at the Governorate and field levels. It is also the counterpart and focal point for the EC providing it with regular progress and financial reports.
- 3- A District Implementation Office (DIO) is established at the MoALR Technical Directorate in each one of the two concerned Governorates, with full time assigned staff, office equipment and supplies. This office is responsible for the day to day activities and overseeing implementation of all aspects of the project.

Coordination with Local Area Development platforms and synergy with other externally funded projects will be ensured to generate the involvement of the local population in the concept of resource management, in general, and in the project in particular.

## Monitoring & Evaluation

Day-to-day technical and financial monitoring is a continuous process as part of the PSO and DIOs responsibilities. To this aim, they established a sustained internal, technical and financial monitoring system for the project. This monitoring system is to be used to elaborate the progress reports.

As for the evaluation of the project; independent external consultants contracted directly by the Commission on specifically established terms of reference will carry out evaluations, as follows:

- a mid-term evaluation mission;
- a final evaluation, at the beginning of the closure phase.

The findings, conclusions and recommendations of the final evaluation are to feed into the deliberations of the future directions for the national strategy for agriculture and rural development.