



A Case Study of ENID's Activities at Mid Term

Egypt Network for Integrated Development

Case Study 012

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Despite the fact that a third of total public investment has been allocated over the past decade to Upper Egypt, the region houses the five bottom governorates, in terms of human development, and 923 of Egypt's poorest 1000 villages, in fact the poverty rate in Rural Upper Egypt in 2012/2013 is 49.4% compared to 17.4% in Rural Lower Egypt. ENID chose to work in Qena, Egypt's second poorest governorate, where the poverty rate has reached 58% in 2012/2013². With three million inhabitants, Qena is fully representative of the socio-economic, demographic, and topographic conditions of Upper Egypt south of Giza governorate.

ENID's relevance to the national context is established by the fact that the project addresses through its three results and corresponding outcomes, the development challenges discussed in the Situational Analysis and the Human Development Reports as well as in other studies, and equally importantly, that it contributes to addressing the medium term (2017) and long term (2022) challenges identified in the Egypt's 2022 National Economic and Social Development Plan.

Halfway through the project's life, this case study provides evidence on what impact can be achieved on the ground at a reasonable cost in human, technical and capital resources. It aims to show that ENID interventions are in fact improving people's wellbeing through creating jobs and raising incomes in rural Upper Egypt. ENID's methodology and its instruments are designed to improve on previous government or civil society interventions to make them sustainable and scalable on a national level.

Methodology and Instruments.

ENID has progressed in introducing income generation and employment for the most vulnerable segments of Egyptian society, notably youth and women in rural Upper Egypt. Interventions through the main sectors including basic services (A), manufacturing (B), agriculture (C), and are now under implementation or operational in 35 villages in Qena. ENID is now planning to expand its interventions in another 10 villages to reach its target of 45 villages by the end of its project life in 2017.

ENID spent its first year of operations collecting data, reviewing existing research and undertaking surveys and focus group discussions at the level of Qena's poorest villages which number 59 out of a total of 160 villages. Using the talents of experts in agricultural economics, anthropology, economics, education, health, engineering and public utilities has made it possible to conduct comparative and competitive advantage analysis as well as in depth investigation of various potential interventions in four essential sectors, namely agriculture, industry, basic services and tourism. In each of these areas, three key modalities were Integration, Innovation and Inclusion. These "Three I's" summarize the profile that best describes the ENID approach across its several programs, whether in MSMEs, agriculture or services. An integrated approach promotes holistic development through the simultaneous operation of activities in the same villages. ENID's interventions ensure that current markets are not crowded out as it promotes products that are entirely new and that utilize innovative tools and production techniques. This process is designed to be inclusive, such that local beneficiaries and NGOs are capable of sustaining the activities after ENID's project mandate ends in 2017.

¹ Authors are Heba Handoussa, Managing Director, ENID, and Marina Iskandar, Research Analyst, ENID.

² CAPMAS, "Poverty Indicators based on data on Income, Expenditure and Consumption 2012/2013", 2014.

Starting from the poorest villages in Qena as identified by Egypt's Poverty Map, the needs assessment provided a thorough evaluation of problems and priorities of each of 32 communities. Integrating the results of the SWOT analysis with the needs assessment further reduced the list of potential interventions to some 45 projects that would be piloted in 45 villages. To date, 12 out of 35 of ENID interventions are in the poorest villages and a further five are targeted in the year 2015. All village level interventions are meant to provide best practice models that are feasible, cost effective in generating incomes and employment, and can be scaled up over time.

The selection criteria for the village depends on needs assessment surveys of poorest villages. The villages were chosen depending on whether they are located on the poverty map, their proximity to raw materials necessary for craft training, their proximity to the capital, if they had previous knowledge of the intervention and if there was a good, cooperative CDA in the village, especially in the case where basic services programs needed to be implemented.

Two segments of society in each village have been targeted, women and youth. With regards women, the evidence is that this is the most vulnerable group in Upper Egypt society given the extremely low level of participation and the lack of opportunities for non-agricultural activities, especially that the level of illiteracy and minimal education is prevalent. The rate of female participation in the labor market is reduced from 19.5% on average for Egypt to the lowest at 10% in rural Upper Egypt.³

ENID operates its projects through the management of local but reputable NGOs. The best practice criteria for NGO selection are as follows: The NGO activity has to serve one or more of the MDGs, target poor young men and women and deliver based on needs assessment of women. The NGO also has to adopt a participatory approach and create opportunities for volunteers. The number of jobs created per unit of expenditure is important as well because income and employment opportunities are the key outcomes of successful CSO interventions. Audited accounts and clear governance rules must be available to ensure transparency and accountability. Collaboration via Public and Private Partnerships (PPP) should be encouraged since it implies the potential for scale economies and division of labor in joint ventures, where each partner provides their skills, experience, and network. Additionally, the willingness of the NGO General Assembly members to allocate the space for the ENID activity is highly desirable and the NGO's potential for replicating the model and scaling up of activities is a key ingredient of success.

Marketing is also an essential instrument in ENID's approach, notably to MSME development; the marketing strategy for those products that are outcomes of ENID interventions is based on product differentiation that focuses on creating a marketable and competitive product. The marketing tools adopted are: market research, product development, and promotional activities for each product. The market research phase is conducted by adopting the qualitative research/focus groups' methodology and followed up by the exploratory studies, to understand habits, needs and purchase process of consumers. Product development includes assigning product designers to create strong, trendy, and high quality products that meet the selected target market's needs and taste. Promotional activities aim at engaging in

³ One of the striking features is the extremely low level of employment of women in the private sector in Egypt as a whole, with the informal private sector employing only 4% of women compared to 38% of men in the labor force, and the formal private sector employs only 1.5% of women compared to 12.5% of men in 2012 according to: World Bank, "More Jobs, Better Jobs: A Priority for Egypt", June 2014.

social media/on line activities that are relevant to the target audience as well as engaging in selective exhibitions and trade shows.

Projects in agriculture or services are promoted locally through banner use, the production of explanatory leaflets and manuals, and through mass media coverage.

Income and Employment Generation.

ENID has been able to create employment and income generation in 2014 for a total of 411 beneficiaries across the three programs, with 84 in basic services through the innovative joint literacy and sewing workshops and pre-schools, 105 in the various crafts interventions and trainings in manufacturing and 222 beneficiaries in agriculture. The total number of beneficiaries, incorporating both employment generation and trainings, add up to a total of 1,602 beneficiaries in the year 2014 alone. Cumulatively, ENID's three programs (2012-2014) have a total of 2135 beneficiaries, out of which 573 were employed with 394 women and 179 men. The total number of targeted jobs across all domains is 1316 which brings ENID almost half way despite the delays in implementing the fish farms, the readymade garment factory and the Eco-Lodge.

Capacity has been developed through the training of a total of 1885 beneficiaries out of which 1042 are men, 663 women and 180 children. The breakdown of trainings is as follows: Basic Services: a total number of 14 trainings have been delivered, benefitting 403 beneficiaries (180 children and 223 women); Agriculture: a total number of 7 trainings have been delivered, benefitting 1245 beneficiaries (1005 men and 240 women); Manufacturing: a total number of 17 trainings have been delivered, benefitting 237 beneficiaries (37 men and 200 women).

The total number of beneficiaries of ENID (trainings and employment generation) is 2135.

To date (end of 2014), ENID has 33 protocols, with 8 new ones being added in 2014 in manufacturing, 11 in agriculture and 4 in basic services. The increased cooperation with NGOs and CDOs on the ground has greatly contributed to the sustainability and scalability of these projects that will be instrumental in the second half of the project's duration. ENID's activities have very positively impacted developmental prospects for Egyptians who are most vulnerable to poverty, and now many other NGOs have approached ENID with their request to implement its crafts interventions in new villages across Qena and Upper Egypt. One example is the Safwa Civil Society Organization in the village of Kalaheen in the district of Qeft, which has requested ENID's assistance in establishing another mother of pearl workshop in the village as reflected by the strong demand of the youth and women there.

For the basic services program (A), ENID has signed during 2014 a total of 4 additional protocols with various NGOs and CDOs for the literacy classes, sewing workshops and kindergarten classes, with 4 others continued from the previous year. These activities have promoted employability and income generation for an additional 133 beneficiaries, raising the total to 431 accounting for previous years. Basic services activities are operational in a total of 8 villages.

For the manufacturing program (B), ENID has cooperated with a total of 8 NGOs in 2014 to implement 8 new interventions and continue training in 9 others from the previous year. ENID has impacted a total of 237 beneficiaries (200 women and 37 men) across its OVOP and Cluster Development models in the various crafts trainings in 18 villages since the project's inception. ENID has finalized preparations for marquetry and wood turning to be introduced in the village of Al Towairat and Al Kalaheen. ENID is progressing with regard the establishment of clusters, and aims to further scale up and replicate these interventions in other villages in the second half of the project's duration.

For the agriculture program (C), ENID has signed a total of 11 additional protocols, with a total of 15 when taking into account ENID's cooperation with the same NGOs across programs. These protocols cover a variety of activities including operational roof gardens, milk processing units, dairy processing plants, an operational integrated fish farm, and a pilot project for clean farming and recycling agricultural residues, among many others. The agriculture program has progressed in 10 activities in the year 2014, training a total of 1228 beneficiaries and generating employment for 222 (142 for men and 80 for women) people across 10 new villages. This raises the total of beneficiaries of the agriculture program by end 2014 to 1467 people since implementation.

Designing Interventions that are Sustainable and Scalable.

Program A: Upgrading Basic Services in Rural Upper Egypt

Basic services in rural Upper Egypt are suffering from many challenges in terms of access, quality, affordability and sustainability. The rural communities in Upper Egypt according to all livelihood indicators are the most vulnerable and marginalized in this regard. The poor communities are isolated not only in physical terms but also in terms of their access to employment, financial resources, skills and information. Since poverty has many different causes and effects, it can only be tackled in an integrated way. Improvement of basic services needs key structural changes regarding the relation between local authorities and central government, namely decentralization on one hand, and, on the other hand, the restructure of the relationship between the citizen/stakeholder/user and service provider to be more accountable and participative.

As a best practice, ENID has adopted a new vision in dealing with females' illiteracy, depending on integrated interventions. The idea is simply to link between education and work to achieve actual empowerment of women. The Basic Services Program has so far implemented 6 combined units in six villages. Each unit includes a literacy class and a sewing workshop. After finishing the literacy classes, the graduated girls will join the sewing workshops. The vocational training workshops will not confine to training but its role will extend to production. The final goal is to create jobs for women in a safe environment and upon decent criteria. This intervention also helps in changing the conservative social norms regarding women and creates a cadre of trainers and promoters from the local community, representing an important human asset, able to become a change catalyst.

Program A has also designed and implemented a model that focuses on combining children education and healthcare. Actually, 4 preschool classes have been established in 3 villages. The classes have been equipped with the best educational tools and furniture according to the UNICEF model and the healthcare

for children is provided by outsourcing a pediatrician. The pediatrician has examined preschool children and diagnosed their health problems based on scheduled checkup visits. The diagnosis showed that most children are suffering from tonsillitis and parasitic worms; ENID has subsequently provided medication for these children. To complete the intervention, a bundle of health and nutrition awareness sessions have been organized to provide the mothers with proper information on sound nutrition and diseases' prevention.

Program B: MSMEs and Entrepreneurship

Across Egypt, the MSME sector has a large potential for job creation but suffers from many constraints. These constraints include the weak purchasing power of their primary low-income customers; intense competition from Asia; limited linkages to larger firms; limited, structured marketing channels; low utilization of technology; inadequate access to external finance; poor access to fairly priced inputs; scarce supply of skilled and trained workers; low access to information and business development services and a legal and regulatory environment which imposes heavy compliance burdens and leads to the high level of informality.

The One Village One Product (OVOP) Model via Apprenticeship

The One Village One Product (OVOP) is a movement based on the Japanese regional development program that started in 1979. It is based on the idea that one village produces one competitive staple product as a business to gain sales revenue and improve the standard of living of its residents.

The economic logic behind the movement is based on the idea of product differentiation. The more unique a product becomes the more influence a firm has on the price. Rural firms in particular are disadvantaged in a perfectly competitive market, due to their distance from major markets and the condition of poor infrastructure. In commodity production, they are forced to maintain low wages and are trapped in poverty to sustain profitability. Successful OVOP activities in rural areas, if able to produce sufficiently differentiated products, can then compensate their higher transportation and other costs.

Another core element of the model is an interactive learning process in production and marketing activities for continuous improvement. Success stories across those developing countries that have developed the model tend to emphasize the qualitative aspects of the communities and have not conceptualised the model in an applicable manner. This raises the vital need to document and study ENID's initiative to apply the model throughout Upper Egypt.

ENID's OVOP Project for the promotion of the handicrafts sector rests on three pillars:

- 1. Selection of Innovative and Market-Driven Products.***
- 2. Establishment of and Technical Support to OVOP Workshops via Handicraft skills trainings*** that are taught mostly to poor and disenfranchised women, thereby creating an income-generating activity and a sense of empowerment. *Investment* in product-specific training raises productivity and encourages young people to go for self-employment and entrepreneurial activities. Ultimately *asset transfer* is provided for successful trainees in the form of tools, equipment and raw materials for start-ups. This is combined with access to microcredit.

3. *Improving market access* via policy recommendations at the central and local level for transport and distribution support. ENID aims to provide an integrated package of interventions on a product basis for village-level to promote cluster development. It also works on raising the image of craftsmanship and valorising blue-collar skills, and raising quality of handicrafts and hence export potential.

In this respect:

- Market research studies for handmade fashion accessories and home accessories produced or to be produced by the OVOP workshops have been conducted by ENID to identify the product categories that can successfully maintain high sales revenues. ENID has recruited on a half-time basis since October/November 2014 a fully-fledged team of marketing experts that cover market research, design, branding and exports.
- ENID works on connecting craftspeople in Upper Egypt to the potential retail stores in the Capital and big cities. It also helps them participate in national exhibitions in different governorates to test their products and benefit from consumer feedback.
- To implement the India best-practice example for a permanent handicrafts open market in the city, ENID hopes to establish a market in the Egyptian Agricultural Museum in conformity with the regulatory framework of the Dilli Haat in New Delhi. The proposed agreement has been approved by the current Minister of Agriculture.
- Microsoft partnered with ENID through ASPIRE women - an initiative aimed at supporting and empowering young women across the Arab World and Africa - and an agreement was made to provide ENID with an e-shop portal. Starting in early 2015, the Online Store displays handicrafts from all villages ENID supports with briefs on personal stories of the beneficiaries. On a related front, ENID attempts to encourage the export of handicrafts and in particular the penetration of the museums business as it targets the souvenir stores of museums from around the world with Egyptian treasures.
- Innovation in ENID's approach rests on introducing best practice interventions. The local context and experiences with development projects in Egypt over the past 40 years provides evidence of the inability to scale up good practices. The absence of sustainability has in the first place been a problem of organization and ownership at the grassroots level. Top down development projects have also meant that once a project is completed there is either no finance or no proper documentation of process in order to continue. ENID therefore hopes to introduce the most important elements of sustainability: skill formation, product quality, profitability, ownership, and market access, as well as process documentation.

Vocational Education and Training

Upgrading Vocational Education and Training (TVET) has been one of the key instruments utilized by ENID to provide employability for TVET graduates and supply the necessary skills needed by enterprises of all sizes. TVET secondary schools are merit-based and unfortunately attract the weakest candidates who are not accepted in the General Secondary School System. However, TVET is becoming more of a priority to the government with a TVET strategy developed for the period 2012-2017. Out of a total of

974 TVET industrial schools affiliated to the Ministry of Education, only 31 are part of the Mubarak Kohl Initiative which applies the dual system whereby students enjoy access to practical skills on the shop floor in factories. However, such factories are hardly available in Upper Egypt and ENID has therefore resorted to Training of Trainers (TOT) in five TVET Industrial Secondary Schools in Qena as well as supporting the refurbishment of many classrooms. The critical variable has been the selection of top quality trainers with relevant manuals so as to access the TVET schoolteachers with the most up-to-date technical tools that should provide their students with the necessary skills and capabilities to excel in the labor market.

Program C: Agriculture and Non-Farm Employment

Nearly 70% of Egypt's poor or food-insecure live in rural areas and a large share of these people depends very much on agriculture for their food supplies and for generating incomes. The contribution of the agriculture sector in Egypt exceeds 13% of GDP and over 30% of employment opportunities. Meanwhile, about 57% of the total population in Egypt lives in rural areas, where poverty prevails. As such, enhancing sustainable agricultural and rural development as a means to reduce poverty and food insecurity is a prerequisite for sustainable social and economic development.

Best Practices in Agriculture

From day one ENID's agriculture team has sought to implement innovative interventions in Upper Egypt, based on rigorous research. In this respect, the team has achieved many successful pilots that can be added to the best practices record of agricultural development in Egypt.

Prior to implementation, the team spent about one year studying agricultural conditions and comparative advantage in Qena. Such extensive research was successful due to close partnership with academic entities, the Agricultural Research Center and its various institutes.⁴ The team has also invested in building the capacity of the Agriculture Directorate staff in Qena.⁵ The team assessed the dominant crops in the rural districts of Qena,⁶ produced reports on the Optimum Cropping pattern in Qena, the use of the Policy Analysis Matrix (PAM) and a Farm Data Handbook.

Among its innovative interventions, the agricultural team is introducing three integrated fish farm models that save water and enable the utilization of desert lands. One model will include a unit of solar power to extract underground water from wells. All models include cultivation of food and feed crops to be irrigated from the drainage water of the fish ponds as well as livestock/sheep raising activity, units for recycling farm residues (to produce compost and/or silage), and a unit to produce bio-gas. These models are prime examples of integrated development.

⁴ Agricultural Economics Research Institute, Animal Production Research Institute, Agricultural Extension and Rural Development Institute, Department of Agricultural Experiments in Qena, General Authority for Fish Resources Development, Zagazig University, Ain Shams University, South Valley University, National Planning Institute, and International Center for Fish in Abbassa.

⁵ Two workshops on comparative advantage took place in an early stage of the project to train local staff from Ministry of Agriculture and NGOs on data collection, comparative advantage, linear programming and contemporary sustainable agricultural issues and challenges in Upper Egypt to become key contributors in subsequent activities.

⁶ Dominant crops include Sugar Cane, Maize, Sorghum, Wheat, Fennel, Cumin and Tomatoes.

In poultry activity, the team has followed safe poultry raising guidelines to protect poultry from catching Avian Flu and using local breeds adapted to weather in Egypt based on select participants receiving 30 immunized chicks. The team also introduced a unique system, which ensures solidarity and collaboration between poor families and enforcement of a “paying back to society” culture⁷ based on a shared 10% of fertilized eggs hatched to be distributed to other poor villages.

⁷ Each participant in this project receives 30 chicks aged one month immunized and vaccinated against all diseases. When eggs production start, each participant will donate around 10% of the total fertilized eggs produced to the NGO to be hatched and distributed as chicks to other poorest and neediest households.