Arab Republic of Egypt
Ministry of Social Solidarity

Social Protection.. Equitable Development & Nation-building

Panama
April 2016
Economic Growth only is not Enough

- Egypt has been following the “Growth first” model of Economic growth.
- This led to 5-7% growth rates without enough social inclusion

**Source:** WDIs, 2014
Egypt’s growth has not been inclusive

Poverty is concentrated in Rural Upper Egypt

The lowest quintile has lower access to college education

It takes the poorest 1.5 times longer than the richest to transit from School to work

A born poor infant is about 3 times more likely to die before his 1st year than a rich one

Source: WB, 2014
Egypt’s growth has not been inclusive; Poor Targeting

The Old Cash Transfer Programs is Poorly Targeted with Less than one third of the beneficiaries being poor

Fuel subsidies (6% of GDP): were not only higher than health and education public expenditures combined, but also mainly benefiting the rich
Pro-Poor Social Policies; A Closer Look

Energy Subsidy reform has allowed for further investments in Social Sectors/Programs (Health, education, Cash transfer, food subsidy, farmers subsidy)

A three times increase in the budget allocations for Cash transfer (SSP, Takaful & Karama)

Source: MOF, 2014
We have already started!!

- Cash Transfer Programs
- School feeding
- Food Subsidy Program
- Health Insurance for the poor
- Increased Social Pension
- Minimum and Maximum Wages
- 250 Village Program
- SMEs
- Inclusive Housing Program
- Subsidized Public Transport
- Slum Upgrade
- National TVET
- Increased Pension
EQUITY:

EQUAL OPPORTUNITIES… NOT NECESSARILY SAME OPPORTUNITIES

Different treatment for different situation …

… to ensure everybody can enjoy the same rights
The Ministry of Social Solidarity (MOSS) is mandated to reform the Social Safety Net and expand its coverage, with a long-term plan to reach 3 million poor HHs. However, integrated systems and policies for education, health policies, nutrition, agriculture and employment are indispensable.
Developed Forms of Social Protection in Egypt

Access to Health Care

Education & Nutrition for Children

Food Rations

Conditional Cash Transfer

Income security for Elderly

Economic Empowerment
Development of Social Safety Net

1. Moving to the approach of **Conditionality**... to invest in children and to fulfill their basic rights (health, education, nutrition).

2. **Targeting** to rationalize the use of subsidies for those who really deserve and to be as inclusive as possible.

3. **Automation** of the social protection system, to enhance transparency and to eliminate human error and potential corruption.

4. Maximize **integration/coördination** between government services to adopt an integrated approach and to boost collective efforts.

5. To **limit the period** of unconditional cash transfer for families and encourage families to seek income-generation opportunities.

6. Intensive **outreach** campaigns to reach poor families instead of waiting.

7. Establishing **accountability** mechanisms and involving communities.
Takaful is a family income support program to *families with children (0-18 years)*, and is aimed to produce human development outcomes, specially nutrition, maternal and child health, and school enrolment and retention.

Karama is a social inclusion program to persons, specifically the *elderly 65+ and the disabled* who cannot work, and is aimed to provide social protection and decent life for the most vulnerable persons.
WE NEED A SYSTEMIC APPROACH

- Tailored to the specific context of each country
- Country leadership and ownership
PRINCIPLES OF TAKAFUL AND KARAMA PROGRAMS

- Human Rights-based
- Equity
- National ownership
- Systematic & integrated
- Developmental Approach
Geographic Targeting:
• Transfer of Cash is done to particular geographic areas or administrative units that have the lowest development indicators.
• The targeting mechanism identifies the eligible areas and then within these identifies the potential beneficiaries.

Proxy Means Test (PMT) Targeting:
• A score is generated for each household (HH) based on combination of different factors; including income, education and occupation of HH members, quality of housing, demographic structure of household, and ownership of goods.
• A “score” for each potential beneficiary or household is computed and eligibility is determined by comparing the score against a predetermined cut-off.

Gender Targeting
## Benefit Scheme

### Takaful Program

<table>
<thead>
<tr>
<th>Family</th>
<th>Monthly payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic HH payment</td>
<td>325</td>
</tr>
<tr>
<td>Per child – Primary stage</td>
<td>60</td>
</tr>
<tr>
<td>Per child – Prep. stage</td>
<td>80</td>
</tr>
<tr>
<td>Per child – Secondary stage</td>
<td>100</td>
</tr>
</tbody>
</table>

### Karama Program

<table>
<thead>
<tr>
<th>Person</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Person</td>
<td>350</td>
</tr>
<tr>
<td>Two persons</td>
<td>700</td>
</tr>
<tr>
<td>Three persons</td>
<td>1050</td>
</tr>
</tbody>
</table>
DRIVING FORCES TOWARDS SUCCESS

1. **Presidential and Prime Minister decrees** approving the program and legitimizing its national identity.

2. **Budgeting the program** as a major national social protection program (MoF).

3. **Social Justice Committee** and its positive role towards government coordination.

4. **Readiness of non-government entities** to positively collaborate (MoH, MoE, MoI, MoF, MoPMAD, MoA).

5. **UNR** Developing Unified National Registry on national basis.

6. **Integrating other SP Programs** under social protection umbrella.
ACHIEVEMENTS TO DATE

1. Completion of tools and of system automation.

2. 4000 social workers and researchers had their capacities enhanced to use tablets and fill questionnaires (1250 from MoSS and 2750 independent researchers).

3. Registration of 1,100,000 HH in 10 Governorates (60 districts) in Upper Egypt, Red Sea and Cairo.

4. Eligibility testing of 897,000 HH out of 506,000 were enrolled and 391 were rejected.

5. Developed grievance mechanism and to date received 164,000 grievances that were studies and responded to. Only 11.8% were accepted from the total received and 89.2% were responded to.
ACHIEVEMENTS TO DATE

6. Developed verification mechanism with 7% sample withdrawn every quarter to spot check.

7. Established media and advocacy teams in 10 governorates; T&K Ambassadors from skilled officials and media people to promote T&K and raise community awareness.

Takaful and Karama Cash Transfers (cumulative)

- Mar, 2015: 66,907,375
- Jun, 2015: 146,140,570
- Sep, 2015: 297,784,920
- Dec, 2015: 501,946,075
- Mar, 2016: 818,833,382
National Policies on “Securing Food for the Poor”

1. **Political Support:** government priority towards expanding social safety nets and having extensive coverage of the poor.

2. **National SF Policy:** Having a national school feeding policy is an important opportunity to the program.

3. **School feeding program:** for children from 4-12 years old in government schools.

4. **Children at first 1000 days:** critical age category not covered with sufficient food and energy intake, especially the poor.

5. **Governance of School Feeding:** there are national institutions in charge of school feeding, but numerous, diverse, unclear rules and need to be strengthened.

6. **Sectoral links:** Links between local agriculture and economy and school feeding is still missing and readiness needs to be strengthened.
Economic Empowerment Program “Forsa”

1. Agricultural and rural development projects.
2. Vocational training program.
3. Productive families’ program.
4. Private-public partnerships.
   - One village one product
   - Online market for the local production
   - Village saving and loan associations (VSLA).
   - Work from home.
   - Supply and value chains.
Our Partners

**Private Sector**
- Aligning CSR with the National priorities
- Contributing to skills development and commitment to better quality jobs
- Investing in R&D and A potential role in providing innovative solutions to address the coverage gaps of social service delivery

**Civil Society Organizations**
- Community mobilization
- Coordination with the government and among themselves
- Shifting from Charity to development through innovative interventions

**Donors/IFIs**
- More funds for social programs with sound targeting
- Institutional Capacity Building
Conclusion: The Main Messages

1. Inclusive Growth is a pre-requisite for Political Stability and productive Investment Climate
2. We have learnt the lesson from our experience and other case studies around the globe
3. We are strongly committed to ensure a “win-win” growth model for both investors and population through investment in human capital
4. We have already taken serious steps towards inclusive Growth on all levels, and more is yet to come
5. We acknowledge the challenges on the road towards social inclusion
6. To achieve inclusive growth, we will work with all stakeholders in a sustainable and efficient manner
We acknowledge the challenges

- Unpredictable Global Economic Growth
- Limited Resources
- Low Institutional Capacity, high bureaucracy, and resistance to change
- Unsustainable Social Contract leading to higher expectation
- High population Growth
- Significant levels of Informality
Driving Forces Towards Success
Equitable development and Social Justice…

Towards the change for Egypt we want.
Thanks for Your Attention
Questions and Comments