



RCAR 2011 - Egypt

Political and economic situation in Egypt

Eighteen days of nationwide popular demonstrations led to the ouster of President Mubarak from power on 11 February 2011. The uprising was fuelled by a widespread sense of political, economic and social exclusion (especially among youth), aggravated by notorious cases of police brutality, fraudulent elections, wide-scale and highly-visible corruption, media censorship, lack of access to decent health and education services, as well as persistent economic issues, including high unemployment, high food price inflation, and low wages. The protesters called for a "new Egypt" based on the slogans of Dignity, Freedom, and Social Justice. The Supreme Council of Armed Forces (SCAF) assumed executive control of the country and dissolved the two houses of parliament. The SCAF appointed an interim government, and held a referendum on a constitutional declaration to provide a legal basis for interim rule until such time as elections would be held. Since the removal of Mubarak, the country has experienced strikes, protests and some very violent confrontations between protesters and the security forces, leading to a number of fatalities which have polarised elements of Egyptian society.

The SCAF and the interim government have since February introduced a number of positive measures. These include: conducting of parliamentary elections; permitting independent trade unions to be set up; starting criminal prosecutions of some senior security officials for serious human rights abuses; announcing indictments in cases of corruption; dissolving State Security and the National Democratic Party (NDP); appointing new members of the National Council for Human Rights; granting more licenses to independent daily newspapers and satellite TV stations; allowing the registration of political parties; arranging Parliamentary elections; and addressing long-standing issues related to Egypt's foreign policy. Further steps are required, however, to ensure that Egyptians can trust the state and its institutions. In addition to reversing the country's economic decline, authorities need to ensure the full respect for human rights and show tangible results in the effort to combat past abuses and impunity. Accountability at all levels is crucial to the transition period.

Politically the country witnessed the rise of a new constellation of political parties and actors, first through street demonstrations and later through the creation of parties and the nomination of candidates for the parliamentary elections. As a result a new group of political actors has emerged and new visions, policies and programs are likely to unfold, reflecting the political leanings of the new parties. While it is hoped that these changes will reflect positively on the country in the long run, short term concerns include: 1) increased insecurity and violence; 2) continued human rights violations resulting in further distrust between the state and citizens; 3) further declines in investment, worsening economic conditions, more unemployment and deepening of existent inequalities, poverty and malnutrition in a context of shrinking fiscal space and insufficient state resources to address immediate job creation needs; and, 4) political polarization of the Egyptian society that will require the development and use of peaceful mechanisms, capacities and institutions, for reconciling political differences.

Elections for the lower house of Parliament, the People's Assembly (PA), were completed in January and the opening session of the PA was held on 23 January 2012. Shura Council elections are being conducted in two rounds starting on 29 January and concluding at the end of February. The election process, either helping to consolidate or undermine the path to democracy. Voting for the People's Assembly has taken place in a generally peaceful manner and with little electoral related violence. There has been a high turn-out and particularly impressive participation of women. The UN has helped facilitate the process through an electoral support team that was able to provide limited support. In 2012, the elaboration of a new constitution and the Presidential elections will be key focus areas for Egypt. The drafting of a new constitution will be an historic opportunity for ensuring that fundamental human rights issues are reflected in the new Constitution and that the preparatory process is an inclusive one which facilitates a national dialogue on this key building block of Egypt's transition to democracy.

Economic Situation

Egypt's economic situation is worrisome. GDP growth has fallen from a projected 4.5% to almost 1% in the eleven-month period following the start of demonstrations in January 2011. During the same period, foreign reserves fell from US\$ 36 billion to US\$ 18 billion and, both, domestic and foreign investments grounded to a halt while unemployment increased significantly, especially in the tourism sector. Official statistics published in February by the Central Agency for Public Mobilisation and Statistics (CAPMAS), indicate that the poverty rate in Egypt increased to 25.2 per cent in 2010/2011, up from 21.6 per cent in 2008/2009, and 16.7 per cent in 1999/2000. On a more positive note, the percentage of those living in extreme poverty -- those spending less than LE17.2 a month (or LE2,064 annually) -- has declined marginally. The proportion fell from 6.1 per cent in 2008/2009 to 4.8 per cent in 2010/11. However, both figures are still far higher than the 1999/2000 proportion of 2.9 per cent.

These trends contain the potential for further social unrest if not tackled properly by national authorities, and for further increasing poverty and its manifestations, as for example the deterioration in the health sector including an increase of expenditures on health as a result of out of pocket pay; the worsening of the Mental Health situation and the malnutrition, which is already a major concern. Those most affected by the current economic meltdown are the already vulnerable groups, including people paid on a daily basis whose income depends on tourism, retail labour, transport, and construction, and their dependents, in particular women and children.

In response to the deteriorating economic situation, the government has prioritized the following areas for international support: a) budget support b) debt swaps c) youth employment; d) low-cost housing; and e) support to small and medium enterprises (SMEs).

Major results achieved, good practices and lessons learned

Taking into account the above mentioned political and socio-economic challenges, and given that many of these were important before the uprising and will continue to be so, the UN has continued to remain engaged on development issues in five main areas: basic social services; food security and nutrition; economic growth with equity; environment and climate change, and; democratic governance. In so doing, the UN has sought to expand its direct and indirect engagement with civil society, including with youth, and more recently with the new Parliament. It is worth underscoring that progress in areas such as human rights, more equitable economic development, access to quality affordable health care, social justice, decent work, climate change etc., requires sustained capacity development and strong institutions, which are not subject to quick-fix solutions. They also require sustained engagement with a broad section of Egyptian society, as well as international partners, from both the North and the South.

While the work of the UN in Egypt is primarily focused on addressing development issues, we are also engaged in humanitarian work, including assistance to refugees in Egypt. Moreover, in 2011 during the civil war in Libya, under the joint leadership of UNHCR and IOM, and with the assistance of UNICEF, WFP, WHO and the UN Population Fund (UNFPA), the UN led the international response to address the humanitarian and protection needs on the Egyptian/Libyan border, where some 320,000 Egyptians, Libyans and third-country nationals fled into Egypt.

Other examples of the UN response in 2011 to new opportunities included: a major international conference in Cairo where the experiences of countries undergoing democratic transitions were shared; technical support to the national dialogue; and discussions with the new authorities and like-minded development partners on key subjects such as strengthening Egypt's electoral process, police reform, anti-corruption, human rights, a wide range of issues relating to women, and priority health concerns, as well as initiatives to strengthen dialogue with civil society organizations.

In the area of democratic governance, however, the SCAF, which currently rules Egypt, and interim governments have shown a reluctance to accept external support for any process they perceive as political. Moreover, given the significance of Egypt's "revolution" and the strategic importance of Egypt, the interim Government has repeatedly expressed its expectation that the international community should provide significant grant funding to Egypt, similar to the Marshall Plan that was extended to Europe following the Second World War. In addition to budget support, the Government's views are that such funding should prioritize large-scale Government initiatives, in particular a Social Housing Programme (priced at \$18 billion) or a Development Corridor from the Mediterranean to Egypt's border with Sudan (which could easily require \$100 - \$200 billion). For its part, the international community insists that: current grant assistance is going unspent; new large-scale assistance is not possible given the current international financial environment; and loans at favorable rates from the IMF and World Bank and some bilateral partners are not being taken advantage of. International partners have also expressed their frustration at the Government's resistance to donor support for civil society organizations.

For the most part, UN programmes continue to be implemented without significant difficulties so far, with the major exception of new initiatives relating to democratic governance/security sector reform. The ability of the UN to provide support in these areas will require a coherent UN approach, high-level political engagement, and coordination with international partners. This should include attention to forging South-South partnerships.

Summary on progress towards UNDAF outcomes

Highlights on progress towards UNDAF outcomes

Based on the Situation Analysis, the UNDAF 2012-2016 was developed in 2010 and was scheduled for signature with the Government in late February 2011. However, due to the political situation that gripped Egypt in 2011, the new UNDAF was not signed. Instead, it was agreed to extend the UNDAF 2007-2011 for an additional year (i.e., extending the CPDs and UNDAF to the end of 2012). Under this current arrangement a new UNDAF would need to be signed by summer 2012. However, the timing to review the UNDAF will depend on the further developments this year, especially in relation to the elections and the timing of the formation of a new government which would be entrusted with signing the new UNDAF.

Throughout 2011, joint programmes continued to help improve UN coordination, effectiveness and efficiency in supporting the realization of national goals and outcomes as outlined in the UNDAF. These built on the comparative advantage and expertise of the different UN organizations, thus helping to reduce duplication between UN agencies, across development partners and within Government Ministries. Joint programmes provide an excellent platform for exchange of data, dissemination of information, collaborative decision making and streamlined Government dialogue. In 2011 there were 14 joint programmes in Egypt: three of these joint programmes were addressing the direct achievement of the MDGs through initiatives funded by the MDG Achievement Fund. The MDG-F provided support to the RC office, contributing to its capacity to support agencies engaged in joint programmes. The RC office acts as a hub to facilitate and coordinate the work of all UN Agencies. In addition it acts as a focal point between all implementing agencies and the MDG-F Secretariat. The participation of two non-resident Agencies in two programmes helped to provide a good example for future initiatives.

The operations management team was reinforced last year and is developing a workplan for 2012 aiming to identify areas where UN agencies can improve the quality of services and hopefully decrease their cost.

Summary on progress in UN Reform

Highlights on progress in UN reform

The Paris Declaration Survey of 2011 gives a good indication on the progress regarding aid effectiveness in Egypt. The summary of the country chapter on the Egypt Paris Declaration Survey reads as follows:

"Since Egypt's baseline year in 2005, the country has made progress in meeting many of the Paris Declaration 2010 targets including those for ownership and management for results. Most available targets were met for the indicators on alignment. In contrast, no targets were met for the indicators on harmonization and mutual accountability. There were setbacks in these areas and this is where future efforts should be focused. To guide progress, the Government of Egypt (GoE) and its donors translated the Accra Agenda for Action (AAA) into a local document, the Cairo Agenda for Action (CAA), upon which four key deliverables exist, including a situation analysis, a results-based management project, and a mutual accountability framework which was agreed in 2010. The challenges faced by the GoE in implementing its commitments include co-ordination between the various ministries and other government entities as well as increasingly bureaucratic country systems".

Since the launch of the "Cairo Agenda for Action: A Mutual Strategy for Development Cooperation" (CAA), there has been considerable progress as well as impediments to work further. The "Situation Analysis: Key Development Challenges Facing Egypt" was successfully finalized at the end of 2010 and, thanks to the wide participation of civil society and international partners, is still widely considered to be a valuable, relevant document that, inter alia, highlights several development key challenges that have become more pressing since the uprising in 2011.

The Paris Declaration Survey and the Busan Outcome document (Fourth High Level Forum held in Busan, 2011) both provide the Government of Egypt and its development partners the opportunity to rejuvenate the dialogue on development effectiveness, and to discuss specific follow-up actions with a broader set of national partners to push forward this agenda in Egypt in the context of the country's transition towards democracy and social justice.

The UN plays an active role in facilitating coordination among development partners. This is being accomplished within the framework of the Development Partners Group (DPG), comprising more than 30 institutions (bilateral, multilateral and foundations), and the DPG's ten thematic working groups, and which, since 2009, has been chaired by the UN RC. One important example of this cooperative approach has been the coordinated response of development partners to the Government's proposed social housing programme.

Development partners in Egypt face the challenge of how modest levels of development cooperation can be used strategically in support of inclusive national development processes that bring national and international actors together around a common agenda. National ownership, clear lines of accountability and internal coordination within the Government are all crucial, as is the recognition that development cooperation is a "two-way street" with mutual responsibilities. Improving aid effectiveness means improving the dialogue between government and development partners to reach a common understanding in support of a limited number of development outcomes that are critical for Egypt during this historic transition to democracy.

Key aspects of the proposed 2012 workplan

Key aspects of the proposed 2012 workplan

The 2012 workplan focuses on the response to new priorities and continuity of existing programmes, ensuring a coherent approach to the UN's response to the transition. Given the transitional nature of the government, it is likely that a comprehensive reform programme will not be developed until mid-2012, after the upcoming parliamentary and presidential elections. In the meantime the support of the international community to Egypt's democratization process and to ensuring access to basic social, economic and political rights is important.

In spite of the challenges expressed above, the following are key areas that merit expanded or new UN support:

- Elections:** The experience of the first phase of elections shows that there is more that the UN can do to support technical aspects of the electoral process -- particularly for the forthcoming Presidential elections. There are recent signs of increasing openness on the part of the electoral authorities to expanded UN support.
- Constitution:** there is a real need for a serious national debate over the new constitution. The UN should attempt to play a role in supporting this debate and providing access to information on lessons learned from other countries that have prepared constitutions while undergoing transitions to democracy.
- Security sector reform focusing on the police:** UNDP and UNODC undertook a joint mission in June that worked closely with the national authorities to identify a set of confidence-building measures between the police and the public. The Ministry of Interior communicated in January 2012 its interest in working with the UN in this area, and a follow-up mission will take place in early March.
- Anti-corruption:** The Ministry of State for Administrative Development, in cooperation with the UNODC and the EU, launched a 2.5 million euro project to combat corruption and money laundering, foster asset recovery, and ensure a solid framework for the implementation of the UN Convention against Corruption. Moreover, UNDP is engaged in discussions with the Ministry of Justice to identify specific actions required to support the newly established national anti-corruption committee. However, progress in this area has been very slow.
- Support to the new Parliament:** assuming a minimum of Government acceptance, this is an area where the UN could take the lead in helping the new Parliament (that will be largely composed of first-time parliamentarians) articulate a multi-year capacity development programme, and a corresponding international support strategy, including South-South Cooperation.

		gender, regional disparities and climate change). Improved public awareness and effective advocacy campaign on MDGs, the main targets being media professionals, academia, students and NGOs, implemented through joint initiatives similar to Sailing the Nile for the MDGs and international days.	continue (focused on MDG-F Joint Programmes).																
	UN support to capacity development strategies	Capacity development components systematically mainstreamed in the revised UNDAF 2012-2016 and into UN programmes and projects. Capacity development support project on Results Based Management implemented so that the government can better monitor, plan, communicate on the results (see details in the Cairo Agenda for Action on Aid Effectiveness).	Capacity development is central to the next UNDAF cycle. All Joint Programmes incorporate a strong CD component. Support Project RBM Capacity Development started with Ministry of State for Administrative Development (MSAD)			\$0.00	\$0.00	\$0.00	\$0.00										
	UN assistance to national authorities for the preparation of the national report on the implementation of the Brussels Programme of Action of LDCs 4 *																		
	Other																		
	Formulation/implementation of a transition plan or strategy ⁵	The Political Analysis and Prospective Scenarios Project developed, providing analytical tools to get through the transition period and strengthen the capacity of the UN and other actors to best respond to the changing environment.	Scenarios developed			\$0.00	\$0.00	\$0.00	\$0.00										
B) Aid Coordination/ Management / Paris Declaration	Planned efforts to making use of national systems in the areas such as programme/project reporting, PRS/sectoral monitoring and evaluation systems, annual PRS/sectoral performance reviews, national procurement systems, etc	Cairo Agenda for Action on Aid Effectiveness will be further implemented in 2012. Focus will be given to capacity development on results based management, supporting the GoE to set-up an AIMS, and advancing on the already ongoing work on Mutual Accountability. Promoting the use of Country Systems: Development of credible PFM reforms and sustainable PFM capacities will be encouraged.	The project entitled "Strengthening Results Management Capacities to Support National Development", for which expected implementation was delayed in 2011 due to the events in Egypt, starts activities in 2012. UN system and partners in development work together to set up a web based Aid Information Management System in Egypt that is regularly updated. In the meanwhile a more traditional matrix on donors interventions is designed, filled in by partners and distributed. The recently created DPG theme group on macroeconomics and PFM takes concrete steps, together with relevant GoE authorities, to promote the use of country systems.			\$0.00	\$0.00	\$0.00	\$0.00										
	UN support to aid coordination/management	UN Resident Coordinator chairs the Development Partners Group. DPG meetings are well attended UN Coordination Office provides support to the Development Partners Group. UN Coordination Office facilitates the development of an action plan on aid effectiveness (Cairo Agenda for Action)	N. UN agencies, multilateral and bilateral donors and INGOs and foundations present in the DPG N. senior GoE officials, UN agencies representatives multilateral and bilateral donors active in the DPG sub-groups. N. monthly DPG and DPG sub-groups meetings held. N. DPG members participating to the OECD/DAC Paris Declaration Survey. Capacity Building Development Project on RBM on-going implementation			\$2,000.00	\$0.00	\$0.00	\$5,000.00										
	Other																		
C) UNDAF/Common Programming	Efforts to align UN programme cycle with national development cycle *	The UNDAF is anticipated to be signed by the newly appointed government after the presidential elections. This Government is likely to develop their national priorities.	UNDAF is aligned with the national priorities (in the absence of a transparent national development plan)			\$0.00	\$0.00	\$0.00	\$0.00										
	Preparation of Country Analysis/UNDAF/UNDAF Action Plan					\$0.00	\$0.00	\$0.00	\$0.00										
	Implementation of UNDAF M&E Framework *	UNDAF M&E coordination mechanism strengthened and provides guidance to the annual review of the UNDAF 2012. UNDAF M&E Taskforce provides guidance for the new programming cycle.	N. meetings of the UNDAF M&E Task-Forces. M&E mechanisms are in place and ready for the next programming principle			\$0.00	\$0.00	\$0.00	\$0.00										
	UNDAF Annual Review/ UNDAF Evaluation/SOF	UNDAF PWG provides per priority area a report on the achievement/challenges in 2012	Consolidated annual report on the UNDAF is developed and approved by the UNCT and the Government			\$0.00	\$0.00	\$0.00	\$0.00										
	Other																		
	Progress towards UNDAF outcomes (inputs provided by theme group chairs)	Progress on UNDAF Outcomes identified through an annual review	Annual Report on progress on UNDAF Priority Areas finalized for 2012.			\$0.00	\$0.00	\$0.00	\$0.00										
	Joint planning initiatives with UN peacekeeping, peacebuilding, political and humanitarian actors (e.g. UNDAF plus, Integrated Strategic Framework).																		
D) Joint Programmes	Preparation/ implementation of new Joint Programmes *	A joint programme addressing Human Trafficking is expected to be launched. A joint programme titled "Safe Cities Greater Cairo Region: Safe Cities Free of Violence against Women and Girls" which aims to improve the quality of life for Egyptians through the creation of safe neighborhoods and communities that are free from violence against women and girls Other Joint UN Programmes might be developed, as well as joint approaches in 2012	Joint Programmes' Documents signed. Joint Programmes are launched and work plan is developed			\$0.00	\$0.00	\$0.00	\$0.00										

	M&E of Joint Programmes	End of programme evaluation reports completed for the JPs ending in 2012. M&E frameworks established for the new joint programmes. The existing Joint Programmes are monitored using the monitoring frameworks of the JPs			\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
E) HACT	Status of HACT implementation/compliance in the country *	Assurance activities developed and included in the AWP's Finalize the Audit Plan.	No of assurance activities developed and included in the AWP's. No. and percentage of assurance activities implemented. % of implementation of audit plan.		\$0.00	\$0.00	\$0.00	\$0.00											
	Strengthening national systems/capacities through HACT																		
	Other																		
F) Gender Equality	UN support to incorporation of gender equality in national planning processes (such as National Development Strategies, PRSs; SWAPs; Joint Assistance Strategies, etc.)	Gender Mainstreaming in the UNDAF Initiation of Joint Programmes on Gender Equality National Development Strategies engendered	Gender Responsive Constitution endorsed National Bills responsive to Women's Rights as Citizenship Rights 1 Joint Program on Women's Empowerment and Gender Equality Finalized and endorsed by the Government. Parliament supported to ensure gender empowerment in constitution.		\$0.00	\$0.00	\$0.00	\$0.00											
	Capacity development for gender theme groups to support UNCT to respond to national priorities for gender equality	Produce a common UNCT gender mainstreaming briefing kit. Introduce the Gender Score Card/UNCT Performance Indicators on Gender to the UNCT	Conduction of UNCT Performance indicators on Gender Equality		\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
G) HIV/AIDS	Establishment of Joint UN Team on AIDS and implementation of joint programme of support on AIDS *	Activation of the Cosponsors + semiannual meetings for strategy setting on HIV Review of progress on the set of priority activities for the 2012 transitional year	A draft of the 2013 + joint programme of support document on HIV		\$0.00	\$0.00	\$0.00	\$0.00											
	UN support to the national response to AIDS through strengthening the Three Ones *	Strategic Information is generated and utilized for policy and programme formulation on HIV	A set of evidence based policy briefs		\$0.00	\$0.00	\$0.00	\$0.00											
	HIV/AIDS in the Workplace	Minimum standards for UN Cares are progressed	Measure of Staff knowledge, Attitudes and Practices related to HIV		\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
H) Human Rights	Application of Human Right Based Approach	Thematic training on HRBA organized for UNDAF PWGs - HRBA training organized for M&E Officers -OHCHR expertise mobilized to integrate HRBA in the formulation of one/two projects responding to the transition period	Two newly formulated projects applying HRBA Approach		\$0.00	\$0.00	\$0.00	\$0.00											
	Strengthening the capacity of UNCTs to support national human rights protection systems	Forum organized to exchange experiences and best practices on support to national human rights protection systems with the participation of national partners	Recommendations of workshop are implemented in one ongoing project or in the formulation of one new initiative		\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
I) Common Services and Premises	Status of initiatives to increase collaboration and cost-effectiveness of UN business operations in support of programme delivery (common services and premises)	UNDP country and regional office, IFAD and OCHA will co-locate in semi-common premises. ICT working group shared information on a regularly basis. OMT TORs finalized and endorsed. A matrix with information on LTA is developed. A database for consultants and suppliers is created. Hotel rates are unified for all UN agencies, as much as possible.	By mid-year the relevant agencies will move to the semi-common premises. Number of ICT working group meetings. TORs are endorsed. The matrix with the LTA is developed and shared. The database for consultants and suppliers is created. Number of unified hotel rates.		\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
J) Other	Other																		
Coordination of Emergency Preparedness and Relief																			
A) Preparedness	Coordination of emergency preparedness efforts of UNCT members and relevant humanitarian actors	A new UNCT focal person on Influenza is designated UN Operations Contingency Plan reviewed and updated for 2012. Coordination of API activities: The API UN System Team continue to work closely with the Government, UN and Development Partners, Donors and NGOs to prepare and respond to API or other emerging public health crisis situations as they develop. Update the Pandemic contingency plan: The revised Pandemic Contingency endorsed by the UNCT Information sharing and advocacy: Information sharing among all stakeholders is enhanced and maintained. Support the CoE activities: Policy and advocacy support is continued to be provided to ministers, centers and entities and to high-level national committees. Resource mobilization: Resources needed for the API project/activities are secured.	WHO acts as UNCT focal person on Influenza. Regular meetings and discussions held within the UN and with development partners, donors, and NGOs as required. The UN joint action plan is implemented and updated regularly as needed. Pandemic emergency medical supplies are timely procured and kept accordingly to the UN Medical Services guidelines. Influenza seasonal vaccines are timely procured and distributed to staff. The endorsed plan distributed to all UN agencies. UN Event Calendar and Project Matrix are kept up-to-date and timely shared. News alerts, situation updates and reports and studies are timely shared with all stakeholders. Staff kept up to date on the pandemic situation and control measures through education materials/sensitization sessions. The UN is represented in high-level national committees. The UN is part of national forums and meetings on API. Support the CoE to organize a meetings and roundtable discussion with Development Partners. Resources mobilization activities held with relevant donors		\$0.00	\$0.00	\$0.00	\$0.00											
	Other																		
B) Relief	Establishment of Humanitarian Country Team																		
	Other																		
	Development of a response plan																		

