Country Partnership Framework 2015-2019

Consultations – Phase 1

**Summary – Aswan, June 23, 2014**

**Outline:**

1. Executive summary
2. Introduction and process
3. Development challenges
4. Identified priority challenges
5. Constraints
6. Closing remarks
7. **Executive summary**

The objective of this event was to consult with a representative group of non-governmental stakeholders, to learn what they believe are the main development challenges facing Egypt, and to engage them in the preparation for the World Bank Group (WBG) Country Partnership Framework (CPF) 2015-2019.

A half-day of dynamic dialogue, including two group sessions and a voting process, resulted in the identification of 5 development priorities. Like in Cairo and Alexandria, education came out as the top priority, followed by health. The next challenges identified by the group were poverty and unemployment; infrastructure, with an emphasis on sanitation, water and roads; and economic sectors, with an emphasis on fisheries, mining and tourism.

1. **Introduction and process**

A series of three consultative meetings were conducted under the first phase of the preparation process for the WBG CPF 2015-2019. The third non-governmental consultation took place on June 23, 2014, in the Club of Engineers of Aswan, and was attended by around 40 participants from civil society (including Community Development Associations) and private sector, as well as a few academia. The event was held in Arabic with English simultaneous translation. The event entailed three sessions:

1. Husam Abudagga, task team leader for the CPF consultations, along with members of the WBG team, gave an introduction to the WBG and the CPF process.
2. Following these introductory remarks, in order to foster an objective and non-biased discussion, an external moderator, who is an Egyptian development specialist, fully managed the consultation. The participants, who were seated on 8 round tables, were asked to establish on each table a list reflecting their development priorities for Egypt. Discussions at table level were moderated by a table representative, with one WBG facilitator whose role was to provide more information if needed and record the discussions. Table representatives presented their respective lists to the plenary. The various lists were compiled by the independent moderator to consolidate a final list of twelve priorities, of which the participants selected five by voting with “clickers”. During the next and final step, the participants freely split up into five thematic tables based on the five identified challenges, and discussed constraints for each of them.
3. Concluding remarks, including a presentation of the next steps in the consultation process, were delivered by Husam Abudagga.
4. **Development challenges** (discussion and collection of challenges in groups)

Individual table discussions resulted in a long list of development priorities that were presented to the plenary. Those challenges include:

* Water, pollution of water resources (Nile, Lake Nasser), sanitation and drainage
* Solid waste disposal and management, waste recycling
* Agriculture, agricultural technology, Toshka project, wheat production
* Infrastructure, especially roads, health infrastructure, water and sanitation
* Connections to other governorates (roads)
* Slum areas
* Housing
* Basic services for poor villages (drainage, drinking water, sanitation, power)
* Poverty and social security
* Extreme poverty
* Poverty and unemployment, especially youth unemployment, unemployment in the handicraft sector
* Marginalization of women in workplace
* General and technical education, training of teachers, schools equipment, education for girls, mismatch with the labor market
* Health, especially doctors and health units in remote areas, centers for liver diseases
* Private sector (regulations, legislation)
* Funding for SMEs
* Fisheries in Nasser Lake
* Tourism sector (develop touristic places in an innovative way, maintenance of cruise boats and floating hotels, marketing, attracting new investors, promote Nubian houses and culture)
* Extractive industries, and how to manufacture and add value to the local resources in Aswan instead of Cairo
* “Productive families”, “productive villages”, especially related to tourism
* Supporting the role of civil society
* Women and children rights
* Child labor
* Human trafficking
* People with special needs and disabilities
* Marginalized groups
* Nubian culture
* General Public awareness and citizenship
* Project implementation issues (follow up, maintenance)

The long list was discussed and filtered under the guidance of the independent moderator, which resulted in the following consolidated list:

**Final list by Aswan plenary:**

* Development of general and technical education and matching it to the labor market in Aswan (agriculture, tourism, mining)
* Development of health sector with an emphasis on health units in rural areas and persons with special needs
* Development of economic sectors, including fisheries in Nasser Lake, mining, and tourism
* Improvement of infrastructure, including sanitation, water, and roads (connecting Aswan to the rest of the country)
* Development of the agriculture sector
* Reform of social security system
* Urban expansion
* Culture, general public awareness and citizenship
* Environmental pollution and solid waste disposal
* Poverty and unemployment (provide resources for SMEs and improve livelihood for families), and improve the enabling business environment
* Attention to the poorest and most marginalized areas
* Slums

**Two cross cutting issues emerged during the discussions:**

* Women participation
* Addressing the challenges of people with special needs

1. **Results of voting on main development challenges for Egypt**
2. Development of general and technical education and matching it to the labor market in Aswan (agriculture, tourism, mining)
3. Development of health sector with an emphasis on health units in rural areas and persons with special needs
4. Poverty and unemployment (provide resources for SMEs and improve livelihood for families), and business environment
5. Improvement of infrastructure, including sanitation, water, and roads (connecting Aswan to the rest of the country)
6. Development of economic sectors, including fisheries in Nasser Lake, mining, and tourism

During the voting process, participants were given the opportunity to make a case for the priorities they wanted to recommend to the group. Below are the main arguments voiced at that stage:

* **Environment** has an impact on public health and manpower productivity, leading to unemployment and poverty. Nile pollution affects the quality of fish due to sanitary drainage and leaks. Pollution affects all of Egypt.
* **Poverty and unemployment**. Increasing income improves access to services. Improved employment rates results in lower rates of crime and harassment. SMEs need to be developed in relation with bigger companies and need to be marketed outside Aswan.
* **Development of economic sectors** impacts employment, investment, and has long-term results. Economy should be a top priority. Fisheries are very important for Aswan (15 000). Eradication of poverty without economic development is impossible. Improving economic sectors will impact the development of the community.
* **Health** affects labor force. There is no faculty of medicine in Aswan.
* **Improvement of infrastructure** is conducive to more investments. Aswan needs to be better connected to other governorates, coastal areas, and other countries. Infrastructure improvement should particularly target underserved villages.
* **Slums** lead to crime, drug, extremism and women harassment.
* Individual behavior and citizenship are key to promote public good.

1. **Constraints**

Participants discussed the 5 priority challenges in sub-groups and presented the following constraints. Solutions were also discussed, and recorded by note-takers.

1. **Development of general and technical education and matching it to the labor market in Aswan (agriculture, tourism, mining)**

* Education is the key issue in Egypt and the root of all other problems.
* Schools are mostly limited to primary education with a limited number of schools offering secondary education.
* The quality of education deteriorated since the sixties and seventies.
* The Egyptian education system produces graduates with empty minds and hearts after long years at school. The learning process is based only on memorization, repetition and cramming for exams.
* The mismatch between education and labor market is a critical issue. Most graduates are not employable.
* Carpenters, welders, blacksmiths are disregarded as inferior professions.
* Outdated curricula which are too theoretical.
* Misallocation of government budget on education: Budget mostly goes to increasing teachers' salaries and little is left for developing the educational infrastructure and upgrading teachers' skills.
* Students do not aspire to become teachers but doctors or engineers. Only low performing students looking for a stable job are streamed into the faculty of education. Basic education is for the worst students among them. Teachers are not convinced, not interested in their jobs. They have limited skills and are unable to use PCs.
* High students/class and students/teacher ratio negatively affects the teaching process.
* Poor quality vocational training and lack of incentives for students to enroll in vocational schools.
* If the school is very far, parents won’t let their daughters go.

1. **Development of health sector with an emphasis on health units in rural areas and persons with special needs**

* Geographical accessibility to health services (long and expensive travel to the hospital, bad and expensive accommodation for accompanying persons). Some people die on their way to the hospital
* Out of pocket cost of treatments and medication, long waiting period before getting treatment.
* Government is not co-investing with charitable organizations. e.g. Magdy Yacoub charitable hospital.
* A lack of active health insurance scheme that would help marginalized people, especially widows and old people.
* Many specializations are not available in Aswan, especially specialized pediatric services.
* Doctors are not incentivized to come to Aswan (bad accommodation, low salaries).
* Students from the region should become doctors and nurses in Aswan.

1. **Poverty and unemployment (provide resources for SMEs and improve livelihood for families), and business environment**

* Improving employment will impact poverty.
* Getting funding for small projects is challenging. Eligibility requirements need to be more inclusive.
* There is too much red tape. Procedures and licenses need to be facilitated and simplified.
* Better strategic planning, including objectives and timeline of projects, for better use of local natural and human resources is needed. The workforce need to be better trained, and good marketing schemes can promote the region and its products.
* Development projects need the support of the government. In addition, civil society has an important role to play, and there should be more coordination between these organizations and the government. Better monitoring would help successful projects to be replicated.

1. **Improvement of infrastructure, including sanitation, water, and roads (connecting Aswan to the rest of the country)**

* Resources are not equally distributed across Egypt by the central government. As the most southern governorate and far from Cairo, Aswan is underserved.
* Aswan is also a large governorate. Covering the area with good infrastructure is challenging. For example, some areas are poorly connected by roads and solid waste facilities are very far off.
* The sanitation and drainage system is poor, leading to Nile pollution. Some houses do not have bathrooms.
* Poor infrastructure leads to health problems.
* Over the past years, many projects collapsed due to week monitoring of local councils and corruption. Progress and results should be monitored.
* There is no clear strategy for infrastructure development in Aswan.

1. **Development of economic sectors, including fisheries in Nasser Lake, mining, and tourism**

* **Fishing sector**: Although Lake Nasser contains very good fish, fishing decreased from 35k tons to 5k tons a year. At the same time, the average size of fish decreased. Over-fishing is a major problem, existing laws have to be enforced, and fishermen need awareness and capacity building. Little storage capacities and fish processing factories prevent fishers and the region from further income.
* **Mining sector**. Aswan has a lot of raw materials (phosphate, granite, marble …) but they are sent to Cairo for manufacturing. Extraction only is performed in Aswan. An industrial zone to cover the whole value-chain is needed in Aswan to manufacture raw materials. This will create employment.
* **Tourism sector**. It used to account for one third of income in Aswan. Aswan and Luxor are heavily impacted by the collapse of tourism. New touristic activities, including medical tourism (climate) and business tourism, should be promoted to increase the average number of nights spent in Aswan.

1. **Closing remarks**

Husam Abudagga thanked the participants, especially those coming from remote areas, for attending the event and contributing to a substantive discussion. He also reiterated the WBG commitment to specific support to the region and explained that WBG sectoral teams will come back over the next months to scope out further challenges and opportunities for WBG potential regional engagement. Husam Abudagga eventually highlighted that WBG future program is contingent on the government’s priorities and requests for support.

On behalf of the participants, Mr. Samir Kamel, the executive director of Future Association for Customer and Environment protection of Aswan, thanked the organizers for their attention to Aswan and the candid dialogue with the people of Upper Egypt, as reflected through the EDs visit and the CPF consultations to the extent that he wished such sessions were televised on the air. He said he was very impressed that the WBG came all the way to Aswan to engage with the people and seek their views about the development priorities. He also said that the people of Aswan know that the WBG cannot do everything, but will be grateful if some of the challenges discussed will be taken forward. Another participant highlighted one more time that education is a critical challenge, and that teachers’ training need to be improved and faculties of education need to attract better students. He called for a revival of the WB funded education enhancement projects.