Country Partnership Framework 2015-2019

Consultations - Phase 1

**Summary – Cairo, June 15, 2014**

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7. **Executive summary**

The aim of the event was to consult with a representative group of non-governmental stakeholders, to learn what they believe are the development priorities for Egypt and involve them in the Country Partnership Framework (CPF) process. The process was designed for the World Bank Group (WBG) to listen, and facilitate a participatory approach spelling out the priorities of the Egyptian people.

Half a day of dynamic dialogue, including two group sessions and a voting process, resulted in the identification of 5 development priorities for Egypt. Education came out as the first priority followed by social safety nets, energy and water, agriculture, and finally health. The list was supplemented by the cross-cutting issues gender, governance, environment, unemployment and inclusion. A list of constraints and ideas for solutions for each development priority were developed.

1. **Introduction and process**

The consultations were part of phase 1 of the World Bank Group (WBG) Country Partnership Framework (CPF) 2015-2019. The first non-governmental consultation took place on June 15, 2014, with a half-day event at the Conrad Hotel in Cairo and was attended by 130 non-governmental participants from the private sector, academia, and civil society. 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 14 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 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:

* Social safety nets, reaching the poor, and enhancing social service delivery
* Unemployment and creating adequate and productive employment opportunities that respond to actual market need
* Good governance (including transparency and accountability), combatting corruption, the rule of law, reform/restructuring of the public sector, democratization, institutional capacity building as part of all projects
* Raising the culture of social awareness and citizen accountability
* Food security, including developing of the agri-business sector, land reform and compensation, water security. Food security and the link to energy and irrigation and water security
* Agricultural development and investment in agriculture
* Increasing industrial investment, focus on labor intensive sectors and supporting industrial activities
* Lagging regions or underdeveloped areas (including cities)
* Solid waste management
* Clean energy, renewable energy, energy security, and the link between energy and infrastructure
* Restructuring subsidies
* Infrastructure, in particular roads
* Water and sanitation
* Urbanization and housing with attention to expansion beyond the Nile valley to create new integrated communities (not limited to housing projects)
* Improving the educational system, not only formal education, but including technical/vocational education and training, as well as research and development (lifelong learning)
* Reforming internal trade and markets, taking into account its effect on micro/small scale
* Include cross-cutting themes in all activities, in particular integrating people with special needs; empowerment of women, environment, and institutional development

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

**Final list by Cairo plenary:**

* Reducing unemployment and providing training opportunities for the labor market
* Developing education, including technical and vocational education and training
* Developing lagging regions
* The infrastructure of cities and villages
* Access of social safety nets to the most marginalized (social security & health insurance)
* The advancement of culture, community and public awareness
* Environmental management
* Developing the health system
* Developing the agricultural sector
* The development of various economic sectors
* Energy (clean and non-traditional) and water
* Urban development (expansion of the inhabited area in Egypt)

Five cross cutting issues emerged during the discussions:

* Institutional development, good governance, combatting corruption, rule of law, democracy and reform of the public sector
* Role of women in society
* Environmental considerations
* Unemployment
* Inclusion of people with special needs

The drafting of priorities was followed by a dialogue in which participants disagreed on different components. The debate focused on the prioritization of issues, if they could be separated or condensed, spelling out the different development models that the list reflected, and the need to strike a balance between priorities generating resources and depleting resources. Other issues debated included what are the solutions needed to create development that reaches all Egyptians, and the suggestion of creating a coordinating agency for development issues.

1. **Results of voting: 5 main development challenges for Egypt**

Participants voted in the following five priority areas in 5 rounds:

1. Developing education, including technical and vocational education and training
2. Access of social safety nets to the most marginalized (social security & health insurance)
3. Energy (clean and non-traditional) and water
4. Developing the agricultural sector
5. Developing the health system

Cross-cutting issues: gender, governance, environment, unemployment and inclusion.

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. **Education**

* Main pillars of education: management, facilities, teachers, quality standards, curriculum, learning approaches.
* Supply-driven education system, which is incapable of providing the job market with graduates with relevant knowledge and skills: the economy is faced with high rates of unemployment, and at the same time the business sector struggles to identify qualified staff/workers.
* A considerable portion of students/ graduates in "arts" or non-scientific specializations (disconnect from the job market requirements)
* Lack of quality assurance standards that constrain further education and labor mobility in international markets.
* Lack of qualified teachers. Relatively less qualified teachers are associated with basic education.
* No unified governing body addressing the education system challenges.
* Lack of a clear government role in addressing education system challenges.
* Inadequate physical space and facilities for learning (irresponsive learning environment).
* Private sector universities have replicated public higher education modalities instead of catering for the specific needs of the business community/industry.
* Lack of linkages between corporate scientific research R&D and higher education institutions.

Suggestions

* Address both formal and informal education, including technical and vocational education and training
* Revise learning methodology and curriculum to develop the independence of students and fit the age of students. Include skills for creativity and innovation.
* Establish partnerships with business community and government agencies to develop a demand-driven education/learning, including a more relevant curriculum.
* Increase focus on teaching mathematics to enhance learnability of students.
* Establish quality assurance standards to increase learning and mobility in international job markets.
* Establish a culture with a positive view of technical education.
* Extend validity of technical education certificate (allowing for working experience before deciding either to stay with the job market or proceed to academic tracks of higher education)
* Operationalize the national qualification framework to facilitate open pathways for formal and informal education.
* Establish service centers within the schools to help guide students plan for their future career.
* Teachers: the more qualified should be assigned to work in basic education, in addition to offering extensive training.
* Inclusion of children with special needs in general school system.
* Providing educational services in the rural areas. Reconsider the traditional schools and the role of teachers and classrooms, for example in Bedouin villages.
* Monitoring of the distribution of support (including financial support) – geographic and gender distribution.

**b) Social safety nets (SSN) and protection of the poor**

* Absence of a unified national registry linking relevant databases, prohibiting targeting and effective management of the limited resources.
* Lack of sustainable funding for social safety nets, making SSN ineffective in protecting the majority of the poor. Policy challenge: coverage (more beneficiaries) vs. generosity (more benefits)
* Duplication of programs and leakage of resources due to centralization of SSN provision and lack of synchronization or coordination with the community based organizations.
* Growing informal sector is excluded from most of SSN
* Support the unemployed with training and rehabilitation programs to meet the labor market needs instead of passive assistance.

**c) Energy**

* Energy issues transformed Egypt from a net exporter of oil and gas products to a net importer at the moment with a huge unmet gap in energy needs
* Lack of adequate energy supplies and resources.
* Low energy prices provide very little incentives for consumers to reduce consumption
* Lack of adequate energy supplies and resources and no new energy exploration
* The expansion of informal/illegal construction/commercial activities since 2011 has increased the demand for energy and increased the stress on the energy infrastructure.
* Reducing carbon emissions and pollution
* Absence of mitigation measures and social safety nets to limit effect on the poor from a liberalizing of the fuel prices
* Enabling the legal framework for production and trading energy by the private sector
* Avoid increasing Egypt’s environmental problems by solving the energy crisis with the use of coal (e.g. industrial sector)
* Climate change will have negative implications for Egypt’s future if the current energy issues are not properly addressed
* Production and use of renewable energy
* Energy subsidy reform is needed given the high fuel subsidies bill, high leakages, and misuse of resources
* Policies needed to increase the incentives for energy efficiency
* WBG should support/invest in the transformation from traditional/polluting energy to renewable/clean energy.
* Provide subsidies for solar and reduce current fuel subsidies. Create twinning programs between villages with cities that produce solar energy

**d) Agriculture and food security:**

* Insufficient water, drainage and irrigation systems
* General waste of water
* Agricultural land: farmers suffer from land fragmentation. Problem of urbanization of arable lands. Challenge to reclaim land from the desert
* Awareness: change the cultural status of farmers.
* Fisheries. Challenge to create fish cultivation. Needs to be in clean water. Desalination needed
* Funding. Need policies in place supporting the farmers. Subsidize the farmers.
* Reform land laws and the land compensation
* Climate change and the increase in desertification. Prices will increase. Egypt needs to look for other sectors and for mitigation efforts.
* Improve water management systems
* Restructure the co-ops and farmers organizations. Change the legalization surrounding the sector.
* Change the composition of crops to increase the export of crops

**e) Health**

* Main constraints: (i) accessibility: Lack of proper service in frontier cities and lack of ICU in main cities as well (ii) efficiency: proper training to doctors and nurses is needed and (iii) quality: unqualified doctors/nurses and low equipped healthcare providers
* Low government spending (low health insurance coverage, low compensation for doctors and nurses) and out of pocket spending is high. Dilemma: targeted services versus universal coverage.
* Need of more specialized healthcare providers and centers of excellence (e.g. maternal and infant/child health) versus general healthcare providers.
* Lack of proper government requirements for hospitals, labs, and other healthcare providers to obtain operational license and monitoring of quality of healthcare providers
* Increased amount of equipment
* Communicable and non-communicable diseases are increasing
* Customer satisfaction – the satisfaction of patients should be measured
* Reformation of complete health system
  + Governance: Distinguish between the government as a regulator or a provider of service and funds for health
  + Enforcement of laws and regulation and establishment of accountability mechanisms: E.g.: actions should be taken against hospitals that refuses emergency cases
  + Government requirements for hospitals, labs, and other healthcare providers to obtain operational license.
* Continued training and improved education for medical personal. Increased salaries.

1. **Closing remarks**

The day was rounded off stressing the continuous consultation process, forthcoming consultations with government and non-governmental stakeholders, and additional ways to engage.