



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: Special Climate Change Fund

PART I: PROJECT INFORMATION

Project Title:	Integrated Management and Innovation in Rural Settlements in Egypt		
Country(ies):	Egypt	GEF Project ID: ¹	6927
GEF Agency(ies):	IFAD	GEF Agency Project ID:	
Other Executing Partner(s):	Ministry of Agriculture and Land Reclamation Ministry of Environmental Affairs	Submission Date:	August 8, 2014
GEF Focal Area(s):	Climate Change	Project Duration (Months)	84
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of parent program:	[if applicable]	Agency Fee (\$)	742,140

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
(select) CCA-1 (select)	SCCF-A	1,040,000	5,800,000
(select) CCA-2 (select)	SCCF-A	3,700,000	20,750,000
(select) CCA-3 (select)	SCCF-A	3,072,000	13,400,000
Total Project Cost		7,812,000	39,950,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Enhancing rural opportunities in Egypt through Innovation and Adaptive Strategic Planning					
Project Component	Financing Type ³	Project Outcomes	Trust Fund	(in \$)	
				GEF Project Financing	Co-financing
1 - Mainstreaming Adaptive Strategic Planning into Egypt's Land Reclamation strategies.	TA	1.1 NRM and strategic planning have become key components of all National Reclamation Strategies	SCCF-A	940,000	5,300,000
2 - Efficient irrigation technology and accessible energy at the farm level	Inv	2.1 Identified farms are provided with the adequate knowledge, technologies and primary inputs to increase productivity and quality of goods.	SCCF-A	3,600,000	19,500,000
3- Climate Proofing of the value chains and diversification of local production.	Inv	3.1 Adapted technologies and diversified livelihoods for more productive and climate resilient farms are available to beneficiaries.	SCCF-A	2,900,000	12,900,000
Subtotal				7,440,000	37,700,000
Project Management Cost (PMC) ⁴			(select)	372,000	2,250,000
Total Project Cost				7,812,000	39,950,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the GEF Website, [Focal Area Results Framework](#) which is an Excerpt from [GEF-6 Programming Directions](#).

³ Financing type can be either investment or technical assistance.

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Please include confirmed co-financing letters for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
GEF Agency	IFAD	Loans	39,950,000
Total Co-financing			39,950,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
(select)	(select)	<input type="checkbox"/>	(select)	(select as applicable)			0
(select)	(select)	<input type="checkbox"/>	(select)	(select as applicable)			0
(select)	(select)	<input type="checkbox"/>	(select)	(select as applicable)			0
(select)	(select)	<input type="checkbox"/>	(select)	(select as applicable)			0
(select)	(select)	<input type="checkbox"/>	(select)	(select as applicable)			0
Total GEF Resources					0	0	0

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

b) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes ☒ No ☐ If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
IFAD	SCCF-A	Egypt <input checked="" type="checkbox"/>	Climate Change	(select as applicable)	63,930	6,073	70,000
Total PPG Amount					63,930	6,073	70,000

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF upto \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	236585
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	1
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	
	Reduction of 1000 tons of Mercury	
	Phase-out of 303.44 tons of ODP (HCFC)	
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	1
	Functional environmental information systems are established to support decision-making in at least 10 countries	1

PART II: PROJECT JUSTIFICATION

PROJECT OVERVIEW

A.1. Project Description. Briefly describe: 1) the global environmental problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

A.1 Located in the north-eastern corner of Africa (total area: 1,001,450 km²), Egypt stretches 1,105 km from North to South and up to 1,129 km from East to West. The Country is predominantly desert and arid and semi-arid rangelands and can be categorised into 4 major physical regions: (I) The Nile Valley and Delta, (II) Western Desert, (III) Eastern Desert and (IV) Sinai Peninsula (FAO, 2014). About 55% of the population is dependent on the agriculture sector for its livelihood. Agriculture accounts for about 15% of the gross domestic product (GDP) and cover close to 32% of the National employment records (ICARDA, 2011). The country has no effective rainfall except in a narrow band along the northern coast and its main source of water supply is the Nile. Total available water resources are estimated at 73.8 billion m³ annually while total water use is assessed by FAO at 62.6 billion m³. Agriculture's share of the water budget is above 85% (El-Beltagy & Abo-Hadeed, 2008) while, according to the

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

Sustainable Agricultural Development Strategy Towards 2030 (SADS, 2009), per capita fresh water is expected to decline of about 23% shifting from 711.0 m³ in 2008 to 550 m³ in 2030. Total irrigated land amount to about 3.61 million ha (8.6 million feddan) and the rain fed areas cover about 84,000 ha (200,000 million feddan) and 35% of the agricultural land is suffering from soil salinity (ICARDA, 2011).

The country is highly vulnerable to climate change impacts. Coastal zones, water resources, and agriculture are particularly at risk. Future changes in climatic conditions constitute a major environmental and economic threat and, considering that over 95% of the water consumed in Egypt is generated outside of its territory, CC vulnerability of the Country is among the highest registered (EEAA, 2014).

Future climate change scenarios predict a decrease in wheat and maize yields in Egypt threatening national grain production and increasing food insecurity. Vulnerability of crops to changes in pest infestation and plant diseases is another potential impact of climate variability in the Country (EEAA, 2014).

Furthermore, different scenarios provide widely diverging fluctuations of possible future Nile river flows, from a 30 % increase to a 78 % decrease (EEAA, 2014).

Adaptation options for Egypt are therefore closely intertwined with Egypt's development headings. It is projected that in 2050, the population of Egypt will reach approximately 121.8 million (GOE, 2014), therefore changes in water supply due to climate change over the medium term will occur alongside the certainty of increased demographic pressures as well as the potential increases in Nile water abstractions by the upstream riparian countries (OECD, 2004).

Enhanced resilience to climate change will hence have close resonance with responding to water scarcity, increasing land productivity and livelihood diversification. Adaptation measures on the supply-side include ways to improve rain-harvesting techniques, water recycling, improving water transportation and improving irrigation techniques and know-how. In addition, investments in improved long-term forecasting is essential to enhance Egypt's ability to cope with prolonged drought and other CC related hazards (FAO, 2014).

Recorded share from cultivable land was about 504 m² per inhabitant in 2006. An increase in water availability and performances could result from improved management through more effective on-farm management practices, changes in cropping patterns towards less water consuming crops, the introduction of improved irrigation systems as well as re-use of drainage water and treated sewage water (Abouzeid, 1992; FAO, 2003; SADS, 2009).

Egypt is facing these challenges responsibly and taking proactive measures to protect its future generations from serious threats that will increase in the absence of actions taken today. In the past decades, the Country become a signatory to the 1995 United Nations Framework Convention on Climate Change (UNFCCC), has prepared a National Action Plan on Climate Change to coordinate its efforts to face this serious and important challenge and has developed several sectorial strategies to adapt its system to expected changes related to CC (2009-2011-2013).

In the framework of the Government Agriculture and Rural Development Strategy developed, the Country is in the process of increasing its agricultural area through the reclamation of over 12,000 ha of desert. Building on the IFAD funded West Nubaria Rural Development Project (WNRDP), the State initiated a new agricultural expansion program in 5 Governorates. Such intervention will ensure over 12,000 ha of arable and irrigated land for over 20,000 households aiming at reducing rural poverty and increasing food security in the Country. The target lands are located in Upper Egypt, Middle Egypt and Lower Egypt while the focus of the investment will not be at the Governorate level but on these specific parcels of newly established settlements which have been slow to develop but play a critical role in rural and agriculture development in the Country. The present project concept aims at ensuring that such investment contribute to Egypt's Climate Change challenges.

The baseline of this GEF project will be the IFAD "Sustainable Agriculture Investments and Livelihoods Project – SAIL" investment that aims at contributing to the reduction of rural poverty in Egypt, improving the access of rural households in the newly established settlements to a range of development services while enhancing agriculture

productivity and diversification, enterprise development and people's resilience to climate change. Within the lands and Governorates identified by the Government's agricultural expansion program, the SAIL investment will enhance farmer's capacity, organization, production and crop diversification and marketing. It will as well provide social and physical infrastructure support, access to skill development, extension services, financial services and facilitation support for access to markets. Below is a table on the SAIL project area and target households:

Project Area and Target Households				
Area	Governorate	Settlements	Estimates of Actual Households	Population
Lower Egypt	Kafr El Sheikh	3	4,800	33,600
Middle Egypt	Beni Sueif	15	19,600	137,200
Upper Egypt	Minia	12	15,600	109,200
Total		30	40,000	280,000

It is expected that the SCCF project would assist farmer associations in scaling-up marketing ventures on behalf of its members to increase their links with markets and involve them in new enterprises. In addition to the traditional value chain⁸, efforts will be made to promote the preferential adoption of high-return and water conserving crops, such as the prickly pear (*Opuntia* sp.) or sugar beet which are saline tolerant. New technologies such as soilless culture or use of efficient irrigation including drip or bubble irrigation, using locally available material will be promoted through field demonstrations and targeted training and will be upscaled if shown to be effective, cost efficient and acceptable to farmers. Training will be provided to men and women for techniques relevant for them such as in animal husbandry practices, poultry production, silage preparation, high value crops, etc. Farmers will entail the need to intensify and diversify production through use of inter-cropping techniques, introduction of new crop and varieties which can adapt to the local environment and increase farmer profitability. Special arrangements will be made for farmers to experiment with the models on their own farms as well as visit other farms in Egypt or in countries with similar conditions, which have successfully introduced them. Successful farmers from West Noubaria will be used as important resource for disseminating lessons in the project area.

The proposed area of the project will be selected from the sites in these governorates which the Government has allocated for settlement and rehabilitation over the last 15 to 20 years. A poverty ranking of the villages in each region will be undertaken to prioritize the poorest, most vulnerable villages based on the baseline and village profile. These villages will be prioritized for initiation of project activities and allocation of grants.

The target group for the project will be poor and vulnerable households: women and men farmers, women interested in participation in skills and different trades and enterprise development and youth⁹ living in the new lands.

In this context, the SCCF funded project will support investments that ensure the resilience of the target groups relevant to challenges such as water scarcity, salinity, increasing temperature, decreased rainfall and other climate change impacts that are predicted to affect the agriculture sector. In addition, tailor-made solutions will be delivered to make sure that the vulnerability of on-farm irrigation in the Egyptian agricultural regions and the acceptable adaptation measures are adapted according to the local conditions of each region.

The GEF funding represents an opportunity to increase the scope of the rural development objectives pursued through the SAIL in light of the expected negative impact of climate changes on the already fragile agriculture sector in Egypt. Being part of a programmatic approach initiated by the State with the SADS of 2009 and CCAS of

⁸ Wheat, potato, soybeans, maize, cotton.

⁹ Defined in Egypt as those between 18-35 age range.

2013, the activities to be undertaken through the GEF investment will be scaled-up through IFAD future investments over the 9 year period.

Contributing to the Egyptian strategies such as the SADS of 2009 to reduce the vulnerability of rural citizens, and integrating the IFAD's baseline contribution, the GEF intervention aims at reducing the overall climate vulnerability of beneficiaries in the target areas by increasing farming performances and optimizing the use of land and other locally available resources. The project will work towards enhancing rural opportunities in Egypt through Innovation and Adaptive Strategic Planning

The intervention aims at addressing beneficiaries and their families as productive units holding a share of the natural capital available to the community and pre-assigned, in reclaimed lands, by the State. Due to the particular social and cultural conditions of the target beneficiaries and considering the importance of enhancing youth participation, the project will tackle the entire "productive family" through a horizontal and gender oriented approach that will increase the productivity and climate resilience of the family rather than its individuals.

Fully blending with the IFAD investment, the GEF intervention aims at enhancing farms productivity without compromising the natural capital (i.e. water and soil) and at reinforcing the economic and social resilience of rural families. Introducing the adequate technologies to climate proof the agricultural value chain, sectoral investments could be driven towards more sustainable and less pollutant practices with a greater reduction of most of the negative externalities derived from "business as usual agriculture" (water resource depletion, GHG emissions, resource contamination, post-harvest losses). In that sense, the GEF project will enhance rural resilience towards water scarcity, land scarceness and agricultural losses, increasing the overall opportunities of farming in the reclaimed land.

The project will have three main components: (1) Mainstreaming adaptive strategic planning into Egypt's land reclamation strategies; (2) Ensuring efficient irrigation technology and accessible energy at the farm level, and (3) Climate Proofing of the value chains and diversification of local production.

The foreseen activities will support the development of proper conditions to ensure that: (i) Resource User and administrations are empowered to optimize the use of available natural capital guaranteeing the long term potential and productive value of the reclaimed lands; (ii) Strategic planning is sustainable and contributes to climate change vulnerability reduction and rational management of local natural capital¹⁰; (iii) Adapted technologies such as retrofitted & solar powered storage/cooling rooms and tailored irrigation, best practices and diversified livelihoods for more productive and climate resilient farms are available to beneficiaries; and (iv) a long term climate/energy/socio-economic database of micro scale climate change effects on rural populations is created and in use by local and international Universities and research institutes.

Recent studies on the so-called "water-energy nexus" confirm the potential synergies to be derived from mainstreaming climate resilience in the water sector, while simultaneously addressing opportunities for co-management with energy and land use. (GIZ, 2012). The GEF project aims at ensuring that the Country authorities take on such nexus matching it with the adequate strategic environmental and socio-economic planning.

In the framework defined by the Climate Change Adaptation Strategy (MWREI, 2013), the intervention will support administrations / user associations / cooperatives / groups in optimizing reclaimed land use within the newly established settlements to increase the economic return rate of the farms while conserving the available natural resources and providing green business development alternatives to the beneficiaries and their families.

Through tailored and participative investments, associated with professional training / capacity enhancement and involving local youth and women, the project will (A) green and climate proof the value chains (i.e. drip irrigation, input optimization), (B) include best practices and lessons learnt in previous experiences managed by the partners

¹⁰ The component will be associated with existing national and sub-national development and land reclamation plan processes. The areas identified by the project will work as pilot area to embed NRM as a planning criteria for the the whole Country.

(i.e. water saving capacity development, irrigation schemes, renewable energies, roof gardening), (C) enhance local extension services (i.e. meteorological posts, climate adaptive farming assistance), (D) introduce tailored post-harvest technologies (i.e. storage rooms retrofitting, climate proofing of production / transformation infrastructures)¹¹ joined with a Dynamic Online Agriculture Information and Response System (DAIRS) ; (E) provide certified professional training to women and youth in order to create agricultural spin-off and local employment and (F) ensure community to community technology and knowledge transfer to capitalize and maximize projects' best practices and lesson learned (i.e. movie buses, water user association interaction...).

Brief description of the DAIRS System

The development of the Dynamic Agriculture Information and Response System (DAIRS) is expected to help improve long-term forecasting to enhance the capacity to cope with and respond to climate change related hazards. This system will deliver early warning to extreme events (heat waves, frost, cold waves, storms, epidemic outbreaks of pests and diseases) as well as provide response advice relevant to extreme events; accurate irrigation scheduling that reduces the cost of irrigation and minimizes water overuse; early pest and disease forecast and advice to allow suitable time for taking necessary actions and; proper calculation of sowing and harvest dates to maximise production. The system will be designed transmitting the information generated to extension agents, cooperatives and farmers through the use of mobile technology. It is estimated that DAIRS will reach out to 20,000 beneficiaries.

The above-described activities will enhance settlers adaptation by ensuring market oriented early response to environmental stresses and by climate proofing the agricultural value chain. It will allow beneficiaries to directly address climate adversities by increasing productivity and overall quality of available natural capital (water, soil, crops and livestock) therefore allowing a better bargaining power and diversified investments. Furthermore, the foreseen intervention aims at reducing farming expenditures and reducing loss due to inadequate post-harvest practices through potential investments in more climate adaptive crops and technologies. Last but not least, the GEF intervention will contribute to mainstreaming strategic and adaptive planning in the ministry of Agriculture and Land Reclamation in order to ensure more sustainable and climate adaptive settlements.

In this framework, reduction of post-harvest losses associated with renewable energy and other climate proofing techniques is among the most effective means for revitalizing rural economy, increasing food security, improving nutritional status of the population and reducing the unsustainable use of natural resources as well as the environmentally damaging agricultural inputs.

Investments in adaptive and climate change resilient post-harvest technologies, using appropriate and tailored retrofitting techniques combined with renewable energies, will contribute to ensuring the ideal preservation conditions while reducing the overall cost of post-harvest practices (largely due to fuel and engine maintenance) increasing therefore beneficiaries' competitiveness in the market and contributing to the conservation and rationalization of the available natural capital. Ensuring adequate extension services, ensuring that information on weather/practices/prices are diffused among all farmers¹², and technologies in a tailored and properly planned environment while guaranteeing stabilized processing environments will increase the quality of the products and will allow farmers to increase their chances of accessing the remunerative sustainable oriented agro-food markets. The foreseen technologies and practices will allow farmers and their associations to shift from business as usual resource users to modern and resilient agro-entrepreneurs contributing as well in ensuring the long term economic and financial sustainability of the intervention.

The GEF contribution will cover the incremental cost related to the production of the adaptive and strategic plans,

¹¹ Reducing post harvest losses ensures a higher productivity per ha. Such improvement is expected to allow farmers to increase their adaptation investments aiming at enhancing value chain resilience.

¹² The enhancing of the extension services will be possible thanks to the introduction of the DAIRS system and thanks to the new meteo posts that the project will install. Information will be provided to cooperatives and WUA in addition to the regular SMS information system established in the WNRDP IFAD funded project.

the capacity building/development work needed for their development and implementation, the field investments for vulnerability reduction, and the enhanced preparedness to climate risk, both at field level and through policy dialogue at the National level. Furthermore, the GEF investment will ensure that all the SAIL interventions in the field of post-harvest include the adoption of proper climate adaptive technologies so as to guarantee the complete climate proofing of the value chain and to ensure an optimized and sustainable cycle of the rural agricultural chain where the entire cycle is not only climate secured but contributes as well to GHG reduction and green markets opportunities' development.

In the absence of the SCCF project, the targeted sites and beneficiaries will have an increased vulnerability risk due to challenges such as water scarcity, salinity, increasing temperature, decreased rainfall and other climate change impacts that are predicted to affect the agriculture sector. Drought and heat stress are among the two most important factors influencing crop growth and yield in Egypt. The meteorological impacts on crop growth are twofold, owing to the sensitive stages occurring earlier during the growing season and to the changes in weather patterns with climate change. Water and heat stress, in particular during the sensitive crop stages, occur at different times in the crop season. Soil water deficit increases towards harvesting, such that earlier maturing winter crops may avoid drought stress that occurs in late spring and summer. Summer crops may benefit from earlier planting dates and subsequent beneficial moisture conditions during early canopy development, but will suffer from increased drought and heat stress during crop maturity.

A modelling approach to the analysis of marked differences between the years and climatic periods needs to be undertaken to provide an increased understanding of meteorological impacts on arable crop yield and development. As a sharp increase in extreme heat and drought is projected by the end of the century, with the potential to significantly reduce yields under current technologies. Salinity in Lower Egypt is another factor that is rendering agricultural land obsolete in several areas, and smallholders are losing their livelihood source. Conventional agriculture practices will not be an option anymore, and the search of saline tolerant crops and the introduction of soil-less agriculture would ensure food and nutritional security to the new settlers. Moreover, tailor-made solutions and technologies will need to be identified and introduced to make sure that the vulnerability of on-farm irrigation and post-harvest losses are dealt with according to the local conditions of each target region.

A vulnerability assessment targeting each Governorate will ensure that the interventions will be tailored through the SCCF design to ensure vulnerability reduction of targeted areas and beneficiaries, and that the DAIRS system that will be developed will respond to specific to climate change related hazards.

Within this framework and based on the positive experiences existing in the Country of public-private-partnerships - SEKEM initiative and other successful interventions - the project will facilitate involvement of the private sector in terms of knowledge sharing and technical assistance provided to local farmers cooperatives and new entrepreneurs.

The project is innovative and transformational as it ensures the full integration of private sector and cooperatives / water user associations in a process that will support the transition from "Business as Usual" to climate resilient and diversified agriculture ensuring leverage and scaling up of IFAD's investment. Furthermore, investing in both adaptive equipment will potentially provide a valuable contribution to the UN efforts of developing a Regional Circulation Model that will forecast climate change impacts on precipitation in the Nile Basin and impacts on Nile flows in Egypt.

IFAD's baseline contribution will focus on increased productivity, value addition and marketing, including outcomes such as increased marketing of primary and secondary products. The baseline contribution will also make sure that the lessons learned and innovative approach promoted by the GEF are mainstreamed at the central level and replicated, by the very same beneficiaries, in other regions and provinces of the country where IFAD is active. Furthermore the selected innovative approach is in line with the adopted policies and investments for the sector as it will increase food security of vulnerable families and smallholders in rural and economically depressed areas of the Country and it will contribute to the stabilization of food's price inflation due to shortages of domestic production (11,4 % - Central Egyptian Bank, 2014).

The generated best practices and lessons learned will be mainstreamed into the wider IFAD country programme and will build on the policy dialogue process. The proposed intervention has enormous potential for scaling up and replication, since the depletion of natural resources due to mismanagement, lack of planning, unsustainable agriculture and livestock practices and climate change are widely recognised as the main root causes of environmental degradation in Egypt, and because IFAD is among the largest financiers of rural and agricultural development in the Region.

The creation of sustainable and resilient new settlements in Egypt is a highly innovative action, where the migration to urban areas is occurring with unprecedented proportions. The participative approach and the empowerment of grassroots beneficiaries aside with state authorities and Egypt's research institutes and universities is also a guarantee for the long-term sustainability of the intervention. The adoption of new plans and policies at the State level, together with the increased attention of the Egyptian authorities to the agriculture/rural sector since the late 80s, and the long-term commitment of IFAD in the country, are all elements in favour of the sustainability of the proposed intervention.

The Government of Egypt has a well-articulated policy for settling people on new lands. It provides them legal title to the lands and provides social infrastructure so that families could settle. IFAD has engaged with the development of the new areas for several years now, scaling-up its experiences from previous projects. The project will promote best practices and ensure that investments add value to the livelihoods of the new settlers in terms of improving farming systems, irrigations systems and innovations that improve income generation especially for the women farmers, enhancing family nutrition, improving soil fertility, and supporting resilience of farmer families through the diversification of sources of income and making available sources for cash.

The main implementing agency is the Ministry of Agriculture and Land Reclamation, and the IFAD interventions within the three Governorates will be scaled-up in other new areas that the Ministry has determined within its settlement policy. Moreover, this policy also supports the formation of Agriculture Cooperatives who are allowed to engage in profit making enterprises on behalf of their members. During the SAIL implementation, further assessment will be made of any further changes that might be required in the cooperative law to facilitate the growth and vulnerability reduction of these organizations.

At mid-term, the project will initiate together with its partners a future-looking assessment, documenting the lessons learned and drawing a scaling-up road map, including for institutional and financial sustainability. The project will also add a focus on the promotion of sustainable up-scaling of innovative financial initiatives in the new lands by partner institutions beyond the realm of the target Governorates. At the regional level of the CDAs, cooperatives, and groups of small and micro-entrepreneurs the project will help consolidating grassroots financial intermediaries, which may include facilitating their access to financial institutions.

A.2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes ☒ /no ☐) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

The main stakeholders of the GEF project will be:

- The Egyptian Authorities. They will participate in all stages of the project design and implementation in order to ensure full ownership and understanding of strategies and aims of the proposed intervention.
- Egyptian Research Institutes. They will be involved since the early design phase in order to ensure the adequate data management protocol ensuring therefore the capacity of the project to monitor and evaluate its performances allowing best practices and lessons learned to be peer reviewed providing therefore solid and tangible tools for leverage and scaling up of the intervention.

Beneficiaries. Selected communities will actively participate both in the design and implementation phases of the project. Inclusion and participation are the pillars of project sustainability. Furthermore, the project will also stimulate beneficiaries' associations and Egyptian civil society existing in the project areas.

A.3. Gender Considerations. Are gender considerations taken into account? (yes ☒ /no ☐). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

In the framework of the Egypt's Gender Strategy developed by IUCN and the EEAA in 2011, as impacts of climate change are not gender-neutral. The disproportionate burden of climate change on women will be mitigated by empowering women and recognizing them as important actors of change. Women have important roles as primary land, water, and natural resources managers, and are powerful agents of change in formulating responses to climate change (IUCN, 2011). The project will therefore ensure the highest participation of women and women organizations in order to ensure the most accurate representation of all gender needs and its perception of needs to be addressed.

A.4 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

Risk	Proposed Measures
Policy and institutional risks: coordination among national institutions is often problematic and their capacities are limited.	The intervention will contribute to addressing these issues through a sustained capacity building/development and engagement effort. Policy dialogue will give priority to emphasising the criticality of increased commitment to increase strategic planning and climate proofing the value chains to decrease climate change vulnerability, increase productivity, generate revenues, and contribute to food security.
Temporary Social unrest risk related to the current economic crisis and lack of working opportunities	This risk will be mitigated through a coherent and continuous participatory approach ensuring full permeability between communities and institutions. The approach will therefore allow communities to be at the center of their development ensuring arable land and job opportunities.
The ability of the existing institutional and policy/legal context to drive a successful wider implementation of the up-scaling efforts that the project is aiming at.	This risk will be mitigated by putting significant efforts to create an enabling environment for mainstreaming and up-scaling the introduced innovations to value-chain development and planning. The successful examples at the national level and beyond will be built upon. The private sector and policy makers will be targeted in awareness campaigns and involved in the planning of investment choices in order to ensure a buy-in at all levels. The creation of businesses will ensure sustained contribution to food security
Complexity of the chosen approach: the participatory development approach that drives the intervention is highly dependent on the quality of the staff deployed in the field teams, the provision of adequate incentives and the participation of women in the process. Cultural traditions may prejudice the project's attempts to give women a greater voice.	The intervention will build on effective and efficient project management units established during the previous IFAD projects. The trust and relationships built with communities in the target would increase the likelihood of success in achieving the project's objectives. The approach of seeking win-win situations with investments that can clearly benefit all concerned users will be an incentive for dialogue and conflict resolution among different segments of the rural communities.

A.5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives:

IFAD will coordinate with all UN agencies wherever possible, and attempt to partner particularly with UNIDO and other government and non-government institutions in identifying and deploying innovative technologies and solutions. Partnerships with regional donors including the World Bank, the African Development Bank (IsDB) and Arab Funds are being nurtured and will benefit from IFAD's framework for cooperation with IsDB for project financing. The project will coordinate with active EU and other bilateral donors active in the sector and areas of intervention ensuring as well distribution of the collected data through the appropriate research institute.

The GEF intervention will complement other relevant GEF-financed initiatives in Egypt such as UNIDO/"Promoting Low-carbon Technologies for Cooling and Heating in Industrial Applications in Egypt" and UNDP/"Grid-Connected Small-Scale Photovoltaic Systems in order to ensure the use of the most advanced technologies in Agriculture" (i.e. water pumping, post harvest techniques, storage rooms) . Additionally the project will ensure coordination and synergy with UNESCO, UNDP13, WFP14, GIZ15 and UNEP16 in sharing all lessons, experiences and produced data necessary to enhance and consolidate the regional Climate Change forecast models.

Collaboration will be sought with other institutions and UN agencies, mainly UNIDO, in identifying and deploying innovative technologies and solutions, as well as capturing successful experiences that could benefit the target communities

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes ☒ /no ☐). If yes, which ones and how: NAPAs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.:

The proposed intervention builds on the findings, and is closely aligned with recommendations of the first and Second National Communications to the UNFCCC (2010) and it answers the concerns and strategies set for the third one (Exp. 2014). It integrates key recommendations for enhancing resilience in agriculture and water resource management and is fully relevant with the priority projects identified by the national strategies and the OECD-STI Egypt Country Study. Adaptation to Climate Change in the Nile Delta

This project has been developed in conformity with the GEF eligibility criteria. The project proposal respects the principle of country ownership having been developed in consultation with national stakeholders, as well as by taking into account all the latest and relevant studies and reports available on climate change in Egypt. Also, the project has been designed to fully address the priority activities identified by the Government and it has been developed with the aim of ensuring sustainability and replicability beyond project completion.

The project design criteria have been respected by including a list and description of the project components as well as by describing the added value of the GEF intervention. The GEF component will complement activities and achievements in light of the expected impact of climate change. Co-financing requirements are satisfied and cost-effectiveness aspects have been carefully considered, and these will be further detailed during the design process. The project will be mainly investment-oriented and aims at encouraging replication and scaling-up at national level.

The GEF intervention builds on the best practices and lesson learned of the West Nubaria Rural Development project funded by IFAD and will ensure the reduction of vulnerability to climate change in the context of the broader interventions identified by the Republic of Egypt and under evaluation at IFAD in the field of agricultural, rural development and environmental conservation. Additionally, the project will incorporate lesson learned and best practices produced by other GEF experiences in the country ensuring coordination and, when possible, synergies

¹³ **Active projects:** Adaptation to Climate Change in the Nile Delta

¹⁴ **Active projects:** Enable poor communities in rural Upper Egypt and border governorates to adapt to climate change and market shocks, reduce agricultural losses through supporting national efforts to create sustainable livelihoods;

¹⁵ **Active projects:** Agricultural water productivity as a way of adapting to climate change and Adapting to climate change in the water sector in the MENA region.

¹⁶ **Active projects:** Green Economy Initiative

among different actors and will include other potential donors like the Saudi Fund for Development and the Italian Development and Cooperation Office that are consolidated development partners in Egypt.

The project is innovative and will ensure the full integration of private sector and cooperatives in a process that will support the transition from “Business as Usual” to green and sustainable agriculture as well as pave the ground for a local green and sustainable economy.

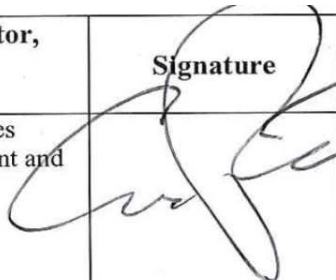
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. Record of Endorsement¹⁷ of GEF Operational Focal Point (S) on Behalf of the Government(s): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Eng. Ahmed Abou Elseoud Ahmed	Chief Executive Officer	Egyptian Environmental Affairs Agency	08/07/2014

B. GEF Agency(ies) Certification

This request has been prepared in accordance with GEF policies¹⁸ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
for Elwyn Grainger-Jones Director, Environment and Climate Division IFAD		22/08/2014	Rami Abu Salman, Regional Climate and Environment Specialist	+39065459 2291	r.salman@ifad.org

¹⁷ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

¹⁸ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF