

# EGYPT



## Programme Portfolio

**EPr1** Employment creation in innovative public work programs:  
Phase III



## UNDP Response in Egypt

As of the end of October 2014, Egypt was host to some 140,000 registered Syrian refugees. While the influx of refugees has been small compared to the numbers of refugees in other countries, refugees in Egypt are concentrated mostly in a few communities in densely populated urban areas, precisely where local infrastructure, job markets and public services were already strained. Indeed, the greatly increased demand for basic services has already burdened local and national systems, threatening development gains. Although the Egyptian government has extended health and education services to Syrian refugees free of charge, just as Egyptian citizens enjoy, it has not yet developed a national response plan for the refugee issue.

Egypt needs particular support for the livelihood sector, as some 26.3 percent of Egypt's population lives below the national poverty line and the unemployment rate stands at 13.4 percent. With the prolongation of the Syrian conflict, about 50 percent of refugee households, which predominately rely on past savings, assets and loans, will gradually face serious shortages of income. Syrian refugees and Egyptian local host communities could run the risk of sliding into poverty in the coming years.

Particularly concerning is the fact that many out-of-school youth risk ending up in low-paying, unstable and potentially dangerous jobs with little hope of escaping poverty – if they can find employment at all. In fact, youth unemployment can reach up to 77 percent. The lack of education, skills, networks and empowerment is also a major challenge preventing refugee and Egyptian youth, especially women and girls, from reaching safe and stable employment and being protected from violence, abuse and exploitation.

As a step to cope with the difficulties, the Egypt Chapter of the 3RP was launched by the UN and Government of Egypt on 17 February, which aims to strengthen protection and support for Syrian refugees and host communities in the areas of food, health, education, livelihood and basic needs, along with interventions to enhance outreach to the community and service delivery. Across sectors, the resilience component of the plan focuses on bringing together a humanitarian and resilience based response as well as an area based approach to achieve common objectives. The UN ask for the 3RP requirement for 2015 amounts to 189.5 million USD for 2015 and USD 184.1 million for 2016. Using a single plan for both humanitarian and development will enhance responsiveness, cost effectiveness, efficiency and consistency. The Government of Egypt requirements for 2015 amounts to 104.6 million USD for the refugee component and USD 85.5 million for the resilience component.

With its expertise and experience in fighting poverty and building democratic societies, UNDP is well positioned to support Egypt's economic and political transition and, with a strong presence already on the ground, is an ideal leading partner to maximize cost benefits and to streamline project implementation.

UNDP's work with the Egyptian and Japanese governments as well as with many local small and medium-sized private businesses clearly demonstrates this. UNDP directly provided youth and other marginalized groups with job opportunities from 2012 to 2014 in some of Egypt's most impoverished villages while employing small and medium-sized local contractors.

These public works projects demonstrate the tangible impact that UNDP leadership has had on Egyptian society and point to UNDP's commitment to fostering resilience as a longer-term development goal.

This project implements a public works programme for labour-intensive infrastructure and social services projects. It helps expand and diversify employment opportunities for both young men and women, while at the same time infusing infrastructure and service investments necessary to boost local economic development in host communities with high concentrations of Syrian refugees. It will also enhance the vocational and entrepreneurship skills of youth and support micro- and small-businesses in host communities through various business training and development services.

- Create short- to mid-term emergency employment for mainly youth in community infrastructure and social services projects in host communities of Syrian refugees
- Provide vocational and entrepreneurship skills training and business development services in host communities

The project responds to the urgent need to create employment opportunities and to build the capacities and skills of unemployed youth (18-29 years of age) and women that has been affected by the increased influx of refugees to Egypt since 2013. The project will specifically target host communities of Syrian refugees, which are mostly concentrated in urban and peri-urban districts of Giza, Greater Cairo, Alexandria and Qalyubia. It will be based on the Rapid Stress Index identifying the most vulnerable districts throughout Egypt.

**Budget 16,000,000 USD**

As of late 2014, Egypt is host to some 140,000 registered Syrian refugees. While the influx of refugees has been small compared to the numbers of refugees in other countries, refugees in Egypt are concentrated mostly in a few communities in densely populated urban areas, precisely where local infrastructure, job markets and public services are already strained. This great increase in demand for basic services has burdened local and national systems, threatening development gains. Although the Egyptian government has extended health and education services to Syrian refugees free of charge, just as Egyptian citizens enjoy, it has not yet developed a national response plan for the refugee issue.

Egypt needs particular support for the livelihoods sector, as some 26.3 percent of Egypt's population lives below the national poverty line and the unemployment rate stands at 12.9 percent (Jan 2015). With the prolongation of the Syrian conflict, about 50 percent of refugee households, which predominately rely on past savings, assets and loans, will gradually face serious shortages of income and Syrian refugees and Egyptian local host communities could run the risk of sliding into poverty in the coming years.

Particularly concerning is the fact that many out-of-school youth risk ending up in low-paying, unstable and potentially dangerous jobs with little hope of escaping poverty – if they can find employment at all. The unemployment rate among the youth aged 20 to 24 years exceeds 39%, while unemployment among females, as high as 25%, is more than double that for males (9.9%). The lack of education, skills, networks and empowerment is a major challenge preventing refugee and Egyptian youth, especially women and girls, from reaching safe and stable employment and being protected from violence, abuse and exploitation.

## The Project

## The Issue

Building upon the successful experience of implementing the cash-for-works model in the poorest villages throughout Egypt since 2012, the project aims to scale up efforts to generate short- to mid-term emergency employment opportunities, particularly for youth and women, through public works (labour-intensive infrastructure and social service projects) targeting the host communities of Syrian refugees.

Given the gender dimension of unemployment in Egypt, labour-intensive public works projects, which traditionally generate jobs for men, will be complemented by social services projects, which create jobs primarily for women. The project will ensure that such interventions will contribute meaningfully to the longer-term process of socioeconomic development of localities affected by the refugee crisis and build skills and capacities of youth, both men and women. The project not only provides income to the poor and vulnerable but also provides them with durable community infrastructures and public services that provides the opportunity for economic and social development.

The Social Fund for Development (SFD) will use local knowledge and expertise to plan and implement its public works and social services projects. Thus, such projects have a multiplier effect and help local markets to revive. The specific infrastructure and services projects will be based on rapid needs assessments and consultations with local public and civil society institutions. The involvement of local institutions in implementation will contribute to local capacity building. To ensure the successful implementation and to scale its job creation efforts, the project will build on the achievements and lessons learned of past and on-going public works projects of the SFD that have been conducted since 2012.

The priority focus of the emergency public works programme is to provide social protection to unskilled poor, youth and women by creating short- to mid-term jobs, while at the same time enhancing community infrastructure and services. While being an emergency type of short-term relief programme, it allows locally jobless youth to gain basic job skills and supports them in creating linkages with local contractors and NGOs, which then has the potential to lead to future opportunities for long-term employment. Similarly, the women involved in the social work projects also gain training and skills working with NGOs, which in return has the potential to help them to find jobs later in their own localities.

Building on the public works project, UNDP in partnership with the SFD will subsequently provide vocational and entrepreneurship training and services to micro- and small-businesses in host communities affected by the Syrian refugee crisis. These trainings and services will target mainly youth and women, who have been vulnerable to the economic downturn and influx of refugees. The project will attempt to link beneficiaries of the short-term public works project to more sustainable employment in the long-term by building the capacity of youth and women and enhancing economic conditions in the local communities. The project will build on SFD's experience in skills development and providing financial and non-financial services to micro- and small-businesses throughout Egypt.

The Government of Egypt, UNDP and SFD, a long-term partner of UNDP, consider tackling youth unemployment to be a top priority for host communities with high concentrations of Syrian refugees. Promoting employment, enhancing skills and providing community infrastructure and services will also contribute to the overall social cohesion of the impacted communities and will have direct positive impact by benefiting the most vulnerable and marginalized citizens through the provision of income and by increasing future employability prospects.

## Strategy

## Partnership Framework

UNDP will partner with SFD, who has the needed capacity to support the launch and management of the described scope of work, as proven in its long-term partnership in micro- and small-business promotion and public works projects.

The two-part project will focus on implementing its public works and skills and business development approach in host communities of Syrian refugees. The primary focus will be to implement the public works project for emergency social protection and enhanced local services and infrastructure. The project will subsequently carry out the second component of skills and business development to promote economic development and resilience in the long-term.

Create short- to mid-term emergency employment for mainly youth in infrastructure and social services in host communities of Syrian refugees.

- Carry out labour-intensive public works projects focusing on the construction of community infrastructures and social services, based on rapid needs assessments and consultations of local stakeholders and beneficiaries
- Jobs generated will mainly target local unemployed semi-skilled and unskilled youth in host communities affected by the influx of refugees. The project aims to create up to 500,000 workdays in infrastructure and services projects. The majority of the services projects will target young women in the host communities. Employment will generally be from 3 to 6 months and will receive payments based on the market rate
- Projects will be designed to upgrade community infrastructures such as schools, community centres, market places and the energy grid and provide social services such as health awareness campaigns and waste management services based on the specific needs of the host communities. The created infrastructure and services will be designed to further benefit the community in its long-term social and economic development

Provide vocational and entrepreneurship skills training and business development services in host communities:

- Vocational and entrepreneurship skills training for mainly youth and women in host communities to enhance opportunities of long-term employment and business development. The courses will be based on market needs and will cooperate with private sector partners to bridge the market divide
- Business development services will target micro- and small-businesses to promote firm growth and employment. It will provide professional business management consulting in areas of finance, marketing, human resources and growth. The project will also explore linkages with SFD's financial services, which provides loans to micro- and small-businesses throughout Egypt
- The project will also work to strengthen the capacities of affected local government departments to improve their targeting and monitoring of the vulnerable population and to provide tailored services in areas of skills development, economic empowerment and overall social services in the host communities of Syrian refugees

## Activities

Since 2012, UNDP in partnership with SFD has created a total of 605,549 workdays in public works by implementing community infrastructure and social service projects in the poorest districts throughout Egypt. The project not only created short term jobs but benefits the general population by providing better infrastructure (water networks, roads, public marketplace, etc.) and social services (health, environment, education, etc.) to vulnerable local communities, which are seen to have a strong positive impact in the long-term.

Furthermore, in 2014, SFD supported 178,253 micro- and small-enterprises by disbursing a total of 3 billion EGP in loans and creating an estimate of 217,991 jobs. Some 44% of the lending was for female-owned businesses. It has also provided business development services and training to local business combined with its financial support.

The Project will build on these achievements and experiences to provide skills and jobs targeting the vulnerable populations in the host communities of Syrian refugees.

## Impact

