



International
Labour
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Progress Report – Egypt

01/01/2023 – 31/08/2023

ILO GLOBAL FLAGSHIP PROGRAMME ON BUILDING SOCIAL
PROTECTION FLOORS FOR ALL - PHASE II

Project Code GLO/21/34/MUL



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Donor: Germany, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Admin Unit: ILO DWT for North Africa and Country Office for Egypt and Eritrea (DWT/CO-Cairo)

Project title:	ILO GLOBAL FLAGSHIP PROGRAMME ON BUILDING SOCIAL PROTECTION FLOORS FOR ALL PHASE II - EGYPT: ACCELERATING PROGRESS ON SDG TARGET 1.3 SOCIAL PROTECTION SYSTEMS AND MEASURES FOR ALL
Report type (pick one):	Annual
Reporting period:	From January to August 2023

Linkages

ILO Strategic Policy Outcome: Outcome 7: Universal Social Protection

ILO Country Programme Outcome: EGY150 - Enhance inclusiveness and effectiveness of social protection coverage and promote decent equal working conditions

Sustainable Development Goal: SDG 1: End poverty in all its forms everywhere

Preparation and Review

Report prepared by: Ricardo Irra, 13/02/2024

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1. Country context

In November 2022 Egypt hosted COP27, which presented an opportunity for the Egyptian Government to increase its efforts in the sphere of climate change mitigation and adaptation. In accordance with the 2015 Paris Agreement, the Government updated its Nationally Determined Contribution (NDC) in 2022, reflecting Egypt Vision 2030, which seeks “to achieve a competitive, balanced, diversified, and knowledge-based economy, characterized by justice, social integration and participation, with a balanced and diversified ecosystem, benefiting from its strategic location and human capital to achieve sustainable development for a better life of all Egyptians. Climate change efforts fall within Egypt’s path toward sustainable and inclusive development that eradicates poverty and strives to achieve prosperity for future generations. It shall leverage on Egypt’s recent success on attaining pro-poor economic growth with the decline in poverty since 2020 for the first time in almost two decades and strengthening social safety nets to reach the most vulnerable.”

Egypt’s National Climate Change Strategy 2050 also identifies “Strengthening and developing channels and funds for social protection, compensation and insurance against natural disaster” as a key policy intended to help achieve the objective(s) under Goal 2, “Enhancing Resilience and Adaptive Capacity to Climate Change and Alleviating the Associated Negative Impacts”.

The current landscape of social protection in Egypt covers a wide range of programmes, including social assistance programmes managed by the Ministry of Social Solidarity (MoSS), social insurance administered by the National Organization for Social Insurance (NOSI), social services, including active labour market programmes and health services, as well as subsidies for necessities and utilities, and income tax exemptions for low-income earners. A landmark social health insurance (SHI) law was passed in 2018 which makes health insurance mandatory. The SHI system will be implemented gradually over a 15-year period and aims progressively to cover 92 per cent of the population by 2032. It exempts those in (extreme) poverty from paying contributions to access health care services. Along these lines, in the context of the COVID-19 crisis, an interministerial committee was formed to develop a strategy for extending social protection to informal workers.

At the same time, the country is highly vulnerable to climate change, with its risk of suffering disasters from extreme natural events and negative climate change impacts rated as “very high” by the World Risk Report 2022. Sea-level rise threatens the densely populated Nile delta. The sectors projected to be particularly affected include water resources, agriculture, aquaculture and fisheries, housing and settlements, health (including food security), energy, telecommunications and tourism, all against the background of threats to coastal zones, coral reefs and biodiversity. The country’s 2012 National Strategy for Adaptation to Climate Change and Disaster Risk Reduction states that “negative social impacts are one of the most severe consequences of climate change” and outlines how vulnerability maps and assessments, including key indicators such as average income, unemployment rate and other health and education-related aspects can be used to identify those most vulnerable. It also emphasizes the importance of defining “[...] target groups, with a special emphasis on health and social care for marginalized groups who are more susceptible to health hazards caused by climate change”, adding : “In order to properly deal with the expected effects of climate change it is important to identify the current social and economic situation and needs. This will help ensure that the allocation of resources and services is in accordance with the actual needs.”

2. Progress report

Outcome 1: Improved national knowledge base and capacities to enhance the resilience of social protection systems to the impacts of climate change in Egypt.

In this context the ILO, with funding from the German Development Corporation (GIZ), has supported the Ministry of Social Solidarity by providing an overview of the areas, work sectors and economic activities most vulnerable to climate change effects and assessing the capacity of the existing social protection mechanisms to build resilience and safeguard vulnerable populations against the socio-economic impacts of climate change-related events and processes.

Output 1: Improved evidence is available in Egypt on social protection and climate change

Activity 1.1: Development of a study on “Identification of the most vulnerable sectors to be affected by climate change: social protection mechanisms and recommendations for their extension to affected and vulnerable workers”

The final draft of this study was submitted to the ILO by the international expert concerned and an initial discussion was held with the Ministry of Social Solidarity (MoSS).

During the data collection for the study, in-depth interviews were conducted with different stakeholders including government officials, workers and employers’ representatives, NGOs and international organizations, to hear and reflect on their views and the challenges and opportunities they face. The interviews also considered the role that those different stakeholders could play in enhancing the social protection system in Egypt to become more shock-responsive under climate change.

However, owing to delay on the government side in providing the information needed for the study and in conducting the key interviews due to be held with government officials, and in view of the economic crisis that Egypt is currently experiencing, the final results have not yet been presented to the Ministry. A workshop to validate the results and discuss a way forward based on the study recommendations will take place by the beginning of the second quarter of 2024. This will be developed together with the Ministry of Social Solidarity, the main partner for this activity.

OUTPUTS: Overall delivery assessment ¹			
<input type="checkbox"/>	Highly satisfactory Implementation of almost all (>80%) outputs is on schedule as envisaged in the implementation plan and almost all (>80%) indicator milestones have been met.	<input checked="" type="checkbox"/>	Satisfactory Implementation of the majority (60-80%) of outputs is on schedule as envisaged in the implementation plan and the majority (60-80%) of indicator milestones have been met.
<input type="checkbox"/>	Unsatisfactory Some (40-60%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only some (40-60%) indicator milestones have been met.	<input type="checkbox"/>	Very unsatisfactory Few (<40%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only a few (<40%) indicator milestones have been met.

¹ This is a self-assessment.

Summary of outcome(s)

OUTCOME ACHIEVEMENT ²				
Indicator	Baseline (before project start)	Indicator Milestone (compare planned against actual)	Target (end-of-project goal)	Immediate Outcome Summary
Outcome 1: Improved national knowledge base and capacities to inform the resilience of social protection systems to impacts of climate change in Egypt.				
Output 1: Improved evidence is available in Egypt on social protection and climate change.	0	Achieved: Study was concluded and presented to MoSS	Most of the study was finalized and initial discussion took place with the ministry. However, the final results have not yet been presented.	Not on track: milestones missed

► Gender and non-discrimination

The project encouraged 50 per cent participation by women in every consultation conducted.

² Based on the M&E plan.

3. Collaboration and partnerships

The report has been planned in coordination with other ILO projects focusing on assessment of the green economy in Egypt. Social protection has been identified as one of the main areas for promoting just transition and the report is intended to help fill the knowledge gap affecting the link between social protection and climate change in Egypt.

4. Main challenges and corrective actions

The study encountered challenges arising from delays on the government side in providing necessary information and in confirming the arrangements for in-depth interviews with key government officials. Furthermore, the current economic crisis in Egypt shifted the Government's focus away from COP27 issues towards the creation of social protection schemes intended to protect the population from economic impacts. In order to maximize the benefit from the results of the study, the ILO is endeavouring to link it to the Government's efforts to create an emergency fund designed to protect workers in the informal economy during times of crisis, with climate change included as one of the crises covered by the fund.

5. Summary and outlook

The study on social protection and climate change in Egypt was conducted to inform policymakers about the economic sectors that can be highly affected by climate change and how social protection can be used to mitigate the impacts of climate change on the workers in those sectors. The study also looked at the current social protection programmes in Egypt and how they could be made more responsive to climate change.