

Activity Appraisal Document ODA

€ 1.000.000 or more

I REQUESTED DECISION CONCERNS

Explanation of the policy data can be found in the [ODA Policy Data Guide](#).

For the **highlighted** subjects in table below the de [ODA Policy Data Guide](#) gives further explanation .

Red --> Parts which should not be published in the open data.

Application number	4000003962
Short name application	KAI/ Egyptian Women's Financial Inclusion
Long name application	KAI/Women's Financial and economic inclusion in Rural Egypt
Description application	<p>Through comprehensive situational analysis, based on the lessons from its SGs programme in Egypt since 2013, and applying best practices from global experiences, UN Women is initiating this programme to support the evidence around the SGs model in Egypt for financial and economic inclusion. UN Women recognises that majority of rural women lack confidence in managing their own finances and also lack knowledge as well as trust in formal financial institutions. SGs will become an important building block for rural women to develop savings habit and the discipline for accessing and repaying small loans from their own savings capital, thus gradually gaining confidence to then access services of formal financial institutions, including MFIs and banks through mobile wallets. Mutual support that members will provide to each other will also help them gain confidence collectively, to also participate in local markets as well as value chains.</p> <p>Specifically, the programme will support women's financial and economic empowerment through:</p> <ul style="list-style-type: none">i (i) provision of financial literacy awareness, including through testing use of gamification;ii (ii) facilitating women's access to savings and loans out of the accumulated savings of the group;iii (iii) ability to use those savings and/or loans to invest in their wellbeing and/or that of their children (health and education) and/or to start and expand a business. SGs can also serve as a steppingstone for women to access larger credit from responsible microfinance institutions;iv (iv) capacity development for women members of SGs on business development and technical skills to start income-generating projects in areas that are based on the governorates competitive advantage, and support the women-led clusters/SGs to be integrated into higher value chains, and

	v (v) provision of assets and other immediate response measures to mitigate the socioeconomic impact of Covid-19.		
Budget holder	KAI		
Number business partner	30015817		
Implementing organisation(s)	UN Women- Egypt Country Office- along with other local civil society organizations		
<u>Legal relationship</u>	Arrangement/ contribution		
<u>Commitment</u> in foreign currency (if applicable)	USD 3,412,969.28 (<i>Three million, four hundred and twelve thousand, nine hundred and sixty nine dollars and twenty-eight cents</i>)		
Corporate rate	0,89		
<u>Commitment</u> in euros	EUR 3,037,542.66		
Funds centre	1703U02010002 Gender		
Activity start date	1 august 2020		
Activity end date	31-07-2023		
Contract start date	1-08-2020		
Contract end date	31-07-2023		
Has an evaluation been planned?	Yes, not mandatory		
<u>Aid modality</u>	Other aid		
<u>Donor role</u>	Single donor		
<u>Technical assistance</u>	N.a. Not applicable		
<u>Beneficiary's country/region</u>	Egypt		
Countries within the region (if applicable)			
Allocation country information	100%		
Location within the country (be as specific as possible)	Town	Name location(s)	Sohag and Assiut
<u>CRS Code</u>	15170, 16020, 24030,24040		
<u>Policy marker weight is 'principal' (no minimum or maximum amount)</u>	<p>Yes</p> <p>Gender equality is the main objective of the project/programme and is fundamental in its design and expected results. The project/programme would not have been undertaken without this gender equality objective.</p> <p>The policy goal is in line with DSO's TOC "Women's economic rights, empowerment and entrepreneurship is strengthened"</p>		

<u>Policy marker weight is ‘significant’.</u> (no minimum or maximum amount)	N/A
<u>Special pledges made by the Minister or State Secretary /</u> and/ or special marks regarding sensitive information	Not Sensitive Not a special pledge

II. ACTIVITY APPRAISAL

2.1 Contribution made by the activity to BZ policy objectives (policy relevance)

2.1.1 Description policy relevance

This project is in line with EKN's the Multi Annual Strategic Plan and s annual plan 2020 and addresses more than one of the Netherlands' international policy areas namely; women's empowerment, sustainable economic development, trade and investment; sustainable development, food security, water and climate; and social progress. All of which are in line with different Sustainable Development Goals (SDGs) namely goals 2,3,5 8, and 10.

The Multi Annual Strategic Plan 2019-2022 mentions in paragraph I.E the Social progress and the position of women in an analytical way, while in Chapter II Dutch objectives and Strategy in Egypt mentions 'Gender Equality' under the policy area's 'International Legal Order and Human Rights' and at 'Social Progress'. This activity will address the objective 'the pre-conditions (enabling environment) for women's economic empowerment have improved. Indirectly women's economic empowerment will contribute to a better environment for the elimination of violence against women.

In the annual plan Part II Results, the improvement of women's economic empowerment is mentioned in paragraph 7, outcome 3. The proposed project will also be implemented during and hopefully post the COVID-19 pandemic which has exacerbated poverty and unemployment in both developed and developing countries. Women have been disproportionately impacted by this pandemic due to the nature of their informal work where most Egyptian women are concentrated.

The programme contributes to the national ambition of Egyptian rural women's financial and economic inclusion and their participation in economic and social spheres by assisting them to play a more visible and important role in their communities, families and society. It also fulfills key measures outlined in Egypt's policy paper aiming to promote women's voice and agency and increase the economic opportunities available to them. Moreover, the programme will contribute to the production of evidence-based research and analysis on women's financial behavior and their participation in the labor force to inform Egypt's Gender Equality Accelerator Model

Access to formal financial services (such as capital, savings accounts, loans and insurance) has been shown to help women sustain their own income, increase their access and control over resources, such as assets, and contribute to productive activities. It also contributes to reducing women's financial dependency on male family members, increases their bargaining power within households and boosts their influence on decision-making besides making women less vulnerable and more resilient to crises like the COVID-19 through access to funds to meet unexpected expenses. Furthermore, access to financial technology makes it possible to access funds remotely – which is more important than ever in times of restricted mobility.

International experience and UN Women's experience with Village Savings and Loans Associations (VSLAs) have proven that Savings groups (SGs) can serve as excellent platforms and initiation of a journey for rural women's financial and economic inclusion. SGs are comprised of 15-25 individuals from a community, often neighbors in the same village, who express willingness and interest to join, pool their savings together, and give loans to their members out of the accumulated savings of the group. The programme will capitalize on the international commitment made by the Central Bank of Egypt (CBE) to half the gender gap in financial inclusion in Egypt by 2021, which aims to include some of the 23.2 million excluded women, mostly in rural areas, through scaling up savings groups, and to leverage them to help women gain access to the financial services they are lacking.

Several local NGOs have played a critical role in the implementation of similar projects, which has helped to fine tune the approach and features of the proposed programme, based on the existing valuable knowledge and experience to expand the SGs approach more widely. Banks and microfinance institutions (MFIs) have learned about the potential of SGs as an institutional vehicle to help integrate rural women members of SG into the formal financial system. The Government of Egypt, and its key agencies responsible for women's financial and economic inclusion – namely National Council of Women (NCW) and CBE – have provided important impetus to expand SGs approach across the country, in collaboration with UN Women. UN Women has engaged with and consulted all the relevant stakeholders in the country as well as engaged with international experiences to design this new programme.

The overall goal of the programme is to utilise the SGs methodology to mobilise vulnerable rural women for deeper and wider financial inclusion across the country, a group that continues to be unreached by commercial banks and MFIs alike. In doing so, SGs will not only become the vehicle for linking women with formal financial services, but also become a platform for rural women to participate in the local as well as broader economy, in different value chains and markets, through micro-enterprises. SGs will also provide a space for addressing discriminatory cultural norms and are a catalyst for enhanced social capital and women's leadership in the household and community levels.

2.1.2 Appraisal

Appraise the policy relevance of the project, using the appraisal table. If the maximum score is not achieved, explain why. If certain criteria do not apply, please indicate this.

No.	Criteria 2.1 Policy relevance	Indicators (score 0, 1, 2)	Score	EXPLANATION/ REFERENCES
2.1.1	The proposed intervention ties in with the operational objectives in the Explanatory Memorandum and the related policy memorandum (policy theory and intervention logic).	<input checked="" type="checkbox"/> The proposed intervention ties in with both the main objective and the secondary objectives .	<input checked="" type="checkbox"/> 2	The proposed activity is in line with NL policy priorities and contributes to an improved enabling environment for women's economic empowerment
2.1.2	The proposed intervention ties in with the ODA priorities	<input checked="" type="checkbox"/> The proposed intervention ties in with more than one of the result areas of the BH&OS priorities.	<input checked="" type="checkbox"/> 2	
2.1.3	The proposed intervention ties in with the annual plan and the result chain of the	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 2	The intervention is in line with the Cairo annual plan (Outcome 7 Social Progress objective

	MASP	The intervention is specifically mentioned in the result chain of the MIB/MASP.		1 Achieve gender equality and empower women and girls) as well as the multi-annual strategy under the policy theme Social Progress.
2.1.4	The relevance of the proposed intervention to the crosscutting themes of women's rights and gender equality / climate / PSD / coherence and strengthening of civil society organisations	<input checked="" type="checkbox"/> The proposed intervention is relevant to more than one of the crosscutting themes.	2	The intervention is gender-specific and is also relevant to strengthening CSOs.
Total score (maximum 8 out of 8 points)			8	

2.2 Problem analysis and lessons learned

2.2.1 Description

1. Context Analysis

With a little over 104 million inhabitants - two-thirds of which are below 29 years - Egypt is Africa's third most populous country after Nigeria and Ethiopia. About 95% of Egyptians live along the Nile, less than 5 percent of Egypt's territory (UNDP). Over 57% of population lives in rural areas with 49:51 women to men gender ratio (CAPMAS, 2017).

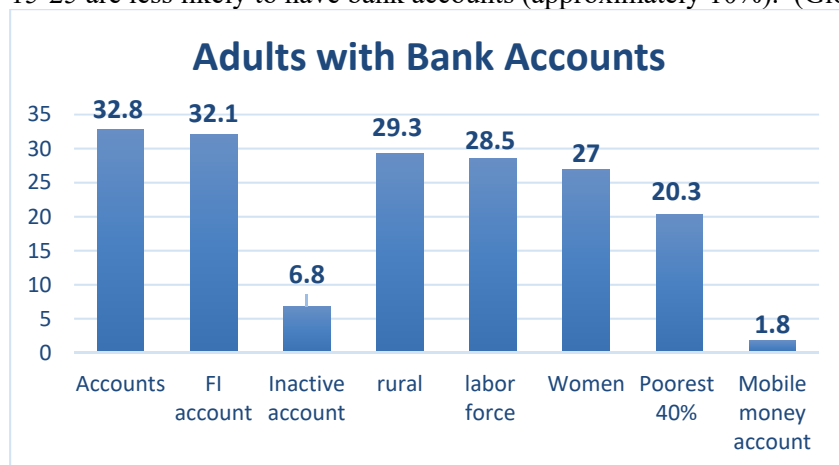
In rural Egypt, women are disproportionately affected by multidimensional poverty, gender-based violence and discrimination. Their access to education and services, including health, education and financial services is limited due to disempowering social and gender norms, as well as gender blind planning and gender-blind modalities of service delivery.

Some of relevant analysis for the programme aiming to have women's financial and economic inclusion with significant contribution to the national aspirations can be presented in the following sections:

1.1 Women's access to financial services and financial capabilities¹ in rural Egypt

¹ "Financial capability is the internal capacity to act in one's best financial interest, given socioeconomic environmental conditions. It therefore encompasses the knowledge, attitudes, skills, and behaviors of consumers with regard to managing their resources and understanding, selecting, and making use of financial services that fit their needs" (Invalid source specified..

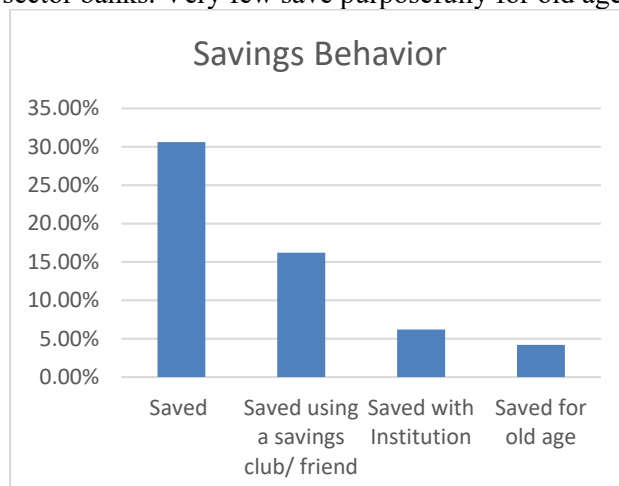
Access to financial services is crucial to economic empowerment and local development and although efforts have been made to increase women's access to financial products and services, data shows that women's full financial inclusion is yet to come. Overall, Egypt has made massive stride between 2014-2017 to almost double the number of people with accounts in formal institutions, but the overall penetration is still relatively low (32.8%). Rural accounts outreach is lower (29% against 33% nationally). While the rate of formal account penetration among women has more than tripled between 2011 and 2017 (from 7% to 27%), it is still less than the rate among men (39% in 2017), and the gender gap has kept increasing (from 6 percentage points in 2011 to 12 in 2017). Egyptians between the age of 15-25 are less likely to have bank accounts (approximately 10%). (Global Findex Report, 2017).



Source: Findex report 2017, Egypt financial inclusion data

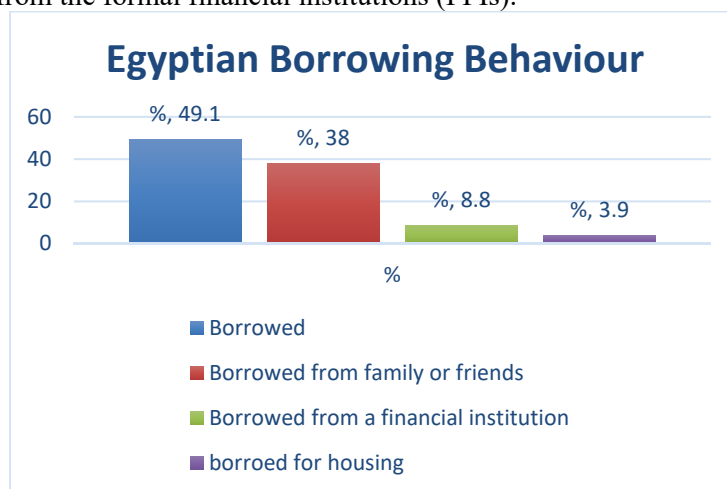
Most Egyptian women, especially rural women, do not use formal financial services and the majority of adults in the poorest communities do not deal with banks. The low rate of financial inclusion of the poor and women is due to several factors, including the fact that the products and services currently offered by banks and Micro-Finance Institutions (MFIs) do not match the needs of the poor, especially women in rural areas. In addition, women do not have the collateral and/or skills to interact with formal financial institutions and are therefore easily intimidated by the formality of banks procedures. On the other hand, 14% of account owners in formal banks have opened their first account in 2017 due to massive push by government to provide payments through bank accounts, as part of overall national impetuous on financial inclusion.

As per 2017 financial index global report by the World Bank (Findex 2017), percentage of people who save in Egypt is relatively low. Most who save do so with informal groups and with informal places. Only 6% save in formal sector banks. Very few save purposefully for old age.



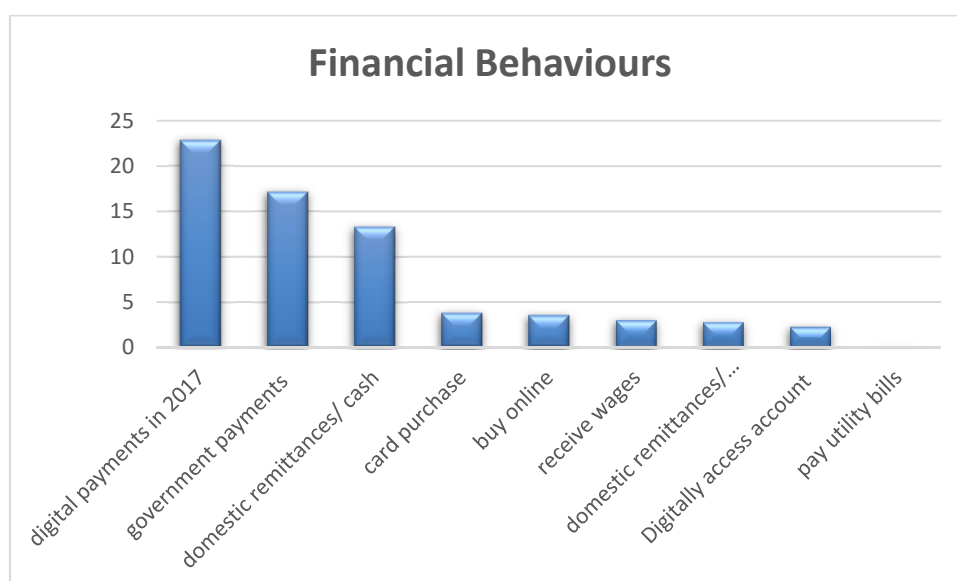
Source: Findex report 2017, Egypt financial inclusion data

For borrowing money, family and friends are primary sources for many Egypt families (38%). Less than 9% borrowed from the formal financial institutions (FFIs).



Source: Findex report 2017, Egypt financial inclusion data

Approximately 70% of the wage earners in Egypt, a very high percentage are users of mobile phone but less only than 2% have mobile wallet accounts (ibid). Less than 25% of people engage in digital transaction using a formal institution. Card and online purchases are used by less than 5%. Given the wide availability and expansion of technology platform with Banks and mobile companies, these figures suggesting that there is high scope of growth for digital finance across the country.



Source: Findex report 2017, Egypt financial inclusion data

Financial inclusion measured by number of bank accounts, savings and borrowing activities in the formal financial institutions, and use of digital financial products etc., is significantly lower for people at the base of economic pyramid, and especially among the rural women. On one hand, the FFIs most often do not see rural women (and men) as their natural and preferred clients nor have a relationship of trust with them, it is equally true on the other hand that rural women also do not trust formal institutions either. There is not only physical distance but also social distance between the banks and rural population, there is mutual lack familiarity. While developing this programme proposal and interacting

with banks as well as rural women, it has become clearer that lack of mutual trust is a key barrier in achieving national financial inclusion objectives.

1.2 Women's low level of engagement in the economy

Women in Egypt have high potential to participate more fully in the economy. As per the Global Gender Gap report 2017 (World Economic Forum, 2017), women's economic participation in Egypt is ranked 135 (out of 190 countries), and women's participation in the labour force is ranked 138. Though overall unemployment rate in Egypt is 13.4 %, it is 25% for women as opposed to 8.5% for men. In addition, Egyptian women do unpaid household work that is worth 30% of the country's gross domestic product (Antari, 2016) and are heads of household for 17.8% families (CAPMAS, 2017).

Women are mostly employed in the agriculture sector, and mostly work in the informal sector. Ease of entry and exit drive many women to seek informal work even though women receive lower wages than men in the same jobs (Sholkamy, 2017). Women's low participation in the economy is partly due to their role in child and family care. Without childcare services, it becomes a burden for them to seek out jobs, and day-care services are important factors for increasing their participation in the economy (HANDY, 2018).

On the other hand, policies that encourage women's entrepreneurship can be an effective means to create employment and empower women. As per Women's Entrepreneurship Development Assessment report, women would need a combination of skills training, finance as well as ways to develop their own confidence in their entrepreneurial abilities and these services will be offered as a package (ILO, 2017).

Greater participation of women at work in Egypt's labour market would enable the economy to grow at a much faster rate. It is estimated that equality in the workforce for women can increase the country's GDP by up to 34% (UN Women, 2015). There are compelling reasons, both economic and social, for improving women's participation in the Egyptian economy.

1.3 Egypt's demography and young population

Egypt has one of the youngest populations though their participation in the economy needs to be enhanced. About 62 percent of the total population is age 29 or under, and nearly 40 percent is between the ages of 10 and 20 (CAPMAS 2017). Labour force participation of young people aged 15–29 is only 13.4% among females compared to 61.4% among males. Young people have restricted access to credit and little knowledge of marketing and entrepreneurship. These problems have been particularly acute for young females. Early marriage is particularly prevalent among rural girls and girls with low educational attainment. Females primarily undertake housework and family care responsibilities (Roushdy & Maia, 2014).

Youth entering the economic and financial markets present both a challenge and an opportunity. Young women residents of rural villages, both unmarried and married, face additional barriers of mobility and cultural practices, especially due to home, family and children care responsibilities. Specific attention is needed for younger women to gain confidence and develop social capital, to be able to participate more fully in the economy.

1.4 Current policy and legislative framework fostering the efforts towards greater women's financial inclusion

While the above-mentioned statistics show that the situation is challenging for women, specifically rural women, the current environment in Egypt holds huge potential for women's financial inclusion. Egypt's National Women's Empowerment Strategy and its accompanying pillar on Women's Economic Empowerment list women's access to economic resources through increased access to financial services as an important objective. The Central Bank of Egypt (CBE) co-hosted the 9th Global Policy Forum of the Alliance for Financial Inclusion (AFI), held in September 2017. In his opening speech President H.E. Abdel Fattah el Sisi emphasized the high-level political commitment for financial inclusion in the country, especially for women.

Financial inclusion has moved to the top of the development policy agenda and gained a great deal of traction. Egypt's presentation showed clear link between financial inclusion and the crucial need to improve the quality of the lives, and financial inclusion should "not only improve lives but also become part of an engine of economic growth and sustainable development". Linking financial inclusion with sustainable development resonates well with the emerging thinking on the subject (FIMENA, 2017).

Strong political will for regulatory reform is already evident, particularly with the approval of the Microfinance Law (No. 141 of 2014) that strengthens regulations for microcredit provided by the non-bank financial institutions. In 2016, the Central Bank of Egypt (CBE) also approved 'Mobile Payment Services Regulations', allowing customers to transfer funds and remittances via their mobile accounts. Political commitment is further demonstrated by the establishment of the 'National Payments Council', headed by President Elsis, in February 2017, which supports electronic payment systems. In addition, the Supreme Council for Digital Transformation, headed by the Prime Minister, was established in 2019 with the aim of creating an enabling infrastructure for all forms of digital transformation. The Egyptian Cabinet has also approved a new banking draft law that facilitates FI activities with one chapter dedicated to payment systems and services and financial technology, with the introduction of rules, policies and mechanisms to transform into a society less dependent on banknotes which would enhance financial inclusion with a focus on marginalized and low-income groups, youth, and women in small and medium enterprises. It would also work to integrate the informal economy into the formal economy. Furthermore, a national payment under the brand name, Meeza, was introduced to avail an affordable means of transaction to enable individuals and businesses to proceed with their financial transaction. And, in 2019, the CBE established a fund (EGP 1 billion) to invest in FinTech in Egyptian startups and encourage a culture of innovation and entrepreneurship.

These efforts have been internationally recognized, and in July 2017, Egypt was chosen as a model in the new World Bank Financial Inclusion Global Initiative. In September 2017, the Central Bank of Egypt and the National Council for Women signed a Memorandum of Understanding to work together to foster women's financial inclusion in Egypt, with SG expansion as one of the key objectives of the MOU. These developments pave the way for programs to create financial inclusion of all in Egypt, especially the rural women.

In addition, the CBE and the Financial Regulatory Authority (FRA) have signed an agreement to enhance cooperation between the two sides to support financial inclusion in Egypt. The Egyptian government signed a Memorandum of Understanding (MoU) with Visa (the global payments technology company) to enable digital payment of government subsidies to 22 million Egyptian families. To further facilitate electronic payments, the government signed an MoU with the Federation of Chambers

Of Commerce (FEDCOC) to encourage the acceptance of debit cards and other electronic payments among merchants and SMEs (GIZ, 2018).

Similarly, the Ministry of Communications and Information Technology and MasterCard signed an MoU aiming to extend financial services to 54 million Egyptians (MasterCard, 2015). As part of the agreement, MasterCard will work with the government to roll out a digital ID programme that links citizens' national ID to the existing national mobile money platform. This will allow Egyptians to pay for a number of services including government fees, mobile bills, merchant purchases, and domestic remittances through a single and easy-to-use cashless program. In addition, salaries and social benefits will be electronically disbursed through the card. All transactions are expected to be processed in real-time and will be fully secure.

2. Programme Rationale

The proposed programme supports the economic empowerment and economic rights of women in line with the various international instruments, including the International Covenant on Economic, Social and Cultural Rights; the Beijing Platform for Action, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and other International Labour Organization conventions on gender equality and women's economic empowerment. It is also aligned with the national goals for women's economic participation and achieving social justice, both of which are essential in achieving Egypt's path towards Vision 2030 development in a way that is both inclusive and sustainable.

The programme is aligned with Egypt's Constitutional Commitments to promoting equal opportunities and social justice for all citizens regardless of creed, age, or gender (Articles 9, 111, 17, 27, 53); as well as Egypt's commitment to the international human rights agreements, covenants, and conventions that it has ratified (Article 93). The programme will support the realization of Egypt's Sustainable Development Goals - (SDGs) targets as well as the goals of the Sustainable Development Strategy (SDS): Egypt's Vision 2030, contributing directly to the Economic and Social Justice pillars and their corresponding KPIS.

The CBE has adopted an integrated strategy that supports financial inclusion and digital financial inclusion. The CBE's efforts to promote and address women's financial inclusion are evident in its Ma-ya Declaration commitments. Key gender and women's financial inclusion commitments which have either been achieved or partially achieved in Egypt include:

- Collecting, analyzing and using gender-disaggregated data by 2020, which has been partially achieved, whereas the CBE has established a Centralized Financial Inclusion Datahub and is currently collecting data from all financial institutions (Banks and Egypt Post) through secured unified banking sector network based on the National ID.
- Determining the baseline gender gap by the end of 2018. This has been achieved based on the results of a demand-side survey.
- Developing a set of supply-side indicators of women's access to, and use of, financial services by the end of 2018, which has been achieved.
- Halving the gender gap by 2021, which is currently in progress.

The programme is also aligned with the Egypt's the United Nations Partnership for Development Framework 2016 – 2020 UNPDF 2018-2022. It addresses one key challenge which is described in the development section of the UNPDF document as follows: "At the same time, challenges such as the wide ranging disparities that exist between the various parts of the country, especially Upper Egypt and rural areas, gender disparities, continued high levels of population growth and the need to achieve

high and sustainable economic growth to reach levels that exceeds those observed before the successive global crises.”

In direct response to, and full congruity with the national priorities of the Government of Egypt, specifically under the Economic Empowerment pillar of the NCW 2030 Strategy for Women’s Empowerment, and the focus on advancing women’s financial inclusion, the proposed programme will focus on institutionalizing and scaling up Savings Groups (SG) as a main entry point. In doing so, rural women will gain access savings, credit and other financial services within their villages, and SG will serve as an institutional platform for deeper financial, economic and social inclusion of marginalized women. It will build the capacity of women to manage their income generating projects and become important part of rural value-chains by linking them with the FFIs, markets, and the government programs such as Forsa, Takaful, and national digital platform.

2.1. Importance of financial inclusion in women’s economic participation

Financial inclusion has been identified as a key enabler to escape poverty and foster economic growth and is significant for the realization of seven SDGs. It is commonly defined as the effective access to a range of financial products and services that are adapted to people’s multiple needs, especially vulnerable groups of women and youth and to the different socioeconomic and cultural contexts they navigate in. Financial inclusion has been identified as a valuable tool in fostering women’s economic empowerment, increasing their capacity to face risk and unexpected expenses, and participate in the sustainable economic growth (Lagarde, 2018). Financial inclusion relates to people (especially low income), households’ and MSMEs’ access to a full range of useful and affordable quality financial products and services that meet their needs – such as accounts, savings, payments and transfers, credit, and insurance and others - in a responsible and sustainable manner, within a legal and regulatory environment conducive to their development, by a range of formal service providers.

Financial inclusion is specifically important for women and girls in the sense that it can increase their empowerment and improve gender equality in a number of ways. Firstly, by having access to resources and tools, women’s bargaining power within households will increase and in turn upsurge their influence and ability of decision making. Secondly, financial inclusion can support women sustain their own income, control assets outside the household and have a contribution to productive activities. Thirdly, financial inclusion can reduce women’s vulnerability and dependency on male family members by having access to financial opportunities to smooth consumption or meet unexpected expenses. Furthermore, women who are financially excluded lack access to basic financial services, which in turn has an impact on their access to household expenditures (for food, health, education, etc.) and expenditures for business.

Despite the growth of the microfinance sector in Egypt since the adoption of the Microfinance law in 2014, poor people still have limited access to formal credit to finance their ventures and limited insurance to cope with the myriad of risks they are exposed to. This leads them to adopt different ingenious and costly preventive measures to limit the risks they are exposed to. **Access to savings would provide a buffer against hardships such as illness as well as enable them to start a business.** Yet poor people, specifically poor women, rarely have an account in a formal savings institution. Moreover, poor people still rely on informal sources of credit even though the interest rates charged by informal sources tends to be higher. There are several reasons for this², including insufficient presence of bank branches in villages, high administrative and withdrawal fees at banks in addition to bank

² Poor Economics: a radical rethinking of the way to fight global poverty.

requirements such as a minimum deposit to open a bank account. The rigid rules for group lending (which are also necessary for MFIs to ensure financial viability) and time cost for women are cited as reasons for why women still seek out informal money lenders even at much higher interest rates. In September 2019, women represented 65% of the total active microfinance clients in Egypt for both group and individual lending. Group lending represented 44.63% of the active clients in Egypt with more than 90% of clients of group lending being women. So, most women microfinance clients are in group lending. Furthermore, since group members are responsible for each other, group members may be reluctant to include those they don't know well in their groups. In addition, joint liability works against those who want to take risks related to a new venture, and the weekly repayments starting a week after the loan is disbursed are also not ideal for people who need money urgently but aren't exactly sure when they will be able to start repaying.

Therefore, there is value in addressing the differences between how men and women access and use financial services because enhancing full financial inclusion will not be possible without considering all segments of the population. Moreover, the business case for serving women as a distinct segment has become clear once women are supported with the financial tools, information, education and networks. Financial inclusion could be a means of offering a holistic value proposition to women. It is within this context that community-based women centric microfinance institutions can play an important role in strengthening women's agency by leveraging the power of aggregation. SGs help to leverage the power of aggregation by pooling and redeploying savings effectively and leveraging savings to gain access to larger credit for their businesses. SGs have enabled their members to get access to formal sources of finance and credit, develop leadership qualities and increase their awareness of economic and social issues as well as developed their skills through capacity building.

2.2. Saving Groups (SGs) as a conduit to rural women's financial inclusion

SGs were first introduced in Egypt in 2009 through the Banking of Change programme. In 2013, UN Women partnered with the National Council for Women and CARE INGO on a 5-year EU-funded project “Securing Rights and Improving Livelihoods of Women” (SRILW) that established more than 1,000 SGs in rural areas across Egypt, including Assiut, Menia and Beni Suef, reaching nearly 19,000 members (92% of which were women). In doing so, UN Women has gained valuable knowledge and experience to expand the SG approach more widely. These groups act as ‘informal’ banks for members, opening up access to finance for some of the poorest of the poor. SGs let women better manage household cash efficiently and flexibly, and finance business activities. From 2014-2017, UN Women SGs members’ weekly savings increased three to four times, on average saving more than 4.5 million EGP, however, those amounts are outside of the formal financial sector.

SGs are highly decentralized, non-institutional savings-led approach to microfinance. SGs have evolved specific approaches whereby members provide their own savings and credit services at low cost, while retaining earnings and capital in their own communities. They are simple, transparent, and autonomous.

They are normally comprised of 15-25 individuals, often neighbours in the same village, who express interest (group members decide who can join). Members meet weekly and deposit a small amount into a savings box (or through mobile wallet). In each SG, three women keep a key to the box (all three must be turned simultaneously to open the box). A record-keeper notes weekly contributions and the share from each member. A typical savings cycle lasts 10 months and members are repaid according to their shares. During that cycle, the SG can give out small loans to members for business activities. The loan repayment schedule and interest are determined by the group, and all disputes are handled internally. Income generated from interest payments is added to the savings box and distributed according to shares. A small portion of the total savings are diverted to a “solidarity fund” which can be used to help members in extraordinary circumstances (the decision on who should receive such funds is made through a vote).

International experience suggests that organizing rural women into informal savings and credit groups is often a critical step for rural women to then gain access to formal financial institutions. Such groups have been promoted in many countries. For example, in India, a similar model called Self-Help Group (SHGs) has proven to be a key strategy for financial inclusion of women with over 100 million members in 8.7 million groups linked to the banks (NABARD, 2018). SG have been promoted in over 75 countries across continents, with an estimated membership over 17 million members (VSL Associates, 2018). One of the reasons for these informal groups to be so popular and useful is that they help women gain confidence in managing their own money and collectively link with formal financial institutions to access additional financial services. Evidence from Kenya clearly concluded that women continue to remain part of such informal groups/SG for maintaining their social capital and ease of access to basic financial services even after they have gaining access to formal banking (Johnson, 2012). India Self Help Groups (SHG) experience also confirms that women continue to remain part of the groups even after establishing direct links with the banks as individual client/ user (NABARD, 2018).

SGs offer primary and basic savings and credit products to rural women members within their communities. MFIs and Banks can offer very different set of value-added financial products and value proposition, especially in partnership with mobile phone service providers that can cut costs of delivery and increase access through phones in peoples’ palms. Expansion of SGs in Egypt will enable

outreach to millions of financially excluded rural women through scale-up, and for these women to be brought into formal banking and financial system of Egypt by gradually linking them with FFIs.

2.3. SGs as a platform for developing women's enterprises, linking them to value-chains and markets

Once SGs programme reaches a certain scale and have participation of large numbers of adult women in the village, it usually becomes easier to identify specific livelihood clusters that women members are or can be engaged in across the savings groups. By having access to finance from the SGs, women are able to use those savings to invest in their wellbeing and that of their family (health and education) and invest in the expansion or start of new businesses and to leverage those economic ventures to access larger amounts of credit from MFIs.

SGs projects, including UN Women supported programme during 2013-17 saw many women members expand their activities or start new ones. Thus, savings groups can become excellent platform to identify common income generating activities and opportunities, for linking them into the higher value chains and commercial markets. Once multiple SGs get formed in a village, the programme will facilitate dialogue across SGs and facilitate formation of women led clusters and link them with value chain focused interventions. SGs have the potential to create livelihoods specific networks, utilize their collective social capital, and further collaborate to participate in the commodity value chains and the market system. Clustering women members of the SGs around livelihoods can create economy of scale for providing business development services more efficiently and cost-effectively. The programme interventions will focus on the governorates of Assiut and Sohag and will support livelihood clusters based on the comparative advantage of each of those two governorates as noted below.

Assiut Governorate is one of Egypt's ancient governorates in Upper Middle Egypt. It is considered the trade capital of Upper Egypt with 236 villages. According to CAPMAS population estimates, Assiut has a population of 4,697,873 consisting of 2,271,785 females and 2,426,088 males. Literacy rates stand at around 65.4% (58.7% females versus 71.6% males). According to the 2018 Labor Force Survey (LFS), unemployment rates are 11.6% (34.1% for females versus 7.7% for males).

The average family income is 42,528 EGP and average expenditure per family is 40,008 EGP. There are 112 bank branches and 194 post-offices. The governorate is famous for the production of cotton, wheat, maize, corn, fava beans, citrus, pomegranate, mangoes, grapes, sesame, peanuts, and banana. It adds to the industrial activities by hosting big industries such as: fertilizers, pharmaceuticals, cement, and petrol, as well as small industries such as kleem, carpets, and wood embellished with shells besides ivory products. Furthermore, seven industrial zones in the governorate's markaz (conglomeration of villages) were also established.³ The total number of beneficiaries of Takaful in Assiut in 2018 is 206,134 and in Karama 29,614. 50.26 per cent of women are using mobile phones.⁴

Sohag governorate is one of the governorates of Upper Egypt which has a deep-rooted history and heritage with 270 villages. According to CAPMAS population estimates, Sohag has a population of 5,320,001 consisting of 2,569,621 females and 2,750,380 males. Literacy rates stand at around 66.4% (58.5% females versus 73.9% for males). According to the 2018 Labor Force Survey (LFS), unemployment rates are 6.4% (21.4% for females versus 4.7% for males).

³ <https://www.investinegypt.gov.eg/english/Pages/geography.aspx?GovernorateId=3>

⁴ CAPMAS, 2017 & 2018

The average family income is 46,442 EGP and average expenditure per family is 40,460 EGP. There are 68 bank branches and 286 post-offices. Population density is highest in Akhmeem district and lowest in Dar as Salaam district. The governorate is famous for the traditional crops such as wheat, onions, beans and cotton. Also, it ranks second in the cultivation of sugar cane. This is in addition to its contribution to animal and poultry production. The governorate includes four industrial zones and it hosts the industrial complex Nile Company for Cooking Oil and Detergents, as well as many spinning and weaving factories, onion-dehydration, beverages, sugar in Girga district, and butane gas filling in Ahayiwia Shark district. Furthermore, there are huge amounts of raw clay, marble, calcite, limestone.⁵ The total number of beneficiaries of Takaful in Sohag in 2018 is 176,905 and in Karama 23,221. 52.45 per cent of women are using mobile phones.⁶

Women-led-productive clusters in the above-mentioned governorates are as follows:⁷

Clusters	Location	Rank in women entrepreneurship & employment	Market Potential
Olive Oil	Nationwide		
Medicinal Plants	Beni-Suef, Minya, Assiut	medium	low
Dairy including cheese and milk collection	Upper Egypt	Low	medium
Ready-made meals and derivatives	Nationwide	medium	high
Ready-made garments	Nationwide	Low	medium
Poultry	Upper Egypt (Minya)		
Hand-carpets, Traditional carpets, textile	Minya	High	medium
Home textile, bedcovers, bedwears, Shawls, towels, silk products, weaving, carpets	Sohag (Akhmim)	high	medium
Traditional wear (Talli), Embroidery, handmade wool, cotton, linen	Sohag (Shandawil)		
Manual Loom (handmade textile)	Sohag (Kawthar)	high	medium
Textile (Talli), Pomegranate, Wood Industry	Assiut		
Handmade Klim	Assiut (Bani-Edaiat)	high	medium
Food Industry, Textile, Paper & Printing Products	Beni-Suef		

Clusters	Governorate	% of formal enterprises	% of females employment	
Handmade Klim (BaniEdiat)	Assiut	8%	23%	High growth potential
Talli production		8%	15%	Moderate

⁵ <https://www.investinegypt.gov.eg/english/Pages/geography.aspx?Governorateld=25>

⁶ CAPMAS, 2017 & 2018

⁷ Data is extracted from MSMEDA Organic Mapping Clusters Study (2015) and UNIDO Gender-Sensitive Value Chain (2020)

				growth potential
Talli production (Shandawil)		8%	23%	High growth potential
Cotton, linen, silk production (Akhmim)	Sohag	8%	8%	Moderate growth potential
Manual Loom (handmade textile) (Alkawthar)		23%	15%	High growth potential

Lessons learnt







- **Bringing SG interventions to scale:** Egypt witnessed pilot initiatives to establish SGs which highlights the need to bring interventions to scale, building on experiences and lessons learned, and leveraging innovations in Fintech while continuing to focus on the most marginalized women and encouraging synergies across different actors. The proposed programme will be implemented as part of the MOU signed between the NCW and CBE to promote women's financial inclusion which will ensure that all actors are adopting the same methodology. Coordination and adherence to a national framework is key to achieving large scale change, will improve the efficiency and the monitoring of progress being made.
- **Design programmes from the bottom-up:** need to understand how poor women make decisions about saving, investing, spending behaviour, their financial transactions, etc. and to build programmes based on women's lived realities.
- **Invest in rigorous monitoring and evaluation,** including in impact evaluations which happens after the programme has ended.
- **Below is the CBE definition of micro, very small and small businesses. Access to finance from formal financial institutions for these businesses is a challenge. In addition,** micro-finance is not suited to support the growth of (informal) micro economic ventures, that are set up by women to sustain their livelihoods, into (formal) micro-businesses, per the below definition of the CBE. Hence, it is important to support women SG members that have established business ventures and not drop them once they establish their business ventures.




Type	Turnover	No. of Employees	Max. grant eligibility by business size
Micro-business	<1,000,000EGP	<10	100,000 EGP

Very small business	1,000,000EGP- 10,000,000EGP	<200	200,000 EGP
Small business	10,000,000EGP- 20,000,000EGP	<200	300,000 EGP

2.2.2 Appraisal

Appraise the [contextual analysis](#) of the project proposal using the appraisal table. If the maximum score is not achieved, explain why and how this is dealt with. If certain criteria do not apply, please indicate this.

No.	Criteria 2.2 Contextual analysis	Indicators (score 0,1,2)	Score	EXPLANATION/ REFERENCES
2.2.1	The proposal is based on a careful and thorough contextual analysis, from which a logical problem definition and objective are generated.	 The proposal is based on a careful and thorough analysis and results in a logical problem definition and objective.	 2	The proposal clearly outlines the local context and identifies the specific problem to be addressed, as well as the target groups.
2.2.2	Based on the problem formulated, the proposal explains in a logical manner why the intervention is aimed at the specified geographical location.	 The proposal gives a realistic explanation of why the intervention is aimed at the specified geographical location and substantiates this with examples.	 2	The selection of geographical locations (primarily rural areas) is based on UN Women's previous experience, network, and achievements so far which this project will build on.
2.2.3	The proposal justifies the choice of target group .	 The proposal clearly justifies the choice of target group.	 2	The project strategy is designed to operate on different levels and the target groups for each component

				are mentioned.
2.2.4	The proposal sets out which relevant actors were involved in formulating the proposal and what influence they had on the content of the proposal.	 <p>The proposal sets out the involvement of actors, both in formulating the proposal and in the proposed intervention (including its management).</p>	2	UN Women has consulted with different Governmental entities which have contributed to this proposal. Primarily the National council for women and the Central Bank of Egypt
2.2.5	A stakeholder analysis (incl. women and youth) has been carried out and the results incorporated in the proposal.	 <p>The proposal sets out who has a stake in the programme/project and details their relative interests.</p>	2	A thorough stakeholder matrix was developed
2.2.6	The proposal describes how the results of evaluations and/or studies feed into formulation of the proposal.	 <p>The proposal clearly sets out how results from evaluations and/or studies contributed to formulation of the proposal.</p>	2	UN Women is capitalizing on its previous experience working on financial inclusion and has incorporated a lot of the lessons learnt in the proposal and the context analysis.
Total score (maximum ¹² out of 12 points)			12	

2.3 Objectives (outcomes), results (outputs), activities and resources, based on the SMART principle

2.3.1 Description

The programme is **aligned with Egypt's Constitutional Commitments** to promoting equal opportunities and social justice for all citizens regardless of creed, age, or gender (Articles 9, 111, 17, 27, 53); as well as Egypt's commitment to the international human rights agreements, covenants, and conventions that it has ratified (Article 93). The programme will support the **realization of Egypt's Sustainable Development Goals** - (SDGs) targets as well as the goals of the **Sustainable Development Strategy (SDS)**: Egypt's Vision 2030 and the objectives of the **National Strategy for Women's Empowerment**, contributing directly to the objective of women's economic empowerment. The programme will support implementation of the objectives of the High-Level Steering Committee on Women's Financial Inclusion, co-chaired by NCW and CBE, through the formation of Savings Groups for women. In addition, the programme is aligned with the Egypt UNPDF 2018-2022.

The CBE has adopted an integrated strategy that supports financial inclusion and digital financial inclusion. The CBE's efforts to promote and address women's financial inclusion are evident in its May Declaration commitments. Key gender and women's financial inclusion commitments which have either been achieved or partially achieved in Egypt include:

- Collecting, analyzing and using gender-disaggregated data by 2020, which has been partially achieved, whereas the CBE has established a Centralized Financial Inclusion Datahub and is currently collecting data from all financial institutions (Banks and Egypt Post) through secured unified banking sector network based on the National ID.
- Determining the baseline gender gap by the end of 2018. This has been achieved based on the results of a demand-side survey.
- Developing a set of supply-side indicators of women's access to, and use of, financial services by the end of 2018, which has been achieved.
- Halving the gender gap by 2021, which is currently in progress.

Programme Theory of Change (TOC)

The programme strategy detailed above follows a Theory of Change (TOC) that comprises of independent but interlinked outcomes:

Goal: COVID-19 prevalence amongst vulnerable groups is contained and the way for their longer-term socio-economic resilience is paved.	
If	
(i)	Women have increased savings, access to credit, household and business assets, investments in education, self-confidence, and resilience, and
(ii)	Women led clusters/enterprises are better integrated into existing value chains and markets; and
(iii)	Financial service providers are oriented to the opportunities for developing financial products for rural women;

<p>Then</p> <p>Women in target areas will have longer-term socio-economic resilience.</p>
<p>Because</p> <ul style="list-style-type: none"> (i) Operational framework for financial inclusion and the expansion of Saving Groups (SGs) are developed and functional; (ii) SGs capacities are scaled-up through digital and non-digital means; (iii) Women have increased access to rapid finance and financial services; and (iv) Rural women led clusters/enterprises are integrated into existing value chains and markets.

For this TOC to become a reality, the following overall objective (impact), outcomes, outputs and indicative activities need to be completed.

Programme Objective, Outcomes and Outputs:

Overall objective and expected impact: COVID-19 prevalence amongst vulnerable groups is contained and the way for their longer-term socio-economic resilience is paved.

Outcome 1: Rural women are socially and economically empowered through their participation in Savings Groups across Egypt to access basic financial services and build their financial and economic capabilities

Output 1.1: Saving Groups (SGs) capacities are scaled-up through digital and non-digital means.

The primary objective of this output will be to **expand SG outreach in the selected geographical locations to reach 60,000 women and girls**. UN Women will implement this output in **partnership with the NCW and INGOs** such as Care International in Egypt and/or Plan, building on the SG programme supported by the European Union that reached 18,000 women in Beni Suef, Minya and As-siut.

It will focus on the formation and training of SGs through **building a cadre of qualified community-based trainers able to form and train SGs and provide ongoing support** (e.g. ensure that SG members understand and follow rules, assist SG members with some calculations such as figuring out their share-out or help resolve disputes), based on a **structured training process** that is continuously refined to incorporate cutting-edge knowledge and lessons learned.

Care International in Egypt will conduct Training of Trainers (TOT) to the cadre of trainers who will be **selected from rural women leaders (around 800), based on criteria set by the NCW, to ensure SG sustainability**. This approach will ensure expansion of SG to facilitate participation of 20,000 women members over the programme period. UN Women will sign an agreement with Care International in Egypt and/or Plan to develop and oversee the provision of TOT. In addition, UN Women will review the training material on SG to ensure that it meets quality standards based on international good practices in this field, identify gaps in the existing training material and provide support in either developing new training content or coordinating with other national stakeholders to build on existing material.

SGs are not only conduits for women's financial and economic inclusion, but they can serve as a powerful way to build social capital through a community of women who meet regularly and discuss financial, as well as non-financial topics. To this end, **SGs will be leveraged as a platform to discuss**

and educate on important societal issues such as preventing violence against women, the abandonment of female genital mutilation, the importance of women's economic empowerment and agency in family financial affairs, etc. This will provide a space for addressing discriminatory cultural norms and harmful practices.

Moreover, to ensure that SGs are digitally registered, **all partners will adopt a standard methodology for SGs under a digital application** that might be tagged under the national programme "*Taa Marbouta*" where information on SGs members are fed into this application through SGs facilitators which would be more effective and cost-efficient for the expansion of SGs programme.

This output will be implemented through the following activities:

- 1.1.1 Map existing social, economic and health services** in the intervention areas (i.e. information on women's access to services, including availability of bank branches and MFIs, national post office, health services, private sector, national programs targeting the poor, women's empowerment, etc.) and identify the gender-specific barriers to women's access to financial and economic inclusion and empowerment.
- 1.1.2 Develop operational guidelines on forming and scaling up SGs**, including through use of digital solutions in the context of COVID-19. The operational guidelines will be developed by the technical committee established under the framework of the MoU signed between NCW and CBE. It will be periodically reviewed and updated to ensure they are accurate, up-to-date and complete.
- 1.1.3 Organize SG introduction meetings** and outreach events in the respective governorates through coordination with community/ natural leaders, mobile platforms such as a phone tree, a focal person, SMS and WhatsApp groups and social media such as Facebook. The meetings will target SG stakeholders at the community level to ensure they understand and accept the SG methodology. All in-person meetings must comply with physical distancing restrictions as advised by the World Health Organization (WHO). The focus of these sessions will be on explaining the mechanisms of the SG and how it can help the community thrive as an entity. During these meetings, potentially sensitive issues will be addressed such as convincing groups on the need for interest on loans. The primary aim of this activity will be to create a positive and supportive ground for the communities to participate in the SG expansion program.
- 1.1.4 Establish partnerships with Care International in Egypt** and other INGOs that will be assessed for their technical and managerial capacities to form and train SGs based on international benchmarks.
- 1.1.5 Develop and refine a standard training package and tools on the formation and capacity development of SGs.** Selected persons will undergo (a series of) standardized training programs on SG programme management, facilitation, and establishment of SG in the villages, training of community-based resource persons/ trainers, training of women's SGs leaders, and group quality assessment, monitoring, and evaluation. Training material and pedagogy will follow adult learning principles and will incorporate locally relevant exercises and tools. UN Women will utilize the experience and lessons learned from its SG programme for refining and updating the training package.

Trainings will be provided through digital platforms developed by the programme as well as provided through face-to-face, if the situation on the ground permits. All programme partners will adopt a standard methodology for SG expansion that will be validated by the programme technical committee for more effective and cost-efficient expansion of SG program. In addition to the structured training modules, newly formed SG will be exposed to the matured and

well-functioning SGs through field visits, if the health situation on the ground permits based on WHO and government guidelines. Field level exchange between matured and new groups is a proven strategy where women in the village can learn from each other more effectively and clarify any issues that the new groups may face.

- 1.1.6 Strengthen the capacity of community-based trainers for SG programme scale up, sustainability and replication** through a partnership agreement with Care International in Egypt. Following the development of the training package, the training methodology will focus on cascading training through an initial 1-day refresher training of trainers that have previous experience in formation and capacity development of SGs (comprised of staff of local NGOs, individual community members, ex-staff of Care). These trainers will subsequently train a cadre of community-based trainers (comprised of primarily representatives from rural women leaders as well as local NGOs and NCW branches), through a ToT approach, to enable them to effectively and efficiently form and train SGs and provide ongoing needed support. Training will cover topics related to the formation of SGs (activity 2.1.5) in addition to non-financial topics (activity 2.1.7). Where possible, the programme will work in partnership with and use the infrastructure and training facilities of NCW for organizing and delivering training programs for the community members, where face-to-face meetings will be permitted and following WHO guidelines and government instructions.
- 1.1.7 Leverage SG regular meetings to examine discriminatory gender norms through introducing topics important to women's lived realities such as** abandonment of FGM, prevention of early, child and forced marriage, violence against women, health and food hygiene, importance of economic empowerment, distribution of unpaid care work. Thus, UN Women will utilize the SG model to provide a space for addressing discriminatory cultural norms and practices while cognizant of the fact that addressing gender inequalities requires social norm change with sustained messaging over a long period and at multiple levels.
- 1.1.8 Identify and develop skills of women community leaders** through provision of training and coaching on leadership skills as well as skills required to enable them to become effective community advocates such as how to use the internet effectively, organization, community mobilization, storytelling, etc.
- 1.1.9 Provide community-based trainers with access to basic IT equipment and digital financial literacy** through innovative partnerships with Fintech companies and training providers.
- 1.1.10 Purchase supplies** for SG such as tablets for community-based trainers as well as passbooks, boxes, locks and other supplies (pens, calculators) for SG members;
- 1.1.11 Support the development of a national electronic data base** with information on SGs, including data on SGs operations (i.e. name, location, number of members, savings, loans outstanding, etc.)
- 1.1.12 Provide support to the NCW branches** in the two intervention governorates to coordinate among sub-national stakeholders to support the effective formation of SGs and provision of comprehensive and coordinated support to SG members, such as access to national IDs, legal advice and legal aid, information on family planning and reproductive health, and others;
- 1.1.13 Support the development and use of technology for SGs sustainability:** COVID-19 has accelerated the national digital transformation agenda and financial service providers, including banks are experiencing a drastic process of digitalization. The programme will capitalize

on this momentum by supporting the adoption and use of **SG record keeping application** to electronically record information on SGs and member transactions. This can support SG members to build a credit history through ‘electronic know-your customer’ (E-KYC) while supporting the CBE and concerned banks to ascertain the credit worthiness of individual SG members over time. Furthermore, the programme will seek to support the development of **Financial Education application** that women can download on their phones and community workers can use for training purposes e.g. to set saving goals that can have a direct impact on their savings account. The app can be linked to a savings account in an MFI depending on the regulatory environment.

- 1.1.14** Raise awareness and **strengthen the capacities of key national stakeholders** (CBE, NCW, banks, MNO, Care) on good practices in the SGs approach and on tailoring formal financial services (e.g. savings, transactions, microcredit, microinsurance) to the needs of poor and rural women;

Output 1.2: Women have increased access to rapid finance and financial services.

An enabling environment that is conducive to women’s financial inclusion is crucial to enabling women to access rapid finance and financial services. The programme will identify both gaps and opportunities for creating an enabling environment for a large section of women, especially in rural regions, currently outside the formal financial and economic system in Egypt.

The programme will be implemented as part of the Joint MoU between the NCW and CBE. This will provide a platform to identify and recommend proven strategies to encourage women to interact with formal financial institutions and thus, gain access to fuller regulated and fuller range of banking products and services, as well as remove policy barriers and create opportunities for linking SGs with the Financial Service Providers (FSPs) that are getting ready to penetrate deeper rural markets.

This output will be achieved through the following activities:

- 1.2.1 Strengthen the capacity of financial service providers to support a more conducive gender-responsive regulatory and policy environment through:**
- 1.2.1.1 Strengthening CBE efforts to promote digital payments among rural women** through awareness raising on CBE initiatives;
- 1.2.1.2 Orienting FSPs on the business case for providing financial services to rural women with a focus on leveraging SGs.** For example, financial decisions pertaining to the household are increasingly made by women, the positive risk behavior among women, women’s higher propensity for savings and growth in deposits, and market-share growth through differentiation, innovation and advocacy.
- 1.2.1.3 Document and disseminate best practices:** It’s important to document and disseminate best practices to enable SG model replication nationwide. Moreover, it is important to analyze lessons learned and provide recommendations for improved scale-up and replication. To this end, the business case will be a knowledge product to be disseminated among existing and potential partners to showcase the importance of catering financial and non-financial services to rural women in the informal sector for women’s economic empowerment.

1.2.1.4 Conducting a Gender Impact Assessment of draft regulations on credit worthiness and e-KYC. Conducting a gender impact assessment is crucial to the success of any regulation, especially one that is targeting women specifically. This will allow the CBE to understand the specific barriers women face and how new CBE regulations will impact men and women differently, which is often the case due to the inherent gender inequalities, relationships and power dynamics. UN Women will review the draft regulations and ensure that they incorporate a gender lens.

Outcome 2: Women are economically and financially empowered and women led clusters/enterprises are better integrated into existing value chains and markets

To improve women's access to economic opportunities, the programme will foster the development and capacitation of women-led productive clusters, specialised in producing authentic products in the target areas and their integration into relevant value chains. Engagement with the private sector for possible market linkages, including access to financial and non-financial services, as well as connections with digital marketing and e-commerce platforms will also be among the activities for women and supported entities to ensure sustainable income for women building on the lessons learnt from UN Women's previous cooperation with Medium, Small, and Micro Enterprise Development Agency (MSMEDA) and the private sector. The first 4 months of the programme's life span will be considered a preparatory stage to lay the foundations in the field and formalize the required partnerships.

Output 2.1: Rural women led clusters/enterprises are better integrated into existing value chains and markets

This output will focus on helping women expand their individual or group enterprises and/ or initiate new ones, thus increase their participation in the market and respective value chains and increase their role in the economy. Based on the comparative advantage of the governorate, the programme will identify cluster of enterprises practiced by women, their needs and gaps, opportunities in the market as well as where appropriate, link them into respective value-chains to increase their incomes. The programme will utilize existing value chain research and analyses done by other programs and/or supported by larger MFIs and MSMEDA⁸.

UN Women will partner with other specialized agencies who are actively engaged in enterprises development to work with well-organized SGs to expand their enterprise development and value-chain programs. Based on the cluster analysis, the programme will include the provision of trainings⁹ to well-function SGs on management of their micro-enterprises and income generating activities, including through digital technology. Trainings may also include a vocational aspect. The programme will facilitate technical support as well as business development services based on the livelihood clusters identified.

This output will be achieved through the following activities:

⁸ Mapping of Organic Clusters in Egypt report commissioned by SFD (now MSMEDA) as well as EU-UN Women funded programme entitled One Village, One Product (OVOP) final evaluation to build on lessons learned and opportunities for women's enterprises in the supported value chains.

⁹ The programme will develop and adapt various training modules on design and deliver basic micro-enterprise management. The training to SGs members will cover topics of viability on income generating activities, selecting or running a micro-enterprise, accounting, marketing, pricing, etc.

- 2.1.1 Facilitate partnership development with value chain stakeholders and integration of SG women-led enterprises into the selected value chains.** The programme will facilitate partnerships between women members of the SG and agencies promoting women's enterprises and value chains in the target governorates to understand the nature and the scope of women's livelihood preferences. Learnings gathered from such activities will help in establishing appropriate partnerships with respective entrepreneurship development agencies.
- 2.1.2 Build SG members' capacity for developing and expanding their enterprises through connection with Business Development Services (BDS) service providers and other value chain stakeholders.** Based on the cluster analysis, the programme will include the provision of trainings¹⁰ to well-functioning SG for management of their micro-enterprises and income generating activities, including through digital technology. Trainings may also include a vocational aspect to be provided by third party that have the budget and mandate to do so. Capacity building activities may take place at NCW branches, where feasible. The programme will facilitate the provision of technical support as well as business development services and production tools/assets based on the livelihood clusters identified through the studies in respective SG programme locations. They will identify enterprise development opportunities and provide business development trainings and services to the SG women members in the selected livelihoods clusters. For example, a UN Women programme has been working with MSMEDA and has identified four value-chains/ livelihood clusters i.e. artichoke, dairy, handmade carpets, and papyrus¹¹ as suitable for expansion of women's enterprises.
- 2.1.3 Establish partnerships with financial service providers within and outside the value chain stakeholders** (such as MFIs, enterprise development agencies, banks, companies, etc.). The programme will facilitate linkage between mature SG and financial service providers and women's enterprise support programs to help women access micro and small enterprise development support services and open savings accounts. Some banks and MFIs have substantial experience and infrastructure on the ground to provide credit and business development services to women's enterprises (e.g. Assiut Business Association, National Bank of Egypt), especially to help them formalize and grow to become micro, small, and medium sized enterprises, connecting them with the larger private sector actors.

Cross cutting pillars

The following cross-cutting factors will be embedded in the programme implementation to ensure the targets are met within the prescribed deadline.

Ongoing Programme learning, capacity enhancement and documentation

The programme will invest in **continuous learning and innovation** through rigorous monitoring and evaluation, exchange of experiences and lessons learned with other countries, and development of data insights to support gender-sensitive policy formulation. Furthermore, the programme will ensure the proper documentation of all knowledge generated. The documentation process will focus on innovative approaches and lessons learned that will be disseminated through events.

2.3.2 Appraisal

¹⁰ Programme will develop and adapt various training modules available, to design and deliver basic micro-enterprise management training to SG members covering the subject areas of viability of income generating activities, factors to keep in mind while selecting or running a micro-enterprise, accounting, marketing, pricing, etc.

¹¹ These clusters were identified as per OVOP (one village, one product) programme final evaluation report.

Appraise the logical framework using the appraisal table. If the maximum score is not achieved, explain why and how this is dealt with. If certain criteria do not apply, please indicate this.

No.	Criteria 2.3 Outcomes, outputs, activities and resources based on the SMART principle	Explanation of score (1 point per indicator)	Score	
2.3.1	The objectives at outcome level are clearly formulated, fall within the proposal's span of influence and are realistic. The outcomes follow logically from the problem formulated.	<input checked="" type="checkbox"/> The outcomes are specifically formulated. <input checked="" type="checkbox"/> The objectives follow logically from the problem formulated. <input checked="" type="checkbox"/> The objectives fall within the proposal's span of influence and are realistic (taking account of its duration and local circumstances). <input checked="" type="checkbox"/> The objectives are acceptable to the target group and other stakeholders. <input checked="" type="checkbox"/> The objectives formulated are realistic bearing in mind the scope of the activities and the capacity of the (local) organisation(s).	5	
EXPLANATION/ REFERENCES Additional appreciation gender indicator 3: The objectives include a explicit reference to women/ men, girls/ boys and gender equality. Please explain. The objective is Gender Specific focusing on women in rural areas				
2.3.2	Progress in achieving the outcomes can be determined objectively on the basis of measurable performance indicators.	<input checked="" type="checkbox"/> Relevant performance indicators have been formulated for each outcome. <input checked="" type="checkbox"/> A baseline measurement and a measurable target (quantitative and/or qualitative) have been formulated for each performance indicator.	3	

		<p>The verification method (the means by which data is collected and the sources of that data) is realistic and feasible.</p> <p><input checked="" type="checkbox"/> is collected and the sources of that data) is realistic and feasible.</p>		
EXPLANATION/REFERENCES <p>Additional appreciation gender indicator 1:</p> <p>For each outcome are relevant, gender specific performance indicators formulated. Please explain.</p> <p>The logical framework clearly outlines indicators, baseline and targets.</p>				
2.3.3	<p>The outputs formulated are concrete and fall within the proposal's span of control. The outputs follow logically from the outcomes formulated.</p>	<p>The project proposal is divided into clear phases, each having concretely formulated outputs.</p> <p><input checked="" type="checkbox"/> The outputs are specific.</p> <p>There is a clear link between the outputs and the out-comes, i.e.</p> <p><input checked="" type="checkbox"/> the outputs can be expected to contribute to achievement of the outcomes.</p> <p>The outputs are acceptable to the target group and other stakeholders.</p> <p><input checked="" type="checkbox"/> The outputs formulated are realistic bearing in mind the scope of the activities and the capacity of the (local) organisation(s) .</p>	5	
EXPLANATION/REFERENCES <p>Given that the central bank of Egypt and National council of Women are main partners and stakeholders will ensure that challenging outputs related to the ecosystem and policy level interventions are feasible and achievable</p>				

2.3.4	Progress in achieving the outputs can be determined objectively on the basis of measurable performance indicators.	<input checked="" type="checkbox"/> Relevant performance indicators have been formulated for each output. <input checked="" type="checkbox"/> A baseline and a measurable target (quantitative and/or qualitative) have been formulated for each performance indicator. <input checked="" type="checkbox"/> The verification method (the means by which data is collected and the sources of that data) is realistic and feasible.	3	
EXPLANATION/REFERENCES Performance indicators and means of verification are outlined in the results framework. However, some baseline and target values will be determined based on the inception phase. Additional appreciation gender indicator 1 and 2: For each output are relevant, gender specific performance indicators formulated; Baseline, targets and verification methods are put on to collect gender specific information. Please explain.				
2.3.5	There is a logical link between the proposed activities and the outputs formulated.	<input checked="" type="checkbox"/> The proposal sets out the nature of the activities and explains how the activities formulated will contribute to achieving the outputs.	1	
EXPLANATION/REFERENCES Outputs are specific and measurable, and directly linked to outcomes as well as activities				
2.3.6	There is a logical link between the activities and the project budget (efficiency).	<input type="checkbox"/> The budget is supported by figures on price and quantity (p x q). <input checked="" type="checkbox"/> The budget is broken down by output and/or outcome.	1	
EXPLANATION/REFERENCES Budget is broken down by outcome, output and activity level but not in terms of price and quantity				

2.3.7	When the activity ends, its envisaged outputs will have a lasting effect for the ultimate target group.	<p><input checked="" type="checkbox"/> The proposal contains a clear vision (with objectives) as to how the activities will be continued when the intervention comes to an end.</p> <p><input checked="" type="checkbox"/> To achieve these objectives, specific measures will be taken during implementation of the activities to ensure that the target group will help continue the activities.</p> <p><input type="checkbox"/> The proposal contains suitable criteria against which progress in continuing the activities can be measured.</p> <p><input type="checkbox"/> The proposal includes a transition plan or exit strategy, identifying the various actors.</p>	2	
EXPLANATION/ REFERENCES <p>The proposal outlines its sustainability approach while relies mainly on having a pool of trainers from the target communities to continue establishing new Saving groups post the project duration. Discussions are still underway how will these trainers get a nominal fee from these savings groups in return for their effort</p>				
2.3.8	At the end of the activity, the envisaged outputs will have a lasting effect on the local partners.	<p><input checked="" type="checkbox"/> The proposal contains a clear vision (with objectives) as to how the quality of the activities and/or financial independence of the local partner will be enhanced.</p>	2	

		<input checked="" type="checkbox"/> To achieve these objectives, specific measures will be taken during implementation of the activity. <input type="checkbox"/> The proposal devotes attention to the capacity of the local partner to generate income from various sources. <input type="checkbox"/> The proposal sets out suitable criteria against which progress in regard to institutional sustainability can be measured.		
EXPLANATION/ REFERENCES See previous explanation The proposal mentions its sustainability approach briefly with no elaboration on the institutional sustainability and how will be measured.				
Total score (maximum score 27 points)				2

2.4 Cooperation, [harmonisation](#) and [added value](#)

This intervention capitalises on previous work and achievements made by UN Women Egypt with the support of other donors. Other programme partners include:

The NCW is a primary national partner for UN Women and plays an important part in ensuring the outreach as well as sustainability of this programme. It has branches in all governorates in Egypt, including the target governorates of this programme. The local presence and community embeddedness of the NCW branches will be capitalized on for their outreach and ability to communicate with the rural populations effectively. Moreover, as described, NCW staff will be trained on financial literacy, SG coordination and other relevant topics to ensure the sustainability of the project.

The CBE, as the primary regulator of the financial landscape, will be an important partner for the project. The project results will also feed into the CBE's reporting under the Alliance for Financial Inclusion's Maya Declaration. The CBE has made key gender and women's financial inclusion commitments which have either been achieved or partially achieved in Egypt.

Both CBE and National Council for Women consider financial inclusion of rural women a top national priority and have dedicated national funds to this cause. They will be the primary partners and enablers for UN Women in this programme. Beyond the lead national partners (NCW and CBE), other stakeholders will include Ministry of International Cooperation (MoIC), Ministry of Planning and Local Economic Development (MoPED), Care International, Plan International, local NGOs rural women leaders, financial service-providers (FSPs) such as banks and mobile network operators. The Ministry of Trade and Industry, the Micro, Small and Medium Enterprise Development Agency (MSMEDA) and MFIs with experience in women's enterprise and value-chain development are also foreseen as partners under the programme.

2.5 Channel and aid modality (including alignment)

Funds will be channelled directly to UN Women, which has the project and financial management capacity to manage the funds, as well as to assess and select local organisations that would contribute to the project delivery.

V. IMPLEMENTATION

5.1 Budget

5.1.1 Breakdown of costs

Support to Egypt's National Programme for Women's Empowerment, livelihood and digital inclusion
"Women's Financial, Economic and Social Inclusion in Rural Egypt"

1 USD = 0.879 Euros

Contractor : UN Women Egypt Country Office

Budget Department : B6121

3,000,000 Euros = 3,412,969.28 USD

Business Unit : EGY 30

For the Period : August 2020 - Jul. 2023(36 months)

18-Jun-20

Coverage: Assiut and Sohag

Line Item	Year 1	Year 2	Year 3	Total Budget Amount
Outcome 1: Rural women are socially and economically empowered through their participation in Savings Groups across Egypt to access basic financial services and build their financial and economic capabilities	\$833,036.44	\$715,000.00	\$265,000.00	\$1,813,036.44
Outcome 2: Women are economically and financially empowered and women led clusters/enterprises are better integrated into existing value chains and markets	\$25,000.00	\$485,000.00	\$300,000.00	\$810,000.00
Monitoring & Evaluation and Audit cost	\$34,321.46	\$48,000.00	\$22,600.00	\$104,921.46
Salaries	\$105,507.80	\$105,507.80	\$105,507.80	\$316,523.40
Direct Project Management Cost (DPMC)	\$19,125.00	\$19,125.00	\$19,125.00	\$57,375.00
Travel and Transportation	\$9,821.77	\$9,808.00	\$7,382.00	\$27,011.77
Total Programmable	\$1,026,812.46	\$1,382,440.80	\$719,614.80	\$3,128,868.06
8% Support Cost	\$82,145.00	\$110,595.26	\$57,569.18	\$250,309.45
Levy Costs to RCO (1%)	\$33,791.77	\$0.00	\$0.00	\$33,791.77
Total Grant	\$1,142,749.24	\$1,493,036.06	\$777,183.98	\$3,412,969.28

Note: Exchange rate is based on UN Operational rate as of June 2020, <https://treasury.un.org/operationalrates/OperationalRates.php#N>

5.3 Monitoring

5.3.1 Narrative and financial reports

Use the performance assessment decision tree. Give a short explanation with the result of the decision tree.

Outcome 9 – Narrative and financial reports

Narrative and financial reports should be aggregate overviews of activities taking place

Additionally, monthly calendar of activities should be shared with the policy officer to arrange for timely field visits

In the case of additional requirements: specify what conditions must be set (e.g. greater frequency, criteria relating to content, etc.). Also indicate if there is some other means of oversight of activity

implementation (e.g. via Board of Donors).

5.3.2 Audit opinion

Use the [audit certificate decision tree](#) to determine which type of audit opinion is required for the activity. Give a short explanation with the result of the decision tree.

Balancing the information in the UN Women HQ scorecard (2017) and the received information from Egypt Country office, the managing local organization is given the benefit of the doubt, but in order to have a good opinion of this potential strategic partner, for this first large scale project from NL funding, the following is chosen:

Audit opinion at activity level, annually. The protocol for the audit is chosen after consulting with FEZ/FM

Additional reports by the auditor:

If it is desirable for the audit opinion to be accompanied by an additional report on certain aspects, explain why (e.g. high-risk activity, poor management capacity on the part of the implementing organisation).

If the organisation itself also makes prepayments and reports on an accrual basis, the [audit protocol](#) (annexe to decision) should require the external auditor to report on the effectiveness of the control exercised by the organisation on the making of prepayments.

5.3.3 IATI - International Aid transparency Initiative

Is the organisation capable of reporting in accordance with the IATI standard, as set out in the BZ publication guidelines entitled 'How to use the IATI standard'?

Yes Organization can report on IATI and its head quarters can upload the data. Yet EKN advises the conduction of a local training on IATI reporting for all its partners.

<https://www.government.nl/documents/publications/2015/12/01/open-data-and-development-cooperation>)

The organisation will report on results in accordance with the IATI , but UN does not yet confirm to the IATI standard as requested by DGIS.

2. If a contract is to be signed with one of the organisations listed below, include the following text:

AfDB	IMF	UN-Habitat
AsDB	IOM	UNHCR
EBRD	OCHA	UNICEF
FAO	OHCHR	UNODC
GAVI	UN Women	UNRWA
GFATM	UNAIDS	World Bank
IDB	UNCTAD	WFP
IDLO	UNDP	WHO
IFAD	UNEP	WTO

International Finance Corporation (IFC)	UNESCO	WTO-ITC
ILO	UNFPA	

The responsible policy departments will coordinate the policy dialogue with the aforementioned organisation to ensure that the IATI standard is implemented in accordance with the BZ/DGIS publication guidelines. These departments will also monitor progress, so the budget holder is not required to take any other action in this matter.

The arrangement to be signed is coordinated with DMM/CU

5.3.4 Annual plans and other reports

5.3.5 Monitoring calendar

Set out the reporting requirements in the table below, to ensure they are accurately incorporated in the decision/agreement.

Report type	Any specific requirements*	Period	Submission by
Annual plan		<i>1 august 2020- 31st July 2021</i>	<i>1 august 2020</i>
		<i>1 august 2021- 31 July 2022</i>	<i>15th July 2021</i>
		<i>1 august 2022-31 july 2023</i>	<i>15th July 2022</i>
Narrative*		<i>1 august 2020- 31st July 2021</i>	<i>30th September 2021</i>
		<i>1 august 2021- 31 July 2022</i>	<i>30th September 2022</i>
	<i>Included in final narrative report</i>	<i>1 august 2022-31 july 2023</i>	
Narrative IATI*		<i>1 august 2020- 31st July 2021</i>	<i>30th September 2021</i>
		<i>1 august 2021- 31 July 2022</i>	<i>30th September 2022</i>
		<i>1 august 2022-31 july 2023</i>	<i>30th September 2022</i>
Financial		<i>1 august 2020- 31st July 2021</i>	<i>30th September 2021</i>
		<i>1 august 2021- 31 July 2022</i>	<i>30th September 2022</i>

	<i>Included in final financial report</i>	<i>1 august 2022-31 july 2023</i>	
Account of field visit		<i>Will be arranged with policy officer based on a calendar of activities to be shared on a monthly basis</i>	
Final narrative**		<i>1 august 2020- 31 july 2023</i>	31 October 2023
Final financial		<i>1 august 2020- 31 july 2023</i>	31 October 2023
Audit		<i>1 august 2020- 31st July 2021</i>	30th September 2021
		<i>1 august 2021- 31 July 2022</i>	30th September 2022
		<i>1 august 2022-31 july 2023</i>	30th September 2023
Evaluation	<i>Baseline at the onset of the project alongside a thorough gender analysis must be submitted</i>	<i>1 august 2020- 31st July 2021</i>	30th September 2021
		<i>1 august 2021- 31 July 2022</i>	30th September 2022
		<i>1 august 2022-31 july 2023</i>	30th September 2022
Policy research	<i>To be shared when available</i>	<i>[mm-mm]</i>	<i>[dd-mm-yy]</i>
Others to be included			

* Narrative / narrative LATI: reports on the contributions by third parties (inputs), outputs, outcome, sustainability and the spending of the Dutch contribution in accordance with the latest approved budget. If a financial report (other than the A statement) is submitted separately, please insert a line. UN Women will give attention to reporting on the relevant indicators of DGIS [Results Framework](#). (It can be expected that the embassy will need to report along those lines in the coming years, to DGIS and indirectly parliament.)

In the case of LATI-compliant reporting, also refer to the additional reporting requirements specified under 5.3.3.

In this case, include the following text in the BEMO:

The organisation will report in accordance with the BZ publication guidelines on the IATI standard.

For more information about the narrative reports, please see 5.3.3.

*** See also the results given in section 5.3.1; if any additional criteria are desirable, insert them here.*

5.3.6 Evaluations

*Use the [decision tree evaluations](#) to determine whether an evaluation is required for the activity.
Explain in this paragraph.*

the activity is strategically important to the achievement of outcomes underpinning the gender policy objective of DSO; its also a national program that has a great potential to be scaled up after 3 years. Furthermore, from a public diplomacy point of view, if the program is impactful (based on the evaluation results) it could become a Dutch blueprint in Egypt.