

September 26<sup>th</sup>, 2024

## Climate Resilient Agri-Food Transformation (CRAFT) Project – Egypt (The World Bank)

### Project Brief

#### Introduction

[The Climate Resilient Agri-Food Transformation Project in Egypt](#)—Project ID P180480—is a proposed Project to be funded through a USD 250 million World Bank Loan to the Government of Egypt (GoE).

The Project is currently in the Pipeline, which means that it is still under preparation. During this phase, the client – the GoE- assesses the different risks that might be associated with the implementation of this project and prepares mitigation plans for each of the identified risks as per the mandatory applicable policies of the World Bank. Many of these assessments and plans require consultations with different stakeholders, including community members and/or their representatives, per the Bank's policies. Some of these policies require consultation with the impacted communities and thus relevant documents should be translated into the local language. The World Bank has to ensure these assessments are properly done and satisfy the requirements of the Bank's policies. These assessments and proposed measures should be posted on the World Bank's website as they become available, including the translated documents. The next step in the process is the approval of the Project by the World Bank's (WB) Board of Directors. The approval date is estimated to be March 2025, and the estimated closing date of this project is June 2030.

As of the date of this brief, only two documents, produced by the Bank, have been released, signaling that the concept of the proposed project has been approved and that the preparation phase should start. These two documents are the English [Project Information Document](#) (PID) and [the Environmental and Social Review Summary](#) (ESRS) (also available in English only). The PID is a short document developed by the Bank to provide an overview of the proposed project and its different components. The PID should also be posted in Arabic; however, the Arabic translation hasn't yet been posted. The ESRS is a document, also developed by the Bank, to identify the different potential risks, as per the Bank's applicable policies, that the borrower -GoE- should assess and plan measures/plans to mitigate them.

It is worth noting here, that these two documents were posted in April 2024 and, so far, no GoE-produced documents have been posted yet. You can keep checking for new posted documents by visiting the [main project page](#) and clicking on "DOCUMENTS" at the top of the page.

The following sections provide information about this project based on the very few documents released so far.

**The Objective of the Project is *"To foster the adoption of Climate Smart Agriculture (CSA) technologies and practices in the project area and to strengthen the nation-wide agriculture information system and early warning services."***

According to the Project Information Document (PID), Climate change scenarios predict that, without action, the yield for food crops is projected to decline about 10 percent by 2050 as a result of heat stress, water stress, and soil salinity (from the mediterranean sea salt water). By commodity, the highest declines are estimated for maize (-16.2 percent), sugar crops (-12.0 percent), and fruits and vegetables which are the backbone of agri-food exports (-11.7 percent). It is worth mentioning that crop yields have been stagnant on average since 2005.

“Climate Smart Agriculture (CSA) technologies and practices can increase productivity and build resilience against the negative impacts of climate change on water and land resources and reduce Greenhouse Gas emissions.”<sup>1</sup>

The Project also includes implementing complementary activities that are required to increase sustainability and resilience at the local level. Such activities include employing the use of integrated weather forecasting and communication systems to help producers prepare for adverse climatic events.

The Project will be implemented in coordination between the Ministry of Agriculture and Land Reclamation (MALR) and the Ministry of Water Resources and Irrigation (MWRI). It is expected that there will be two implementation units (PIUs) one in each ministry.<sup>2</sup>

The Project has 4 Components and they are the following:

- **Component 1 – Agriculture Information System: Adoption of Climate Smart Agriculture (CSA) (Menoufia, Sharkia and Gharbia)**

- o The adoption of CSA techniques will be in old established lands (not reclaimed) in the Nile Delta Region in the three Governorates in Northern Egypt; Menoufia, Sharkia and Gharbia. Examples of CSA techniques include the use of sprinklers and drip irrigation, rotating crops, employing crop leftovers, and cover crops to keep the land permanently covered. As well as conservative preparation of soil for crops, which promotes water conservation by enhancing water infiltration.

Although the improved irrigation practices will reduce the quantities of water used in irrigation and enhance fertilizer application efficiency, soil salinity risks may increase due to the use of drip irrigation. The Project will promote modern irrigation practices for specific crops and farms with salinity resistance and will avoid regions at risk of soil salinity. According to the Project’s Environmental and Social Review Summary (ESRS), the Egyptian Ministry of Agriculture and Land Reclamation regularly conducts awareness-raising sessions to encourage farmers to flush fresh water into their lands to mitigate soil salinity.

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<sup>1</sup> Project Information Document (PID), 24<sup>th</sup> April 2024

<sup>2</sup> Environmental and Social Review Summary (ESRS), 14<sup>th</sup> November 2023

- All farmers owning less than 10 feddans<sup>3</sup> in the three Governorates will be eligible for financial support for CSA adoption. In the Project Documents uploaded so far, there are no further details about the specificity of financial support. Further details might be available in the future in the Project Appraisal Document (PAD).
- Improving access to markets, reducing losses, and adding value beyond the farm level, will be done by building the capacity of the farmers and Water User Associations (WUAs) service centers, as well as renovation of WUA facilities.
- Improvement of the irrigation system through a demand-driven process in the following administrations:
  - Menoufia: Alshuhada' and Ashmoun administrations
  - Sharquia: Al-Husseiniya administration (along El Bagouriya Canal)
  - Gharbia: Zifta administration (along the Mowes Canal)
- At mesqa and marwa levels<sup>4</sup>, improvement will consist of switching from open canals to underground pressurized pipes and upgrading the existing pumping station at mesqa level usually from diesel to electric (or in limited cases, solar). Farmers will decide whether they are interested in the improvement process, and which option they prefer.

- **Component 2 – Early warning services**

- Sustainable Management of Agricultural Risk for Resilient Transformation (SMART) builds adaptive capacity at the national level by increasing preparedness for climate-related shocks through early warning systems: an integrated information system and decision support tool.
- Activities in this component will include training stakeholders as well as fostering partnerships between insurance companies, financial institutions, and agricultural stakeholders.
- Agro-climate stations (towers with sensors) of small size will be installed on state-owned land.

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<sup>3</sup> Feddan is an Egyptian unit of area equivalent to 1.038 acres.

<sup>4</sup> The structure of the Nile Delta irrigation distribution systems involves successive levels, from main feeders (rayah) to main (primary) canals, branch canals (secondary), mesqa (tertiary) and marwa (quaternary field ditches).

- **Component 3 – Project Management and Results Monitoring**

This component will support project management and knowledge management activities envisaged under the Project.

- **Component 4 – The Contingent Emergency Response Component (CERC)**

This component would only be triggered in emergency circumstances. Following an eligible crisis or emergency, the Borrower may request the World Bank to reallocate funds to support emergency response and reconstruction.