

Egyptian Ministry of Supply and Internal Trade

Emergency Food Security and Resilience Support Project (P178926)

Draft Preliminary Stakeholder Engagement Plan (SEP)

April 2022

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Acronyms

ARC	Agriculture Research Center
CAAES	Central Administration for Agricultural Extension Services
CAPMAS	Central Agency for Public Mobilization and Statistics
ESF	Environmental and Social Framework
ESCP	Environmental and Social commitment Plan
FAO	Food and Agriculture Organization
GASC	General Authority for Supply Commodities
GBV	Gender Based Violence
GCSS	General Company for Silos and Storage
GM	Grievances Mechanism
EHCSS	Egyptian Holding Company for Silos and Storage
HIECS	Household Income, Expenditure and Consumption Survey
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
LMP	Labor Management Procedures
MALR	Ministry for Agriculture and Land Reclamation
MOE	Ministry of Environment
MOF	Ministry of Finance
MOMI	Ministry of Manpower and Immigration
MOHP	Ministry of Health and Population
MOSIT	The Ministry of Supply and Internal Trade
MOT	The Ministry of Transport
SEP	Stakeholder Engagement Plan

1. Introduction

1.1. Project Description

The project development objective is to ensure the short-term supply of wheat for uninterrupted access to bread for vulnerable households and to strengthen Egypt's resilience to food crises.

The project would consist of three components providing a balance between short-term response and medium-term resilience to food crises.

Component 1. Emergency Response Measures (US\$ 380 million). The objective of this component is to address the shortfall in imports of wheat, to minimize the disruptions in the Bread Subsidy Program. The component will finance the public procurement of up to 700,000 metric tons of imported wheat (the final quantity will depend on the market price at the time of procurement) through a procurement process acceptable to the Bank, to be conducted by the General Authority for Supply Commodities (GASC) of the Ministry of Supply and Internal Trade (MOSIT). This short-term emergency wheat supply, made available through the project, will contribute to replenishing the country's strategic reserves.

For the Bread Subsidy Program, MOSIT imports wheat through GASC - a state-owned enterprise. GASC issues public tenders for international procurement of wheat and buys locally produced wheat from Egyptian farmers at subsidized rates through the Egyptian Holding Company for Silos and Storage, the Food Industry Holding Company (FIHC) and the Agricultural Bank of Egypt (ABE). Internationally procured and locally produced wheat is stored at the EHCSS, General Company for Silos and Storage (GCSS), FIHC and ABE, after which they are transferred to government-owned or contracted private sector mills to produce subsidized flour. The flour is then transferred to government and contracted private sector bakers which strictly produce the subsidized Baladi bread for distribution to vulnerable beneficiaries (approximately 72 million) based on criteria for targeting.

Component 2. Strengthening Preparedness and Response to Shocks (US\$ 117.5 million). This component aims to reduce wheat losses, improve domestic cereal production, and strengthen farm-level resilience and preparedness to shocks. This would be achieved by (a) increasing the storage capacity for wheat in modern silos (Sub-component 2.1); and (b) financing the research, development and dissemination of high yielding adapted wheat varieties, piloting climate smart extension services in lagging regions and upscaling the national Agro-Meteorological early warning system (Sub-component 2.2).

Sub-Component 2.1. Improving the resilience of the wheat supply chain and reducing loss and waste (US\$ 112 million). This sub-component will finance the upgrading of Egypt's strategic wheat storage capacity in order to strengthen preparedness for and resilience to future market shocks and climate risks. The sub-component will contribute to food security by reducing loss and waste in the wheat supply chain, and by improving farmers' access to domestic grain markets. The sub-component will provide financing to the Egyptian Holding Company for Silos and Storage (EHCSS) to expand the network of modern, energy efficient silos¹ integrated with rail and river transportation system and strategically located in areas with substantial wheat production. The silos will be specially designed to be climate-resilient to maintain the quality of the grain.

The sub-component will be implemented under the auspices of the National Project of Silos, under which the government has set targets for establishing additional modern grain storage capacity of 1.5 million metric tons. The National Project of Silos envisions establishment and expansion of 23 storage sites, according to priorities set by EHCSS, with average storage capacity of 30,000 to 100,000 metric tons

¹ Use of solar energy and other renewable energy sources may be included in the design of silos.

each. Ten of these sites are considered the priority. The component would finance the expansion or construction of up to 10 priority silos serving Qena, Assiut, Aswan, Al Wadi Al Jadid, Minya and Giza governorates. This would include the construction of three new silos with a total capacity of 240,000 metric tons, and the expansion of seven silos with an additional capacity of 360,000 metric tons, thus adding a total of up to 600,000 metric tons of additional strategic storage capacity

This modern grain collection and storage infrastructure would help ensure safe, wasteless and energy-efficient storage of grain. Climate change could lead to increase in insect pests, change in grain drying conditions, surge in fungal diseases in storage facilities due to variability of temperature. Investment in modern storage facilities with state-of-the-art temperature and disease control functions, would reduce or eliminate potential impacts of climate change on grain storage, and reduce losses and therefore GHG emissions. Integrated with rail and river transportation, the storage infrastructure would ensure more efficient procurement of wheat and other strategic grains domestically, thus improving farmers' access to markets. It will also increase the overall resilience of Egypt to withstand any future supply shocks.

The project will finance the design of silos, civil works and equipment, including imported equipment and technology components required to assemble field-silos. Government counterpart co-financing is expected to finance local components and local civil works for the construction of silos and the project manager (supervisor) contract. The estimated counterpart co-financing will be around 50 percent. Implementation, including contracting for the design, construction and supervision of activities, will be managed by EHCSS, which is mandated by its establishment decree to serve as the agency responsible for the management of strategic state-owned grain silos. Currently, EHCSS uses single responsibility turnkey contracts for design, supply and installation of silos with experienced specialized firms.

The sub-component will increase the strategic wheat storage capacity by up to 600,000 metric tons. It will contribute to the reduction of the estimated current level of average storage loss in project silos from approximately 12 percent to 8 percent. The loss in all new facilities is expected to be even lower at around 1-2 percent. Newly built and/or expanded storage facilities will also be available for domestically procured wheat, thereby enabling farmers' access to markets, especially in nearby areas. The strategic location of storage facilities would ensure the integrity of the wheat supply chain, efficient access to transportation routes and it would also likely mitigate climate risks associated with wheat storage in remote locations.

Sub-Component 2.2. Improving farm-level resilience and enabling sustainable domestic cereal production (US\$ 5.5 million). This sub-component aims to improve productivity and farm-level resilience and increase the adoption of climate-smart agricultural practices. It will specifically: (i) support climate change adaptation through investments in the research, development and dissemination of high yielding tolerant and early maturing crop varieties; (ii) improve technology transfer and service provision and increase farm level resilience by piloting modernized agricultural extension services in Agriculture Service Complexes (ASCs) in select Hayat Karima villages in Upper Egypt; and (iii) strengthen farm level resilience and response to shocks, by upscaling the coverage of the current National Agrometeorological Early Warning System, whilst complimenting the support to the national extension service system.

This sub-component is in line with the Sustainable Agriculture Development Strategy 2030 and its relevant Action Plan, which aim at: reducing the amount of losses in wheat production by 20 percent from the current levels and increasing the productivity and average yield of wheat to 3.25 ton/feddan, targeting an increased production of 12.2 million ton per annum domestically.

Activity 2.2.1: Seed Processing: According to the CGIAR Climate Change, Agriculture and Food Security Research Program, one efficient adaptation strategy is providing farmers with access to improved and adapted seeds that are heat- and drought-tolerant and high-yielding. Moreover, the use of improved seeds in smallholder agricultural systems has been found to increase both productivity and income. This activity supports the National Project for the development of cereal crops, and would be implemented by the Agriculture Research Centre, and specifically through its affiliates: the Field Crops Research Institute (FCRI), Central Administration of Seed Production (CASP) and Central Administration for Seed Certification (CASC).

This activity would entail financing: (i) the registration and certification of six wheat cultivars (five for bread, and one for durum); (ii) the quality testing, multiplication and dissemination of the approved varieties; (iii) support to the handling and processing of certified foundation seeds, by rehabilitating at least four seed processing units, in terms of drying, cleaning and storage. The targeted processing units for rehabilitation provide full national coverage and they are located in Sakha (Kafr El Sheikh), Gemaiza (Al Gharbeya), Sids (Beni Suef) and Shandawil (Sohag).

Activity 2.2.2: Climate Smart Extension Services. To better support farmers' resilience to climate change and to improve the effectiveness of agricultural extension services this activity will pilot modernized extension service delivery and knowledge transfer, through selected Agricultural Service Complex (ASCs) in pre-identified Hayat Karima Villages in Upper Egypt. This activity will include a specific focus on ensuring that women farmers have access to extension services in order to close the gap in access to information and technologies, and the project will monitor outcomes in that area. To improve service provision at the ASCs, and to address productivity issues related to weather vulnerability, this activity will also expand the current coverage of the Agrometeorological Early Warning System in targeted villages, and therefore allow for the availability of weather information and enable associated advisories, which would support the increased adoption of CSA practices.

Jointly with a strengthened extension system, the availability of weather information and associated advisory services will contribute to: (i) increased productivity, as adequate and timely weather information can help farmers make decisions on timing and proper planting date of the crops; (ii) adaptation through risk management, as effective use of weather information services enables farmers to better manage the negative impacts of weather-related risks in growing seasons; and (iii) mitigation by increasing the efficiency and better matching the use of fertilizer and other production inputs with climatic conditions.

Implemented by the Climate Change Information Center, Renewable Energy and Expert Systems (CCICRE) under the Agricultural Research Center (ARC), and managed by Agricultural Extension Service at MALR, this activity would finance 10 automatic agrometeorological stations, and the equipment and operationalization of the extension service units in at least 10 ASCs. Additionally, this activity will finance the provision of training packages to extension agents on how to deliver CSA related extension services, and to farmers on how to better adopt CSA practices. Moreover, it will also focus on extension services related to for post-harvest handling of grains, in order to reduce loss and waste. The location of the established ASCs supported will coincide with the locations of the silos supported in component 2.1 (Qena, Assiut, Aswan, Al Wadi Al Jadid, Minya and Giza governorates). The provision of capacity building and training will be supported through relevant and up-to-date regional and international research and extension activities supported inter alia through CGIAR.

Component 3. Project Management and Knowledge Management (US\$ 2.5 million). This component

will support project management activities and knowledge management activities envisaged under the project. With regards to project management activities, this component will support financial management (including audit), procurement, monitoring and evaluation and ESF compliance (including a citizen engagement mechanism and a strengthened Grievance Redress Mechanism (GRM) for better risk management). Additionally, this component will facilitate dialogue on food security policies and reforms and cross-border collaboration around regional risk management tools for strategic agricultural commodities.

1.2. Project Risks and Impacts

The project is expected to have positive direct and indirect social impacts, including improved food security for vulnerable households, job opportunities and business development for farmers. The project will contribute to reducing wheat losses and enhancing food security in the country under challenging global conditions that are likely to affect the security of wheat supply. Wheat is an essential for the nutrition system of Egyptian citizens and is specifically an essential food item for the poor and the families targeted with the subsidized ration. Wheat procured through Component 1 will be supplied to different mills all over the country and bakeries producing and selling subsidized bread. Component 2.1 will contribute to enhancing the grains storage capacity which will in turn contribute to reduction in losses and uninterrupted availability of bread; the construction of silos will offer temporary local jobs to middle and low skilled individuals. Component 2.2 comes to complement the infrastructure construction under Component 2.1. They are anticipated to have positive impacts on the poor and vulnerable groups by enhancing farmers' capacities through strengthened access to knowledge and agricultural inputs. This will help the small-scale farmers located in the Governorates of Upper Egypt to have improved access to information which will in turn contribute to climate-smart production practices, higher yields, and improved income. Potential adverse social impacts include (i) potential inappropriate labor and working conditions in construction and agriculture sector both in the country (for Components 2.1, 2.2) and for the primary supplier (Component 1); (ii) risk of elite capture, exploitation and unequal access to project benefits for vulnerable groups (for components 1.2 and component 2.2); (iii) potential reputational risk related to exclusion, risk of lack of transparent sharing of information and unresolved complaints.

2. Brief Summary of Previous Stakeholder Engagement Activities

Both ministries, namely MALR and MOSIT have strong linkage to the Egyptian citizens and the core mandates of both is to offer service to the segments that are among the poorest and most vulnerable. In light of those mandates, there are existing consultations and stakeholder activities on the ground that are regularly done by the two ministries. For example, MOSIT through EHCCS has an existing system for consultation with different wheat related stakeholders during the harvesting season. MALR through the Agricultural Extension Sector has a well-established system for engaging and consulting with different scale of farmers that is ongoing throughout the year. Those are seen as good entry points for strengthening the stakeholder engagement through the project.

As part of the project preparation and per the ESF requirements, initial stakeholders' identification and consultation was conducted during the preparation phase of the project. Given the emergency nature of the project, the conducted consultations and engagement activities are summarized below. More consultations and engagement activities should take place as part of updating and implementing this SEP:

2.1 Consultations Led by EHCCS

EHCCS has launched a series of stakeholder consultations focusing on the quality and the storage of expected wheat production prior to the harvest season, April 15- July 15 of 2022. The stakeholder consultations were collective meetings; as well as in-field visits (refer to table 1). ECSS has a database of all stakeholders that is being updated each harvest seasons and the unit uses WhatsApp on (a group for each category of stakeholders) to communicate regularly through a designated number, 01279671142 and 01279671143. Noting that the standards for the quality of wheat are predetermined by a ministerial decree from the Ministry of Supply and Internal Trade issued on a yearly basis.

Table 1: List of stakeholder consultations conducted by EHCCS in preparation to the harvest season 2022

Name of the event	Leading Agency	Topic Discussed	Date and method of meeting
Wheat production and storage meeting with agriculture cooperatives in Sharqia	EHCCS	Discussing Ministry of Supply and Internal Trade's ministerial decree March 2022 (Annex 1) that predetermines the quality of wheat to be procured by MOSIT.	February 2022 Field visits
Wheat production and storage meeting with agriculture cooperatives in Minia			February 2022 Field visits
Wheat production and storage meeting with agriculture cooperatives in Dakahlia			March 2022 Field visits
Role of agriculture cooperatives in wheat production and supply in 2022		Discussing the critical role that cooperatives play in procurement of wheat in 2022; and addressing cooperatives' concerns.	November 2021 In-person meeting
Wheat production and storage		Discussing the storage capacity	March 2022

Name of the event	Leading Agency	Topic Discussed	Date and method of meeting
meeting large-scale agriculture producers working in Sharq el Ayounat area		and transportation concerns to facilitate the transportation to located silos.	In person meeting
Wheat production and storage with wheat trading companies		Discussing March 2022 Ministry of Supply and Internal Trade's ministerial decree (Annex 1) that predetermines the quality of wheat to be procured by MOSIT	March 2022 In person meeting

2.2 Consultations Led by MALR

As part of the project preparation, MALR in collaboration with World bank conducted an expert consultation held on **March 28, 2022**. The consultation was focused to seek expert feedback on three key areas: (1) agri-food sector policies and performance (2) prioritizing climate smart technologies for specific value chains in the agri-food sector and (3) policies and policy scenarios on scaling up climate technologies in the agri-food sector.

Key topics discussed:

- **Institutional Framework:** Participants pointed out the need to strengthen extension services as one of the main areas that need urgent attention. Related to this point was also the emphasis on agricultural research institutions to do more on upgrading and disseminating best practice extension guides/manuals for farmers which has substantively decreased over the last decades .
- **Policies:** Participants emphasized the need to strengthen agricultural cooperatives to consolidate small and fragmented land holdings to make the adoption of climate smart agricultural practices more effective. Similarly, with contract farming gaining prevalence among selected value chains, participants discussed expanding the value chains covered through this system and introducing policies such that participants in this model are incentivized to adopt climate smart practices. Participants also emphasized the need to introduce policy incentives that would encourage farmers to rotate their crops, a good practice that has significantly decreased over the last decades .
- **Financial Instruments (Green):** One of the examples highlighted as a good example was how Egypt transitioned from flood irrigation rice production to drip irrigation rice production following the introduction of zero interest loans. While unintended, this scheme abates methane emissions. Targeted tax credits, low-to-zero interest loans and risk guarantees were therefore discussed as powerful instruments that could support the sector adopt/scale practices and technologies for improved food security, water efficiency and climate co-benefits .
- **Water and Climate Change:** With water insecurity being a key challenge that the sector faces, participants emphasized the need for public investment in water-saving infrastructure such as lining water canals to prevent leaching etc. In addition, participants pointed out the need to encourage wastewater recycling and incentives to adopt smart irrigation systems.

3. Stakeholder Identification and Analysis

For the purposes of effective and tailored engagement, stakeholders of the proposed project can be divided into the following core categories:

- **Affected Parties** – persons, groups and other entities within the Project Area of Influence that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be actively engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures;
- **Other Interested Parties** – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way; and
- **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

3.1 Affected parties:

- **All residence of Egypt** will be directly impacted by the component 1 and 2 of the project through achieved food security and enhanced quality of local and imported wheat supply.
- **Agriculture workers and farmers:** An estimate of 52 percent of poor population are residing in rural communities located in Upper Egypt among. Individuals residing in rural communities are likely to be employed in informal, irregular pay jobs, and agriculture sectors (Household Income, Expenditure and Consumption Survey - HIECS2019). The HIECS 2019 highlighted the strong correlation between level of poverty and irregular pay, where level of poverty tends to increase among individuals who do not receive regular pay among which are agricultural workers. The project under component 2.2, will support and assist in enhancing skills, knowledge, and resources of an estimate of 4,000 farmers per year for three years.
- **Population and farms close to the construction sites of the silos:** Although the locations of the silos are not finally determined, some of these locations might be of some proximity to residents and/or farms. These locations will be impacted by the construction related impacts. Impacts could be of positive nature (job creation to local communities) or of negative nature (impacts from construction and/or land related impacts)
- **Residence near silos or/and on the route of transportation to silos:** population living near silos may be impacted by road safety especially during the harvest season.

3.2 Other interested parties

- **The Ministry of Supply and Internal Trade (MOSIT):** mandated authority to secure strategic reserves of basic commodities atop of which wheat, sugar, oil, rice, macaroni, meat, chicken, and fish. Ministry is also mandated to maintain a stable market at times of crisis and emergencies. Noting that MOSIT issues a ministerial decree in partnership with Ministry of Finance and Agriculture detailing procurement standards for wheat supply to ensure the quality of wheat procured and prices before every harvest season (Annex 1: Ministerial Decree for 2022 Harvest Season).
- **The Ministry of Finance (MOF)** that is the government authority in Egypt responsible for

collecting customs duties and controlling the flow of goods in and out of the country. Its role being the institution directly involved in financial approvals and in debt management.

- **The Ministry for Agriculture and Land Reclamation (MALR)** that is responsible for the inspection of the wheat cargoes as they arrive, prior to discharge in the ports and agricultural production support for farmers.
- **The Ministry of Transport (MOT)** and MOSIT collaborate to expand the network of modern, energy efficient silos integrated with rail and river transportation system and strategically located in areas with substantial wheat/grain production.
- **The Ministry of Health and Population (MOHP)** that is responsible in the context of food safety; which includes environment, food, cleanliness, contamination, infestation, rodent issues etc.
- **Ministry of Environment (MOE)** that elaborates policies, strategies, plans and projects in all that relates to the safety of the environment and the sustainability of natural resources. It also prepares laws, standards, and norms.
- **Ministry of Manpower and Immigration (MOMI)** is responsible for protecting the interests of workers in the country and is dedicated to developing healthy work environment for higher production and productivity
- **General Authority for Supply Commodities (GASC):** the mandated authority for procuring strategic commodities in Egypt from local or international vendors. Therefore, GASC has the overall accountability for securing quality and quantity of wheat; as well as procuring and storing imported and locally produced wheat supply in Egypt. To fulfill the mandate of the organization, GASC contract a variety of suppliers including wheat suppliers, silos and storage, wheat millers and bakeries.
- **Egyptian Holding Company for Silos and Storage (EHCSS):** contracted by GASC for storage of local and imported wheat supply. The company maintains several silos across Egypt that are either located near production facilities i.e., near farms, or consumption areas near wheat millers and bakeries. EHCSS are responsible for upkeep of silos including admitting quality wheat locally or internationally; maintaining the quality of wheat during storage; and transporting stored wheat to millers to be ready for consumption.
- **General Company for Silos and Storage (GCSS):** is contacted by GASC for managing the storage of all imported wheat at port level. GCSS is responsible for receiving, emptying, and storing wheat imported. The company is also responsible for upkeep of silos in all ports across Egypt. Even though GCSS is an independent company with a separate managerial structure, still the head of the board is managed by EHCSS as the company owns 51 percent of total shares of GCSS.
- **Staff at the silos to be constructed/expanded:** They are not known at this stage, but they will be among the project affected parties since they will have direct engagement in the operation of the silos and will be affected and will have influence in the delivery of the component.
- **Receiving Port Silos Staff** impacted by component 1 including staff working with GCSS, and staff from other agencies that support the storage of imported wheat. Stakeholders include representative of the Egyptian Food Safety Authority, a representative of Egyptian Atomic Energy Authority; representative of Ministry of Health; as well as Ministry for Agriculture and Land Reclamation responsible for monitoring the quality of grains.

- **Contactors and workers who will be involved in component 2.1:** They are not known at this stage, but they will be among the project affected parties since they will have direct engagement in the construction activities and will be affected and will have influence in the delivery of the component.
- **Farmer Based Organizations and Cooperatives:** medium-scale organizations that purchase locally produced wheat supplies from small farmers and organize the logistics to be transported to silos managed by EHCCS. This group will benefit by the increased storage capacity for wheat under component 2.1.
- **Agriculture trading companies:** large-scale organizations that purchase locally produced wheat supplies from small farmers and organize the logistics to be transported to silos managed by EHCCS. This group will benefit by the increased storage capacity for wheat under component 2.1.
- **Private large scale agriculture companies:** large-scale locally producer of wheat supply. This group will benefit by the increased storage capacity for wheat under component 2.1.
- **Wheat millers** across Egypt will benefit from the continuous supply of wheat and continuation of livelihoods under component 1 and component 2.1.
- **Groceries and food outlets:** food subsidy cards represent one of the most important systems in Egypt, in which 33,000 groceries are engaged plus 32,000 bakeries in addition to 1,300 outlets distributing subsidized goods.
- **Bakeries:** an estimate of 275 million loaves of bread are produced daily by the bakeries affiliated to the ministry (Egypt Today, 2020). The project will contribute to the process of securing the needed wheat for those bakeries and subsequently in the improving bread supply to citizens including the poor and vulnerable groups who are covered by the ration cards.
- **The Egyptian Authority for Maritime and Safety** is a direct stakeholder to GCSS where imported wheat is received, emptied, and stored in silos. The Maritime authority participates in local Grievances Mechanism (GM) at port level, particularly in resolving any issues between GCSS and other involved stakeholders including the Egyptian Food Safety Authority, the Egyptian Atomic Energy Authority; representative of Ministry of Health; as well as Ministry of Agriculture responsible for monitoring the quality of grains at port level.
- **Central Administration for Agricultural Extension Services (CAAES) at MALR** main focus is to raise the productive and economic efficiency of agricultural products, as well as the optimal use of agricultural resources by applying modern productive methods and introducing agricultural producers to the importance of adopting scientific methods.
- **Consultative Group of International Agricultural Research (CGIAR).** CGIAR Research Centers are non-profit research organizations conducting innovative research. Home to more than 9,000 scientists, researchers, technicians and staff, the Centers work to transform food, land and water systems in a climate crisis. ICARDA and IFPRI are important subsidiaries for CGIAR who are active in Egypt.
- **Agriculture Research Center (ARC)** supports the application of advanced technologies in Egyptian agriculture to optimize the use of natural resources, meet the needs of the population, provide export requirements, improve the economic incomes of farmers.

- **Food and Agriculture Organization of the United Nations (FAO)** assistance in Egypt centered on three government priority areas, which all align with the project: improved agricultural productivity, raising the degree of food security in strategic food commodities, and sustainable use of natural agricultural resource.
- **International Fund for Agricultural Development (IFAD)** assist Egyptian Government in loans support settlement of land reclaimed from the desert in Lower (Northern) Egypt and support for productivity improvements in the old lands in the Nile valley and Upper Egypt.
- **International Food Policy Research Institute (IFPRI)** is a policy research, capacity strengthening and communication program with the main objective to raise incomes of the rural poor and to improve food and nutrition security in Egypt.

3.3 Disadvantaged / vulnerable individuals or groups

- **Small-scale farmers** are at risk of exclusion from the benefits of component 2.1 and 2.2. Offering equal opportunities to small farmers might be a challenge. This applies to opportunities to access silos to deliver local wheat and to benefit from technical support that the project will be providing in terms of knowledge, skills, and tangible resources such as agriculture seeds, equipment and others.
- **Female farmers and/or agriculture workers engaged on small scale agricultural activities (both for large scale farmers/land owners and/or companies)** is at the same risk of exclusion from the benefits of component 2.1 and 2.2. Gender Based Violence (GBV) also may apply in the case of small-scale female farmers. GBV plans as per the relevant [ESF Good Practice Note](#) will be developed under Component 1 and Component 2.2. The aforementioned plan should include measures to target cooperatives, female workers and other relevant actors. The plan will disseminate information on the code of conduct to use and the appropriate referral mechanism to report cases of abuse and/or exploitation at local level.
- **Persons with disabilities including farmers** with any mobility constraints. They should be considered through differentiated measure including in the access to the new silos
- **Illiterate persons** of male and female farmers may constitute a significant portion of the total farmers to be targeted by the project. Those individuals will need to be considered through appropriate means of communication and information sharing to ensure that effectiveness of the stakeholders activities and the information sharing.
- **Informal construction workers:** Daily and informal workers under contractors and subcontractors who are at risk of accepting working conditions that are not appropriate.

3.4 Summary of project stakeholder needs

The stakeholders' needs are summarized in the following table.

Table 2: Summary of project's stakeholder

Stakeholder group	Language needs	Preferred notification means for consultation and information sharing
All residence of Egypt	Arabic	Social Media Media coverage
Agriculture workers and farmers	Arabic/ Illustrations	Television and outreach in-field campaigns in partnership with agriculture cooperative
Population and farms close to the construction sites of the silos	Arabic/ Illustrations	Awareness raising campaigns in field through agriculture cooperatives and civil society organizations on timeline of construction. This initiative may include the distribution of Information Education and Communication materials; and consultation with schools within the construction sites to ensure the safety of students.
Residence near silos or/and on the route of transportation to silos:	Arabic/ Illustrations	Awareness raising campaigns in field through agriculture cooperatives and civil society organizations on road safety especially in harvest season. This initiative may include the distribution of Information Education and Communication materials; and consultation with schools within the route to ensure the safety of students.
The Ministry of Supply and Internal Trade (MOSIT)	Arabic	In presence meetings/official correspondence
The Ministry of Finance (MOF)	Arabic	In presence meetings/official correspondence
The Ministry for Agriculture and Land Reclamation (MALR)	Arabic	In presence meetings/official correspondence
The Ministry of Transport (MOT)	Arabic	In presence meetings/official correspondence
The Ministry of Health and Population (MOHP)	Arabic	In presence meetings/official correspondence
Ministry of Environment (MOE)	Arabic	In presence meetings/official correspondence
Ministry of Manpower and Immigration (MOMI)	Arabic	In presence meetings/official correspondence
General Authority for Supply Commodities	Arabic	In presence meetings/official correspondence

Stakeholder group	Language needs	Preferred notification means for consultation and information sharing
(GASC)		
Egyptian Holding Company for Silos and Storage (EHCSS)	Arabic	In presence meetings/official correspondence
General Company for Silos and Storage (GCSS)	Arabic	In presence meetings/official correspondence
Contactors and workers who will be involved in component 2.1	Arabic/ Illustrations	In-field meetings and consultations
Receiving Port Silos Staff	Arabic/ Illustrations	In-field meetings and consultations
Staff at the silos to be constructed/expanded	Arabic/ Illustrations	In-field meetings and consultations
Farmer Based Organizations and Cooperatives	Arabic	In presence meetings/official correspondence with the support EHCSS
Agriculture trading companies	Arabic	In presence meetings/official correspondence with the support EHCSS
Private large scale agriculture companies	Arabic	In presence meetings/official correspondence with the support EHCSS
Wheat millers	Arabic/ Illustration of Information Education Communication (IEC) materials	Outreach in field campaigns in coordination with GASC
Groceries and food outlets	Arabic/ Illustration of Information Education Communication (IEC) materials	Outreach in field campaigns to affiliated bakeries and food outlet in coordination with GASC
Bakeries	Arabic/ Illustration of Information Education Communication (IEC) materials	Outreach in field campaigns to affiliated bakeries and food outlet in coordination with GASC
The Egyptian Authority for Maritime and Safety	Arabic	In presence meetings/official correspondence targeting only ports receiving imported wheat through component 1 under this project.
Central Administration for Agricultural Extension Services (CAAES)	Arabic	In presence meetings/official correspondence
Agriculture Research	Arabic/ English	In presence meetings/official correspondence

Stakeholder group	Language needs	Preferred notification means for consultation and information sharing
Center (ARC)		
Food and Agriculture Organization of the United Nations (FAO)	Arabic/ English	In presence meetings/official correspondence
International Fund for Agricultural Development (IFAD)	Arabic/ English	In presence meetings/official correspondence
International Food Policy Research Institute (IFPRI)	Arabic/ English	In presence meetings/official correspondence
Small-scale farmers	Arabic/ Illustrations	Awareness raising campaigns in EGCS. This include disseminating appropriate information on a referral mechanism to report cases and clear procedures to ensure the confidentiality of the process.
Female farmers and/or agriculture workers engaged on small scale agricultural activities (both for large scale farmers/land owners and/or companies)	Arabic/ Illustrations	Awareness raising campaigns in field through agriculture cooperatives for the prevention of potential sexual abuse and violence. This include disseminating appropriate information on a referral mechanism to report cases and clear procedures to ensure the confidentiality of the process.
Persons with disabilities	Arabic/ Illustrations/tailored means of communication	Awareness raising campaigns in field through agriculture cooperatives Universal access to the silos
Illiterate persons	Arabic/visual illustrations	Awareness raising campaigns in field through agriculture cooperatives
Informal construction workers	Arabic/ Illustrations	Awareness raising campaigns in EGCS. This include disseminating appropriate information on a referral mechanism to report cases and clear procedures to ensure the confidentiality of the process.

4. Stakeholder Engagement Program

To meet best practice approaches, the project will apply the following principles stakeholder engagement: (i) Openness and life-cycle approach, (ii) Informed participation and feedback and (iii) Inclusiveness and sensitivity.

4.1 Purpose and timing of stakeholder engagement program

MOSIT will be holding further consultation meetings similar to the ones already done and reflected. This will be done throughout the Project and specifically will be linked to the ESF instruments.

A precautionary approach will be taken to the consultation process to prevent infection and/or contagion, given the highly infectious nature of COVID-19.

4.2 Timeline

The SEP will remain in the public domain for the entire period of project development and will be updated if needed as the project progresses through its various phases, in order to ensure timely identification of any new stakeholders and interested parties and their involvement in the process of collaboration with the project including any feedback received from them that support successful project implementation. The methods of engagement will also be revised as needed to maintain their effectiveness and relevance to the project's evolving environment. Communication and feedback from stakeholders will be taken into consideration at each stage of this project.

4.3 Proposed strategy for information disclosure

This section describes the information that will be disclosed, its format and the types of methods that will be used to communicate this information to each of the stakeholder groups.

Table 3: Proposed strategy for information disclosure

Project stage	List of information to be disclosed*	Methods proposed	Timetable: Locations/ dates	Target stakeholders	Responsibilities
Project life cycle (During Project Preparation, before Project effectiveness and during project implementation)	ESIAs and ESMPs for different components Project components, Potential E&S impacts and risks, disclosure, and dissemination of the GM	Meetings in communities or through agriculture cooperatives and EHCSS in-field silos targeted by the project	Before Project effectiveness and throughout the Project	Small and female farmers; and citizens residing in areas near and in the route to the silos	PMU in coordination with different relevant stakeholders
	SEP including all the updates needed for the SEP	Hybrid Meeting (Virtual /In presence)	Throughout implementation when updated	All Identified Stakeholders (when there is an update they will be informed)	PMU in coordination with different relevant stakeholders
	LMP	Hybrid Meeting (Virtual /In presence)	Before project effectiveness and potentially with the consultation of the ESMF	All implementing partners	PMU in coordination with different relevant stakeholders
	Following up on the demands of the stakeholders and their implementation	Hybrid Meeting (Virtual /In presence)	When there is a need and per the findings of the GM	All previous stakeholders and any new ones as identified as relevant	PMU in coordination with implementing partners including GASC, EHCSS and GCSS

*All information will be disclosed on MOSIT website

5. Stakeholder Engagement Program

To meet best practice approaches, the project will apply the following principles stakeholder engagement: (i) Openness and life-cycle approach, (ii) Informed participation and feedback and (iii) Inclusiveness and sensitivity.

5.1 Purpose and timing of stakeholder engagement program

MOSIT should work in collaboration with other project stakeholders to ensure that consultation is done as an ongoing process with the mentioned groups above including the vulnerable groups. As part of updating this preliminary SEP, consultations should take place and should be documented. More consultations using different modalities including public hearing, focus group discussions and beneficiaries feedback surveys should take place at different stages including as part of preparing the ESF instruments as stipulated in the ESCP.

A precautionary approach will be taken to the consultation process to prevent infection and/or contagion, given the highly infectious nature of COVID-19.

5.2 Timeline

The updated SEP should be prepared building on this preliminary SEP in two months of the project effectiveness. The SEP will remain in the public domain for the entire period of project development and will be updated if needed as the project progresses through its various phases, in order to ensure timely identification of any new stakeholders and interested parties and their involvement in the process of collaboration with the project including any feedback received from them that support successful project implementation. The methods of engagement will also be revised as needed to maintain their effectiveness and relevance to the project's evolving environment. Communication and feedback from stakeholders will be taken into consideration at each stage of this project.

5.3 Resources and responsibilities for implementing stakeholder engagement activities

The project will be implemented by MOSIT, which will house the Project Management Unit (PMU) staffed with relevant experts. The (PMU) will be staffed with one qualified environmental and one qualified social specialist to support management of environmental, social, health and safety (ESHS) risks and impacts of the Project, all with composition, mandate, resources, and terms of reference satisfactory to the World Bank.

MOSIT will ensure that each of the relevant Project Partners has ESHS focal points to supervise and ensure implementation of E&S requirements. The PMU will support the Project Partners in preparing specific scope of work necessary for the EHS specialist(s)/consultant(s) to perform the required duties.

Environmental and social consultants (individuals or firms) will be hired, as needed, to support the PMU and Project Partners. Terms of References for all ESHS positions in the project will be shared with the World Bank for review and no-objection.

The budget for the SEP is included in Component 3 of the Project.

6. Grievance Mechanism (GM)

6.1 Existing Unified GM

All implementing partners under this project are encompassed under the national unified electronic complaints portal hosted by Prime Minister Office, Egypt's Portal. The unified government GM was established by a Presidential Decree No. 314 of 2017 to receive, examine, direct, and respond to all complaints electronically. Its scope of work extends to all ministries, departments, government agencies, local administration units, public bodies and other government agencies. The unified electronic complaints portal has a clear referral system to the concerned entities who receive their relevant complaints, address it and either respond directly to the complainant or through the unified system.

Any citizen may submit a feedback and complaint through the following multiple channels under the unified electronic complaints portal:

- Egypt's Portal website, <https://www.shakwa.eg/GCP/Default.aspx>,
- Hotline 16528
- At "Your Service" app on Google Play.
- WhatsApp numbers: 01555516528 and 01555525444 to receive messages, complaints and citizens.
- Citizen service departments and offices in all government agencies and authorities

All complaints are kept confidential and ID information of complainants are protected to ensure non-retaliation and transparency. Multi-level entry to the system are defined that allow those who are authorized from the relevant Government departments to enter the electronic system and access information about complaint submitted. All **complaints are registered** electronically, classified and referred to relevant authorities to address.

6.2 Localized GM at implementing partner level

During the preparations for this project, all implementing partners including MALR, GASC, EHCSS, and GCSS confirmed that they receive complaints and feedback timely from Egypt's portal and it is by mandate they must give feedback within a specific timeframe from receiving the complaint.

Nevertheless, each implementing partner under the project has their own localized GM procedures that support stakeholders in submitting a complaint and/or feedback. For example:

- **GASC's complaint and feedback mechanism** is hosted on their website, <http://www.gasc.gov.eg/>. This mechanism allows contractors to submit their complaint electronically. A focal point from GASC is appointed to analyze the complaint and address concerns. If the issue is not resolved, concerns are escalated to Chairman to GASC and then Minister of MOSIT. Even though the complaints are registered electronically, but the feedback and resolution, as well as timeframe for resolving the complaint is not documented.
- **EHCSS** has a marketing and customer service unit that is responsible for engaging all stakeholders for the local production of wheat including agriculture cooperatives, large-scale agriculture producers, and wheat trading companies. This unit also receive feedback and complaints from stakeholders through a designated number, 01279671142 and 01279671143 via calls and WhatsApp. The numbers are placed with appropriate information at silos in field. During the

harvest season, the unit establishes a feedback and complaint committee where a representative is available at field level to proactively seek feedback and complaints of different stakeholders during the harvest season. During the consultation with marketing unit, it was explained that unit try to address all complaints at once. All complaints that cannot be resolved by the unit are recorded and discussed with EHCSS chairman, if not resolved then discussed with board. Any person may escalate their complaint to MOSIT Minister Office and judiciary system if they have a legal claim. Even though system is functional however missing documentation of complaints, as well as written procedures on the process of escalation and timeframe for resolving the claim.

- **GCSS** main stakeholders are staff working for GCSS estimated 1800 staff member; and other stakeholders supporting the recipient of internationally exported wheat in ports. During the consultations, it was highlighted that any issue between GCSS and other stakeholders at port level are resolved through complaint mechanism at port level governed by the Egyptian Authority for Maritime and Safety. All issues are discussed bi-weekly in the maritime and safety committee at port level. Issues may be escalated to complaint committee at port level, then escalated to the agency/company where staff member is employed. This complaint mechanism is regulated by policy and procedures at port level. For GCSS staff, there is a strong complaint and feedback mechanism that is documented and active. All employees have a representative at port level where they can submit feedback and complaint to. The issue may be escalated to a representative of employees at central level in Cairo governorate to be discussed with GCSS operational manager and board headed by EHCSS if needed. There is a strong affiliation and connection between employee representative and unions who may intervene if the issue is not resolved at company's level.

6.3 Adaptation of the GM

- More in-depth consultation is required after the project approval to assess local GM documentation process, analyze the type and volume of complaints at implementing partners' level; and identify areas that can be improved to benefit project's stakeholders.
- A detailed LMP is required to document the full system and identify areas of improvement for staff working under the project.
- Vulnerable groups need to be assisted to raise their grievances to MOSIT. The project should engage with agriculture cooperatives and civil society organizations to support vulnerable groups in submitting claims and feedback.
- Individuals who submit their comments or grievances have the right to request anonymity and confidentiality. Communication with complainants, in those cases, will depend on the available information complainant has shared. Confidentiality should be declared during the process of disseminating GM information.
- A Referral pathway need to be established in case of complaints related to GBV.
- A documented system for local GM procedures needs to be detailed benefiting persons submitting the claim. The person raising the grievance should be provided with an acknowledgement within specific timeframe from the point the grievance was first raised, in an appropriate manner. The acknowledgement of receipt needs to contain information about the next steps in the procedure, target timeframe and the contact details of the person who can be contacted for follow up.
- PMU need to frequently analyze complaints submitted through Egypt's portal or/and any of the local GM mechanism mentioned above. The analysis needs to identify lessons learned periodically and identify specific steps taken to avoid similar grievances from re-occurring in the future.

7. Monitoring and reporting

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the SEP and GM. The E&S assigned focal point at the PMU will be responsible for the monitoring and reporting of E&S aspects as specified in the ESCP.

Annexes

Annex 1: Section 1 of the ministerial decree issued by MOSIT in partnership with MALR and MOF to regulate the procurement of locally produced wheat issued March 2022

وزارة التمويين والتجارة الداخلية
قرار ووزارى مشترك رقم ٤٧ لسنة ٢٠٢٢
بمعدل بعض أحكام القرار الوزارى المفترق رقم ١٨٦ لسنة ٢٠٢١
بشأن اسلام وتخزين الأقماع المحلية موسم ٢٠٢٢
صادر فى ٢٠٢٢/٣/١٤

وزير التمويين والتجارة الداخلية
وزير المالية
وزير الزراعة واستصلاح الأراضى

بعد الاطلاع على المرسوم بقانون رقم ٩٥ لسنة ١٩٤٥ الخاص بشئون التمويين
وتعديلاته ؛
وعلى قانون الزراعة الصادر بالقانون رقم ٥٣ لسنة ١٩٦٦ وتعديلاته ؛
وعلى قرار رئيس الجمهورية رقم ١١٨٩ لسنة ١٩٦٨ بإنشاء الهيئة العامة
للسلع التمويينية وتعديلاته ؛
وعلى قرارات رئيس الجمهورية أرقام ٩٢ لسنة ٢٠١٧ و ٢٦٩ لسنة ٢٠١٨
و ٦٥٥ لسنة ٢٠١٩ بتشكيل الحكومة ؛
وعلى القرار الوزارى المشترك رقم ١٨٦ لسنة ٢٠٢١ بشأن اسلام وتخزين الأقماع
المحلية موسم ٢٠٢٢ ؛

Annex 2: Summary of consultations conducted during preparation of preliminary SEP April 2022

Agency/ focal point	Topics discussed	Date and meeting method
<p>Meeting at Egyptian Holding Company for Silos and Storage (EHCSS) with attendance of:</p> <ul style="list-style-type: none"> - General Sherif Basili, Chairman of the Board of Directors of the Egyptian Holding Company for Silos and Storage - Eng. Kamal Hashem Abdel Hamid, CEO of the General Company for Silos and Storage - General Tawfiq Al-Shall, member of the Board of Directors for Silos Affairs - Counsellor Khairy Selim, member of the Board of Directors for Legal and Administrative Affairs - Ahmed Hussein, Director General of the Secretariat of the Board of Directors - General Ashraf Sadiq, head of the engineering sectors at the Egyptian Holding Company for Silos and Storage - Yusraya Yousry, Director General of Crops Import at General Authority for Supply Commodities - Enas Abdel Aziz, Director General of Strategic Management at General Authority for Supply Commodities 	<p>General introduction on World Bank's environmental and social standards.</p> <p>Workflow and operational relationship between implementing partners.</p> <p>Introduction to localized GM procedures at each implementing partners.</p> <p>Introduction the stakeholder engagement process at each implementing partner.</p>	<p>10 April 2022 in person meeting</p>
<p>Meeting with EHCSS's Marketing Unit Head, Rania Sabr</p>	<p>Discussion on GM procedures at EHCSS level.</p> <p>Discussion on stakeholder engagement process at EHCSS level.</p>	<p>10 April 2022 in person meeting</p> <p>11 April 2022 via phone</p>
<p>Meeting with GCSS Environmental Unit Head and representative of staff affairs at central level, Kaml Shoman</p>	<p>Discussion on the process for staff in submitting complaints and feedback to management.</p> <p>Discussion on stakeholder engagement process at GCSS level</p>	<p>10 April 2022 in person meeting</p> <p>11 April 2022 via phone</p>

End of document April 2022