

# The status of rural poverty in the Near East and North Africa



Enabling poor rural people to overcome poverty



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Project funding:  
International Fund for Agricultural Development (IFAD)

Project Manager:  
Mylène Kherallah

Author:  
Ida Christensen (Team Leader, Rural Sociologist, FAO Investment Centre Division)  
with the collaboration of Benoist Veillerette (Agricultural Economist, TCI) and Sarantis Andricopoulos (Senior Economist Consultant)

Contact information:

Director  
Investment Centre Division  
Food and Agriculture Organization  
of the United Nations  
Viale delle Terme di Caracalla  
00153 Rome, Italy  
Telephone: +39-06-57054477  
Facsimile: +39-06-57054657  
E-mail: [Investment-Centre@fao.org](mailto:Investment-Centre@fao.org)  
[www.fao.org](http://www.fao.org)  
[www.fao.org/tc/tci](http://www.fao.org/tc/tci)

International Fund for Agricultural Development (IFAD)  
Via del Serafico, 107  
00142 Rome, Italy  
Telephone: +39-06-54591  
Facsimile: +39-06-504-3463  
E-mail: [ifad@ifad.org](mailto:ifad@ifad.org)  
[www.ifad.org](http://www.ifad.org)  
[www.ruralpovertyportal.org](http://www.ruralpovertyportal.org)

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## Acronyms

CAHWs	Community-Based Animal Health Workers
CBO	Community-Based Organization
CDA	Community Development Association
COSOP	Country Strategic Opportunities Paper
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAOSTAT	FAO's Statistical Database
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GPI	Gender Parity Index
HDI	Human Development Index
HPI	Human Poverty Index
ICARDA	International Centre for Agricultural Research in the Dry Areas
ICT	Information and Communication Technology
IDPs	Internally Displaced Persons
IFPRI	International Food Policy Research Institute
IGQ	Index of Government Quality
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
LDCs	Least Developed Countries
LE	Egyptian Pounds
LIFDCs	Low Income Food Deficit Countries
MDGs	Millennium Development Goals
MFI	Micro-Finance Institution
NENA	Near East and North Africa
NGO	Non-Governmental Organization
OPEC	Organization of the Petroleum Exporting Countries
PN	IFAD's Department of Near East and North Africa
PRSPs	Poverty Reduction Strategy Papers
SFD	Social Fund for Development
SME	Small and Medium-sized Enterprise
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNRISD	United Nations Research Institute for Social Development
USAID	United States Agency for International Development
WFP	World Food Programme
WTO	World Trade Organization

# Foreword

Since its establishment in 1978 as a specialized agency of the United Nations, IFAD has focused its efforts on poverty reduction in the rural areas of the developing world. Over the last three decades these efforts have been continuously sharpened and renewed to respond to the needs of the rural poor in a rapidly changing world. IFAD's Strategic Framework 2007–2010 defines its goal as empowering poor rural women and men in developing countries to achieve higher incomes and improved food security. IFAD's Near East and North Africa Division (IFAD/PN) aims at achieving this goal in the region through investing in and working with the rural poor, and with other partners, to enable the former to better address the challenges they face in overcoming poverty.

The total population of the Near East and North Africa (NENA) region is estimated at about 320 million people, of whom about half reside in rural areas. Despite significant achievement in terms of economic growth, policy and institutional reform, and some social indicators during the past decade, a high incidence of poverty still persists in the region. A quarter of the region's overall population is estimated to be poor, 58 per cent of whom, or about 52 million, live in rural areas.

Over the years, rural poverty in the region has been decreasing much more slowly than urban poverty. Most recent figures indicate that while the incidence of poverty in urban areas declined to an average of 18 per cent during the last ten years, it remained at a high 34 per cent in rural areas. Migration from non-oil producing countries in the region to the oil-producing Gulf States, which once absorbed some of the unemployed, levelled off during the same period, as did remittances. Rural unemployment increased significantly, particularly among the young, which further exacerbated the poverty situation. Constraints such as water scarcity, degradation of natural resources, limited access to physical and financial assets by the poor, and the expected consequences of climate change are slowing poverty reduction. Overall, the region still faces serious challenges that need to be addressed in order to achieve the Millennium Development Goals, particularly those relating to poverty and malnutrition.

To this effect there is a need to gain a full understanding of the region's evolving rural poverty profile. This encompasses poverty's most recent dimensions; the causes, consequences and dynamics of rural poverty; the poor's coping strategies in the face of multiple constraints; and the emerging opportunities available to break away from poverty in the fast-moving socio-economic conditions in the region. This study aims at meeting this need.

This study is one of a series of IFAD/PN joint activities with the FAO/Investment Centre (FAO/IC) undertaken during 2006/2007. Its main objective is to provide IFAD and its partners with updated knowledge about the status of rural poverty in the NENA region to enhance their capacity to design and implement more effective country strategic opportunities programmes (COSOPs) and country projects aimed at rural poverty reduction. The study also aims at informing the work of the NENA division in 2007 and beyond, particularly in formulating its thematic priorities at regional and country levels and in sharpening its approaches in specific areas (e.g. rural financial services, marketing of non-traditional crops).

The study covers 13 countries in the IFAD's NENA region: Algeria, Djibouti, Egypt, Gaza and the West Bank, Jordan, Lebanon, Morocco, Somalia, Sudan, Syria, Tunisia, Turkey and Yemen.



I would like to acknowledge the professional and punctual work of Ida Christensen of FAO/IC and her team in conducting the required research and in writing the findings in a concise and eloquent style. My appreciation goes also to Mylène Kherallah, IFAD Regional Economist, for her effective guidance and valuable input from the inception of the work through the finalization of the current document. Earlier drafts of the study were circulated to PN staff for comment. I wish to thank them for their constructive and useful suggestions. Thanks are also due to Sara Oliván, IFAD Programme Assistant, for her indispensable administrative support.

It is hoped that this fruitful collaboration between IFAD and FAO/IC in producing this study will lead the way for further such partnerships in the future.

A handwritten signature in black ink that reads "Mona Bishay". The signature is written in a cursive, flowing style with a large initial 'M' and 'B'.

DR. MONA BISHAY  
Director  
Near East and North Africa Division  
IFAD

# The status of rural poverty in the Near East and North Africa

## Introduction

## Background

This report is based on a desk review of recent literature on rural poverty reduction in the Near East and North Africa (NENA) region, and on a synthesis and analysis of existing secondary data sources (see List of References for details). The study builds on the IFAD NENA Rural Poverty Assessment Report prepared in 2001–2002 (and published in 2003). It provides a full update of poverty data to the latest year available, analyses emerging trends, and highlights variations in the rural poverty profile resulting from rapid changes in socio-economic and rural development conditions in the region.

In its capacity as a regional assessment (based on a desk review), this report by definition focuses on key rural poverty issues in the 13 highly diverse countries without attempting to propose policy and programme actions at the national or local levels. Explicit country situations are quoted throughout the report in order to illustrate examples of poverty dimensions or specific constraints prevalent in some areas, or in order to underline differences in rural poverty among countries. The specificity of each country and local area, in terms of tailoring actions to meet the needs of different rural target groups, is better analysed at the COSOP or individual IFAD project level.

## Constraints

One of the major constraints to creating this study was the dearth of recent and reliable human poverty data for some indicators in countries such as Djibouti, Somalia and Sudan, which led to an incomplete set of data. Another constraint was that regional groupings differ from one institution to another (World Bank, ILO, UNDP, etc.) and never entirely correspond to the NENA region as defined by IFAD. A third constraint was found in the significant differences—in terms of economic and human development and overall poverty levels—among the 13 NENA countries covered in the assessment. These differences made it necessary to create three country groups (least developed countries [LDCs], lower/middle-income, and middle-income) that assisted the overall analysis of trends and helped avoid, to the extent possible, forced generalizations. Finally, the choice of indicators to measure rural poverty depended on availability and specificity to IFAD's target group. The dearth of information relating to rural (as opposed to national) human and economic development sometimes made it necessary to use proxies to determine indirect impacts on rural poverty reduction. Whenever possible, aggregates or averages weighted by country population (or other parameters) were calculated for the NENA region, sometimes corresponding to an approximation on the basis of the countries for which data were available.

## Report structure

Chapter 1 presents an overview, or a macro-picture, of the NENA region in terms of demographic and socio-economic trends over the past decade, including economic performance, the place of agriculture in the rural economy and the level of investment in rural areas.

Chapter 2 discusses, in more analytical terms, specific dimensions of rural poverty, including: trends in rural unemployment, migration, health, literacy and education; access to basic rural infrastructure; food security and nutrition; gender inequality; and the impact of civil strife and conflict. This chapter includes an analysis of the region's performance vis-à-vis the Millennium Development Goals (MDGs).

Chapter 3 presents a micro-picture of rural poverty in NENA in terms of defining rural poor groups, describing their main characteristics and discussing the reasons why they are and continue to be poor. It then discusses the major constraints faced by the rural poor, including (i) the scarcity and vulnerability of natural resources; (ii) major limitations and challenges of the agricultural sector that influence the livelihoods of vulnerable rural populations; and (iii) major institutional and policy constraints to rural poverty reduction. For each of the constraints discussed, an attempt is made to provide opportunities for IFAD to capitalize on in its efforts to bring its target group on the path out of poverty.

A final chapter summarizes the main findings and conclusions of the report.

# 1

## Regional overview



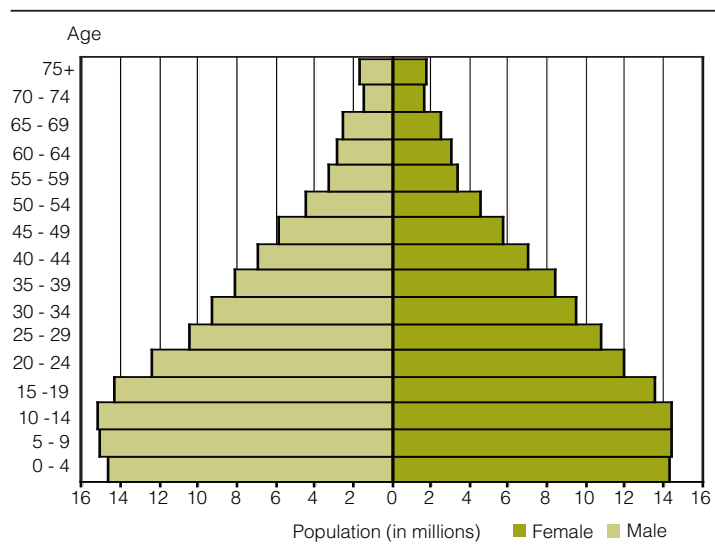
## I. Demographic and Socio-Economic Trends

### General population

The Near East and North Africa (NENA) region covered by this report includes 13 borrowing member states and territories of IFAD: Algeria, Djibouti, Egypt, Gaza and the West Bank, Jordan, Lebanon, Morocco, Somalia, Sudan, Syria, Tunisia, Turkey and Yemen.<sup>2</sup> The total population in the NENA region is estimated at 318 million (2005), up from 290 million in 2000. Population growth, which averaged 2.8 per cent during the period 1975–1990, declined to 2.27 per cent in 1990–2005 and is expected to further decline to 1.7 per cent per year in the next 10 years (see Appendix Table 1). Despite this projected decline, which is largely attributed to falling fertility rates region-wide, the annual population growth in NENA remains higher than the projected world average of 1.1 per cent. Large differences persist among countries within the region. Those with lower per capita incomes and larger poverty levels, such as Somalia, Sudan and Yemen, maintain higher population growth rates.

Meanwhile, fertility rates (number of births per woman) overall have declined, from 6.4 in the 1970s to 3.3 at present. Here again, the countries with the lowest per capita income show persistently higher fertility rates than average. The resulting age pyramid for the whole region shows a relatively young population, with about 58 per cent below the age of 25 years, of whom more than 34 per cent are under the age of 15 (see Figure 1 and Appendix Table 1).

**FIGURE 1.**  
Age pyramid in NENA



Source: UN Statistics Division, UN Common Database, 2006.

### Rural population

The rural population in the sub-region is estimated at 151 million, representing close to 48 per cent of the total population (2004). The LDCs in the region, such as Somalia, Sudan and Yemen, have the highest proportion of rural population, ranging between 60 and 74 per cent. At the other end of the scale, Lebanon's rural population represents only about 12 per cent of its total population. During the period 1990–2004, the rural population of NENA grew on average at 1.55 per cent annually (see Appendix Table 1). Variations among countries in the region depend, inter alia, on the endowment and distribution of natural resources, the presence and efficiency of social services, employment opportunities in the cities and the security situation.

<sup>2/</sup> NENA also includes 10 non-borrowing member states of IFAD that are not included in this report: Cyprus, Iraq, Israel, Kuwait, Libya, Malta, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

While historically the region was predominantly pastoralist (raising sheep, cattle, camels), over time most herders have settled into what is today agro-pastoralist rural households, combining crop production with livestock raising in vast land areas of usually low carrying capacity. Nevertheless, pure pastoralists and fishers still exist, constituting an important part of the poor rural population in some areas. Fishers benefit from sea and inland water resources (e.g. in Sudan). Since IFAD's previous Rural Poverty Assessment, in 2003, there does not seem to have been great changes in the composition of the rural poor population, which consists of smallholder farmers, nomadic pastoralists, artisanal fishers and landless people. A further category that might be considered at least partly rural is that of the peri-urban population, which is not systematically included in rural population statistics.

The peri-urban population consists mainly of migrants who leave the rural areas in search of employment in the cities. They settle in the immediate vicinity of the urban areas, at least initially, under precarious conditions and often illegally occupying a piece of land. While looking for employment in the city, they cultivate mini-plots to ensure their own food supply in fruits and vegetables and raise small ruminants for milk and meat. Taking advantage of the vicinity of the urban market, they sell small surpluses of their production to obtain minimal cash income.

Despite migration and declining population growth rates in absolute terms, the rural population in NENA increased by 17 million between 2000 and 2004. This increase—in light of the scarcity of land and off-farm employment opportunities—is likely to have contributed to the reduction of average farm plots and the increase in numbers of landless people (see "Land tenure distribution and land access rights," in chapter 3).

### Urbanization

The urban population has increased well above the overall population growth, indicating an acceleration of urbanization in the region. Although the urban population's average annual growth during 1980–1990 was a high of 4.3 per cent, it has declined to slightly over 3 per cent at present (see Table 1). It remains well above average in Jordan (4.8 per cent), Sudan (5.2 per cent) and Yemen (5.2 per cent).<sup>3</sup>

**TABLE 1.**  
Distribution of population, and population growth in the NENA region

	Total population (millions) 2005	Rural population (millions) 2004	Rural population growth (annual percentage)		Urban population growth (annual percentage)	
			1980–1990	1990–2004	1980–1990	1990–2004
Total/ NENA Average	317.6	150.9	1.7	1.55	4.3	3.28

Source: UNDP 2005 Human Development Report (Appendix Table 1).

## II. Economic Performance

In recent years, the NENA region has witnessed a series of socio-political events and economic reforms that have affected economic performance in various ways. On the positive side, the structural transformations initiated in the 1990s, albeit slowly, have resulted in a significant reduction in state involvement in previously owned enterprises, which in the longer term is expected to lead to rationalization. Furthermore, as a result of the World Trade Organization (WTO) membership, countries such as Egypt, Jordan, Morocco and Tunisia have seen considerable economic benefits from trade liberalization and more openness to the private sector. The surge in oil prices in the past few years has generated large surpluses for the oil-producing developing economies of Algeria and Sudan. The direction of the development equation in those countries will

3/ T. Beuchelt, 2006, Rural Unemployment in the NENA Region, draft paper, IFAD/NENA Division, Programme Management Department, Rome.

depend on how the surpluses are invested. However, despite sizeable improvements, trade protection structures, particularly for agricultural products, remain comparatively high in almost all NENA countries. All these developments have contributed to a limited but insufficient improvement in governance (see “Governance, decentralization and empowerment,” in chapter 3).

On the negative side, the region suffers from a number of persisting structural problems that slow down the pace of economic growth and the capacity to reduce rural poverty. Total factor productivity remains low (at 2 percentage points below the world average) as a result of past public investment inefficiencies and low labour productivity, in part due to low levels of skills.<sup>4</sup> However, increasing the productivity of the agricultural sector would be an essential contribution to poverty alleviation. Demographic growth, with its high rates—by world standards—remains a constraint, as the labour market is unable to absorb the number of newcomers seeking employment every year. The imbalance between employment opportunities and new employment seekers, especially in the rural sector, represents a growing challenge to rural poverty reduction. Migration and remittances—especially relating to intra-regional migration (e.g. Yemeni and Egyptian workers in the Gulf States)—fluctuate significantly with oil prices and with the incidence of regional conflict. Remittances, which constituted an appreciable proportion of LDCs’ gross income, seem to have decreased in the past decade, following a trend in the Gulf of recruiting migrant labour from outside the NENA region (South and South-East Asia). Private investment levels captured by NENA countries (with the exception of oil-producing countries) have remained low due to political instability and investors’ perceptions of a more attractive business climate in other regions of the world.

Nevertheless, reforms in the legislative framework (including labour laws), bureaucratic procedures and the banking sector are slowly being introduced in most NENA countries, contributing to the creation of a more attractive business climate and to the gradual improvement of overall economic performance.<sup>5</sup> The extent to which these improvements will result in poverty reduction depends not only on a significant growth in production but also on more equitable income distribution policies, which itself will depend on the willingness and capacity of governments to devise measures necessary to bring the rural poor into the mainstream of the development process.

The significant differences in the economic development and poverty levels among the 13 IFAD-borrowing countries constituting the NENA region call for a classification that would assist analysis. The following classification into three main groups is based on GDP per capita and will be used throughout this report where relevant<sup>6</sup>:

- (i) Least developed countries (LDCs)<sup>7</sup>: Djibouti, Somalia, Sudan and Yemen.
- (ii) Lower/middle-income countries: Egypt, Gaza and the West Bank, Jordan, Morocco and Syria; and
- (iii) Middle-income countries: Algeria, Lebanon, Tunisia and Turkey.

Between 1999 and 2005, the regional GDP in current prices rose from US\$386 billion to US\$748 billion, about half of which was represented by Turkey. In 2005, the economies of the region showed a 5.3 per cent growth over the previous year, a substantial acceleration over the annual average increase of 4.5 per cent during the period 1999–2005. Jordan, Sudan and Yemen had growth rates well above average, while Djibouti, Lebanon and Morocco showed a weak performance, between 2.5 per cent and 3.5 per cent. Gaza and the West Bank, due to conflict, showed a negative growth rate (see Appendix Table 2). Meanwhile, in 2005, per capita income for the LDCs ranged from US\$588 in Somalia to US\$885 in Djibouti. In the lower/middle-income economies, GDP per capita ranged from US\$953 in Gaza and the West Bank to US\$1,715 in

4/ World Bank Development Indicators, 2005.

5/ Handoussa Heba: *The Quest for Economic Reform and Structural Transformation in the Arab Region*, OPEC Fund for International Development, Vienna 2006.

6/ The World Bank classifies all as “lower/middle-income countries,” except Lebanon, which is classified as “middle-income.” FAO classifies—in addition to the above four LDCs—Egypt, Morocco and Syria as low-income, food-deficit countries (LIFDCs).

7/ Standard UN classification.

Morocco, while in the middle-income economies it ranged from US\$2,862 in Tunisia to US\$6,209 in Lebanon (see Appendix Table 2).

The breakdown of the regional GDP by sector shows a predominance of the services sector, with 55 per cent, followed by industry, with 32.4 per cent. Agriculture contributes the remaining 12.6 per cent. The region's total imports in 2005 represented 40 per cent of the GDP compared to total exports of only 27 per cent, indicating a trade deficit. It is worth noting that this deficit is considerably higher when Algeria—showing a positive trade balance thanks to oil exports—is excluded from the analysis.

### Income inequality

As measured by the Gini coefficient, income inequality in the NENA region compares favourably to that in other developing regions. Table 2 shows: (a) the Gini Index<sup>8</sup> for NENA countries with available data; and (b) the share of the richest 20 per cent of the population to that of the poorest 20 per cent. The values of the share of rich-to-poor are consistent with the Gini index, indicating that the higher the inequality index in selected NENA countries, the higher the share of income among the richest 20 per cent of the population.

The regional average Gini index of the seven NENA countries with available data is 36.7, very close to the average of OECD countries, which stands at 36.8.<sup>9</sup> In comparison, the world average is 67. According to the most recent data, the lowest regional Gini index is 33.4 in South Asia, followed by 42.8 in Central and Eastern European and CIS countries. The indices for the remaining regions of the world lie between 52 and 70. In the NENA region, Turkey has the highest coefficient, with 44, closely followed by Tunisia, with 40. The two countries have, however, followed an improving trend in income distribution. On the other side, Egypt, with 34.4, has the lowest coefficient but has experienced a rise in income equality in the last years (up from 28.9 in 1995). No NENA country (for which data is available) has an index higher than 44.

**TABLE 2.**  
Income distribution in selected NENA countries

	Survey year	Gini index	Income share: richest 20 per cent to poorest 20 per cent
Algeria	1995	35.3	6.1
Egypt	1999–00	34.4	5.1
Jordan	2002–03	38.8	5.9
Morocco	1998–99	39.5	7.2
Tunisia	2000	39.8	7.9
Turkey	2003	43.6	7.7
Yemen	1998	33.4	5.6

Source: UNDP, HDI 2006 (Appendix Table 4).

### Agriculture's contribution to the economy

Agriculture's contribution to total GDP in the NENA region stands presently at 12.6 per cent, a decrease from 15 per cent in 2000. This is consistent with general world trends. In Algeria, Lebanon and Jordan, the percentage stands much lower, at 8.4 per cent, 7.3 per cent and 2.3 per cent, respectively, while the highest is observed in Sudan (33.7 per cent). Middle-income countries have a consistently low percentage of agricultural GDP (between 7 per cent and 14 per cent), but there is no similar discernible pattern among the lower/middle-income countries. In Egypt and Morocco, for example, agricultural value added stands at 13–14 per cent of total GDP, while in Syria it stands at 21.4 per cent, (see Appendix Table 3). Despite agriculture's low contribution to GDP in Algeria, Djibouti, Jordan and Morocco, the average annual growth rate of these countries' agricultural sector showed notable improvement in 1990–1999 and 2000–2003. In comparison, in some countries in the region it has stagnated (Egypt, Sudan and Yemen), and in others it has worsened (Gaza and the West Bank, Lebanon, Syria, Tunisia and Turkey). See Appendix Table 3.

8/ The Gini index measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal distribution. A value of 0 represents perfect equality, a value of 100, perfect inequality (UNDP, 2006).

9/ UNDP Human Development Report, 2005.



The share of agricultural exports to total exports in the region does not exceed an average of 7 per cent. According to FAO estimates,<sup>10</sup> this percentage has shown a dramatic decline, from 16 per cent in 1970 to 4 per cent in 2001. To take an extreme example, the share of agricultural exports from Sudan in 1993 was 95 per cent of total exports. Today it stands at 13 per cent. This, however, could be attributed to the increasing oil exports.<sup>11</sup> The main constraints to agricultural trade in NENA include poor production structures, the inability to meet international standards in food quality and safety, and deficient marketing systems that do not facilitate the movement of agricultural goods to foreign markets.

Nevertheless, the agricultural sector in many NENA countries is important, and food processing is becoming increasingly important. Agricultural exports represent an opportunity to generate foreign exchange to finance economic development. Adherence to WTO membership<sup>12</sup> could have a positive impact on agricultural exports from the NENA, provided they comply with Sanitary and Phyto Sanitary (SPS) standards and with the rules of the agreement on Technical Barriers to Trade (TBT). In order to enable conformity with WTO agreements, most countries in the region would require technical and financial assistance to improve food safety regulations and infrastructure.<sup>13</sup>

The low share of agriculture to total GDP and the low rates of agricultural to total exports are disproportionate to the high percentage of NENA's economically active population engaged in agriculture (see Appendix Table 3). Of the total estimated economically active population of 126 million, 47.6 million, or 37.8 per cent, are engaged in agriculture, down from 47.8 per cent in the 1990s. The percentage is as high as 77 per cent in Djibouti,<sup>14</sup> 69 per cent in Somalia and 57 per cent in Sudan. Among the middle-income countries, Turkey's agricultural employment amounts to over 43 per cent of the total work force, just below Yemen's 46 per cent, while Jordan and Lebanon have the lowest percentages, 10.1 per cent and 2.8 per cent respectively.

### Agricultural trade and trade openness

The NENA region is a net importer of agricultural products. In 2001–2003 agricultural imports amounted to US\$16.8 billion, compared to US\$8.2 billion of exports. As shown in Figure 2, all countries except Turkey had a negative agricultural trade balance.<sup>15</sup> The main single commodity on which NENA countries have a deficit is cereals, which represents on average almost one third of all agricultural imports. Imports of sugar (in raw equivalent) are important in Somalia and Syria (35 per cent and 22 per cent of total agricultural imports, respectively), while on average they do not exceed 6 per cent of total NENA agricultural imports. Fruits and vegetables are the main export item representing a regional average of 44 per cent of total agricultural exports. This share is particularly high in Morocco (74 per cent) and Turkey (45 per cent). Egypt is the eighth largest producer and the tenth largest exporter of citrus in the world, while Turkey and Morocco hold the fourth and fifth places, respectively, in citrus exports. The demand for such products in the European market is high: the EU absorbs half of the world's total imports of citrus and 30 per cent of the world value of date imports. Cotton lint exports are important for Egypt and Syria (38 per cent and 24 per cent of agricultural exports respectively) and to a lesser extent for Sudan (15 per cent). Olive oil is the main agricultural export of Tunisia, representing 20 per cent of the total.

The main trade partners of the NENA countries are the oil-producing Gulf States and the European Union, with which a number of countries have various partnership or association

10/ FAO (2004), *Agricultural Development Policies in the Near East: Situation, Issues, Institutional Requirements and Approaches*, Proceedings of the Joint FAO/NAPC Regional Workshop on Institutional Building for Agricultural Policies in the Near East, 6–7 December 2003, Syria, TCAS Working Document No. 57 (accessed Oct. 2005), in Tina Beuchelt (2006), "Rural Unemployment in the Near East and North Africa Region," IFAD, NENA Division, Program Management Department.

11/ N. Minot, M. Chemingui, M. Thomas, R. Dewina, and D. Orden, 2007, *Impact of Trade Liberalization on Agriculture in the Near East and North Africa*. IFPRI, Washington, D.C., and IFAD, Rome.

12/ At present, six countries in the region are members of WTO and four have observer status.

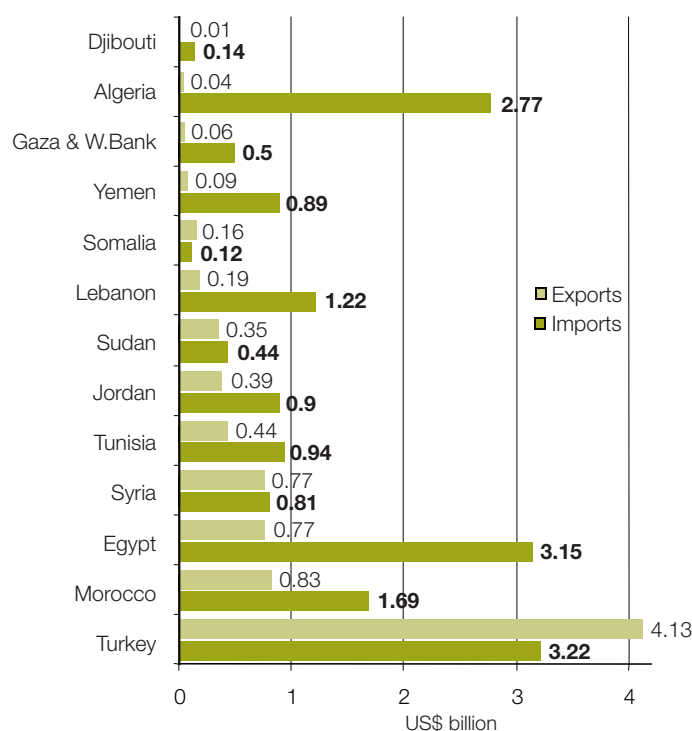
13/ FAO IDB High-Level Technical Workshop on Regional Programmes for Food Security in the Near East: Towards Sustainable Food Security and Poverty Alleviation, Jeddah, 8–9 October 2003.

14/ This very high percentage is explained by the inclusion of peri-urban households involved in agriculture.

15/ This section draws mainly from a recent study by N. Minot, M. Chemingui, M. Thomas, R. Dewina, and D. Orden, 2007, *Impact of Trade Liberalization on Agriculture in the Near East and North Africa*. IFPRI, Washington, D.C., and IFAD, Rome.

agreements. In general, intra-regional trade has been limited, in spite of several attempts to establish free trade areas among groups of countries in the region. Most successful attempts have been bilateral in nature. The reasons for the limited intra-regional integration may be found in the similarity of the agricultural production base in the NENA and the fact that a number of countries privilege countries outside the region, notably the European Union, with their trade relations.

**FIGURE 2.**  
Agricultural trade by NENA country (2001–2003 average in US\$ billion)



Source: IFPRI/IFAD, 2007<sup>16</sup>.

The agricultural sector remains highly protected in many NENA countries. Most countries use a variety of measures, including tariffs, tariff-rate quotas and non-tariff barriers to protect their farmers from competition. Protection varies relative to trade partners. Agricultural imports from other NENA countries have an average tariff rate of 31 per cent, which is almost equal to the average tariff of NENA countries vis-à-vis the rest of the world. On the other hand, average tariffs on NENA countries' agricultural exports to developed countries is 12 per cent, compared to 20 per cent to developing countries and 12 per cent to LDCs. This indicates that there is no preference (or greater trade openness) in intra-regional agricultural trade compared to trade with countries outside the region. Some exceptions to this are Algeria and Morocco, where the average tariff is zero due to agreements between the two countries.

According to the World Bank's structural reform indicators, which measure the openness (or restrictiveness) of trade policies in each country, and the reform progress indicators, which measure improvements made during the period 2000–2004, NENA countries have made progress especially in dismantling Non-Tariff Barriers (NTB). Nevertheless some countries, particularly in North Africa, still have restrictive trade policies. A number of selected agricultural commodities are highly protected. Morocco, for example, imposes a 226 per cent tariff on livestock, 161 per cent on meat and 140 per cent on rice. Tunisia imposes a 152 per cent import tariff on fruits and vegetables and 156 per cent on olive oil, while Turkey imposes a 166 per cent average rate on meat, 103 per cent on dairy and 112 per cent on sugar. One recent example of drastic reform towards greater openness

16/ N. Minot, M. Chemingui, M. Thomas, R. Dewina, and D. Orden, 2007, *Impact of Trade Liberalization on Agriculture in the Near East and North Africa*, IFPRI, Washington, D.C., and IFAD, Rome.

is found in Egypt, where reduction of tariffs and cancelling of import fees resulted in halving the simple average tariff rate to 20 per cent.

Full trade liberalization of agricultural commodities is estimated to have a beneficial effect on exports of specific agricultural commodities of some countries in the region. For example, Morocco's exports of fruits and vegetables to the EU are likely to increase by 53 per cent and 20 per cent, respectively, and its sugar exports by 13 per cent. Egypt's fruit and vegetable exports are also estimated to rise by 28 per cent and its sugar exports by 16 per cent. Tunisia's olive oil export could increase by as much as 80 per cent.<sup>17</sup>

Trade liberalization, however, bears an economic as well as a social cost—at least during the transition period—that not all NENA countries are able to afford. Studies have demonstrated that as a result of lower tariffs in agriculture, the terms of trade of net agricultural exporters will improve, while production of field crops and livestock and the terms of trade of net food importers will suffer. This is due to higher prices to be paid for food, coupled with the loss of income by agricultural labourers, usually the poor rural population. Trade liberalization should be seen from a longer-term perspective and in a broader context of resource allocation efficiency and contribution to economic growth.

Adapting to a regime of liberalized trade implies considerable social changes. While welfare at the national level may increase, the more vulnerable population segments might see their welfare decline. These include unemployed rural men and women and landless and poor small farmers with insufficient land to satisfy their household food needs. They will all face the challenge of paying a higher price for the food they purchase. The liberalization process therefore needs to be planned and phased with particular safety nets for the rural poor taken into account.

### III. Investment in Rural Areas

#### Public-sector investment in rural areas

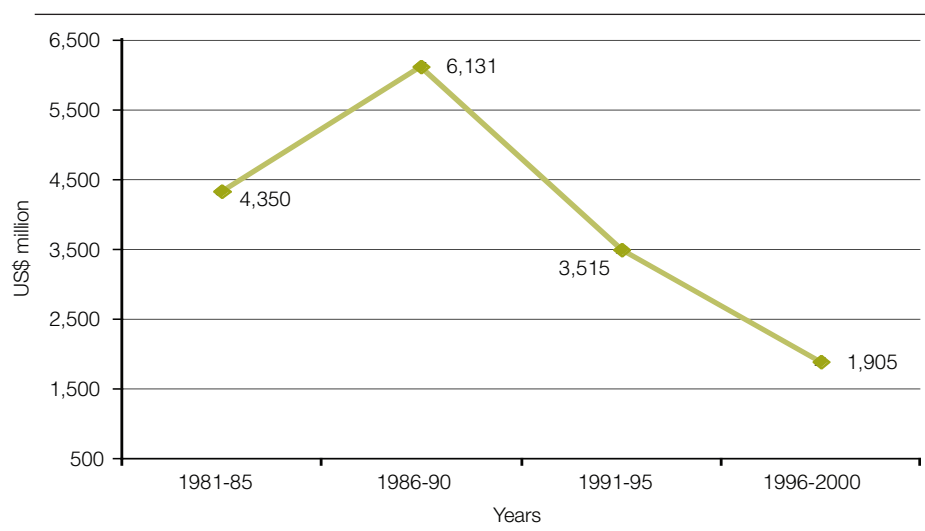
Recent data on public-sector investment in rural areas are lacking. Figure 3 (*FAOSTAT, 2006*) presents data on agricultural (not rural) public investments in the region until the year 2000. As shown in the figure, net average investment in agriculture in NENA declined from a high annual average of US\$6.1 billion in 1986/90 to US\$1.9 billion in 1996–2000.

There are several potential causes for the continuous decline in public investment in the agricultural sector. These include (i) the liberalization and economic reforms of the 1990s, which have dramatically reduced state involvement in the agricultural sector; (ii) an urban bias in public-sector investments and services resulting from an increasingly more vocal and politically powerful urban constituency; (iii) the impression that investment returns from the agricultural sector are low compared to other sectors; and (iv) growing budgetary attention to other needy social sectors, such as education and health. This is accompanied by the belief that agricultural productivity and growth should be driven mainly by the private sector. However, a broad array of agricultural-development literature demonstrates that public spending in the agricultural and rural sectors (such as in rural infrastructure, agricultural research, rural education, and supporting a better business environment in rural areas) is necessary to support growth and productivity enhancements in agriculture, and that the pay-offs from these investments in terms of broad-based poverty reduction in the rural areas are large.<sup>18</sup>

17/ N. Minot, M. Chemingui, M. Thomas, R. Dewina, and D. Orden, 2007, *Impact of Trade Liberalization on Agriculture in the Near East and North Africa*, IFPRI, Washington, D.C., and IFAD, Rome.

18/ World Bank, 2008, *World Development Report 2008—Agriculture for Development*, Washington, D.C.

**FIGURE 3.**  
NENA net average investment in agriculture (in constant 1995 US\$ million)



Source: FAOSTAT, 2006.

### Private investment in rural areas

Low public investment in the rural areas has a significant negative impact on private investment as well. Potential private investors in the NENA region are largely discouraged from investing in rural areas due to a number of factors, including: (i) poor rural—compared to urban —infrastructure base, including water, sanitation, heating, electricity, rural roads, and communication; (ii) inadequate access to rural finance; (iii) insufficient availability of local skills to fit labour market requirements; and (iv) recent competition with low-cost products from China, where rural enterprises, such as handicraft and textile industries, are well developed.

In the face of high unemployment, NENA governments are increasingly supporting the private sector's becoming a partner for development of small and medium-sized enterprises (SMEs) and the main driving force for job creation. Despite encouragements from governments, the response of the private sector has been slow. This is partly explained by the fact that government encouragement was not accompanied by measures to improve the enabling environment in terms of administrative simplification, improved physical infrastructure and income growth to sustain consumption.

### Remittances

Remittances sent by migrants to their home countries continue to be a powerful financial force in the NENA region. Jordan, Morocco and Lebanon receive remittances estimated at between 10 and 14 per cent of total GDP. Various studies in recent years have tried to better define the role of remittances in poverty reduction by studying their destination and use by recipients. Attempts have also been made to determine remittances' role in gross capital formation and economic growth. However, it is proving difficult to assess the volume and impact of remittances on the economy of migrants' countries of origin. The actual (as opposed to registered) amount of remittances in NENA cannot be estimated with precision, as a large proportion escapes the official channels of transmission (as it is often given by hand or provided in kind).

The Global Commission on International Migration (GCIM) estimates that formal transfer of remittances were worth US\$150 billion in 2004 (while perhaps US\$300 billion are additional informally transferred). The IMF estimates that (in 2003) about 18 per cent of remittances went to the Middle East and North Africa Region.<sup>19</sup> Lebanon alone is estimated to receive between US\$5 and 8 billion of remittances per year.<sup>20</sup> Saudi Arabia and other oil-producing countries in the region

19/ Note the IMF/World Bank MENA region includes Iran, Iraq, Israel, Libya, Malta and the Gulf States, and excludes Turkey, Somalia and Sudan.

20/ Source: FAO, November 2006, Lebanon Damage and Early Recovery Needs: Assessment in Agriculture, Fisheries and Forestry.

generated about US\$30 billion of remittances, more than the United States alone (US\$27 billion) and were far more dependent on immigrant labour. Saudi Arabia alone is the second largest remittance-sending country, at US\$15 billion. The World Bank projects that the amount of remittances in the Middle East and North Africa in 2006 will be US\$25.4 billion, of which half is estimated to remain in the region.<sup>21</sup> The non-oil-producing countries in NENA, who are important suppliers of labour, should benefit from at least part of this amount.

The long-term development effects of remittances are far from clear. There is no doubt, however, that they—being of direct benefit to the migrants' families—play an important role in raising incomes and living standards at the household level. Since most migrant workers come from poverty-stricken households in the region, it can also be safely assumed that remittances help alleviate poverty. Typically, a considerable portion of remittances are used for housing or home improvements (sanitation, running water), leading indirectly to better hygienic standards and increased economic activity in the community. Moreover, remittances are also invested in children's education and contribute to improving human capital at the household level. Investment in small businesses also increases income and has longer-term multiplier effects. IFAD is encouraging banks and micro-finance institutions to take an interest in remittances, as they constitute an important element for generating wealth through asset building.

21/ OPEC Fund for International Development, Raffer Kunibert, 3 October 2006, *Macro-economic Evaluations of Arab Economies: A Foundation for Structural Reforms*; OPEC Fund for International Development, Vienna.

# 2

## Dimensions of rural poverty

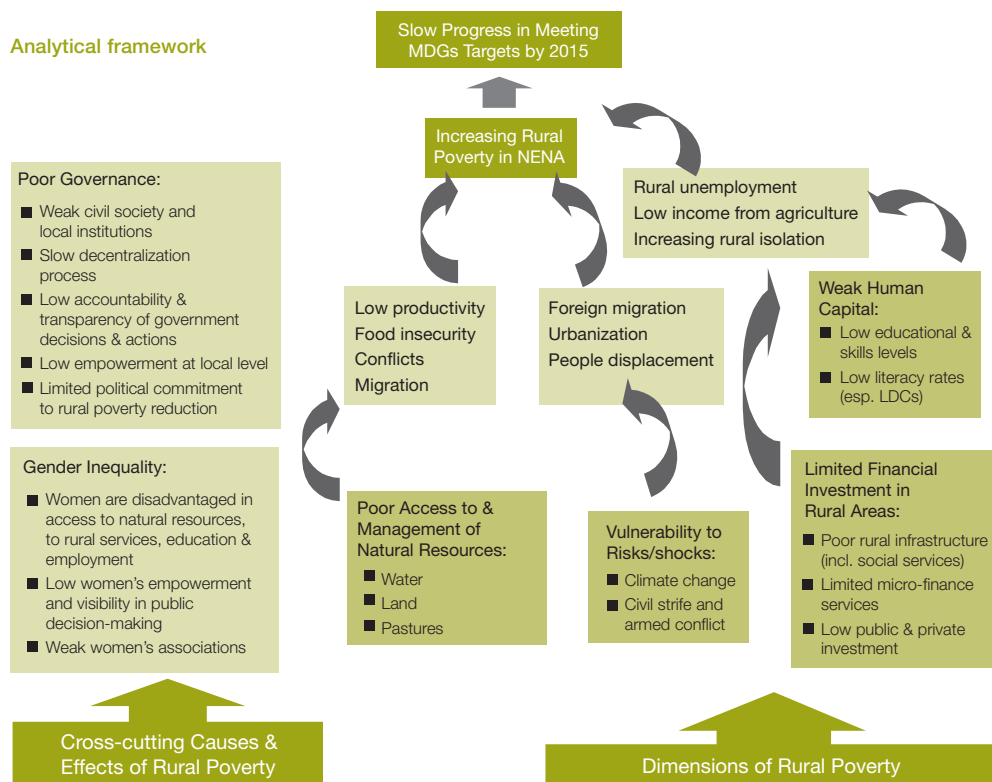
## I. Status and Trends of Poverty

### Measuring poverty

The main problem affecting the design of anti-poverty strategies and programmes in the NENA region is the insufficiency of recent and reliable data. The frequency of data collection and data reliability vary greatly from country to country. An additional methodological problem is inter-country inconsistency of existing data. Development agencies, research institutions, NGOs and the general public do not have easy access to poverty information. As a result, for some of the 13 countries included in this assessment (especially for Djibouti, Somalia and Sudan), data were circumstantial, outdated or nonexistent.

In an effort to capture the many and complex dimensions of human poverty in each NENA country, this report uses a number of composite indicators—which consider social and economic factors—to measure poverty. The UN human development index (HDI) is a summary composite index that measures a country's average achievements in three basic aspects of human development: longevity, knowledge and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge, by a combination of the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio; and standard of living, by GDP per capita (PPP US\$). The Human Poverty Index (HPI-1 for developing countries<sup>22</sup>) measures human deprivations in the same three aspects of human development as the HDI. Deprivations in longevity are measured by the probability at birth of not surviving to age 40; deprivations in knowledge are measured by the percentage of adults who are illiterate; deprivations in a decent standard of living are measured by (a) the percentage of people without sustainable access to an improved water source and (b) the percentage of children under-5 who are underweight. In addition, national and rural poverty lines are defined for each country on the basis of levels of income or expenditure.

Derived from IFAD's Strategic Framework 2007–2010 and taking into consideration the specificity of the NENA region, this assessment focuses on the dimensions of poverty that are said to play a key role in perpetuating and increasing vulnerability and human deprivation in the NENA region's rural areas. As shown in the diagram that follows, weak human capital, poor



22/ HPI-2 is used from selected high-income OECD countries.

access to and management of natural resources, vulnerability to risks/shocks, and limited financial investment in rural areas are the key factors of rural poverty in NENA, as they contribute to: low productivity; food insecurity; low incomes from agriculture and increasing economic isolation of rural areas; rural unemployment; civil conflicts; migration, urbanization or forced people displacement. Poor governance and gender inequality are also treated as central factors in increasing poverty, as they cut across and influence all aforementioned rural poverty dimensions. These dimensions, causes and consequences of rural poverty in NENA are discussed in detail in the remainder of this chapter.

### The incidence of rural poverty

Poverty in the NENA region is mainly a rural phenomenon. As shown in Table 3 (and Appendix Table 4), about 25 per cent of the region's overall population is estimated to be poor, of whom about 58 per cent live in rural areas. Furthermore, about 34 per cent of the total rural population in the region is estimated to be poor, compared to 18 per cent of the urban population (for key poverty data, see Appendix Table 4). Over the years, rural poverty is decreasing much more slowly than urban poverty. Countrywide figures, however, as presented in Table 3, conceal striking regional disparities in some countries. For example, Upper Egypt experiences a higher incidence of poverty compared to the Delta region, while in Turkey, the average per capita GDP of the eight poorest provinces—all located in the east or southeast—is less than 30 per cent of the national average.<sup>23</sup> In addition, pockets of high poverty are found within areas of low poverty incidence in some countries, notably in Tunisia and Morocco.

**TABLE 3.**  
Total and rural poverty in NENA countries (data from 2003–2006, depending on country)

	Human poverty index (HPI-1)	Human development index (HDI)	Total poverty	Rural poverty	Percentage of poor living in rural areas
	(Value: 0–100)	(Value: 0–1)	(% poor in total population)	(% poor in rural population)	
Algeria	21.5	0.722	12.1	14.7	53
Djibouti	30	0.495	74.4	83.0	16
Egypt	20	0.659	16.7	23.3	60
Gaza & West Bank	6.5	0.729	32.0	55.0	67
Jordan	7.6	0.753	14.2	19.0	27
Lebanon	9.6	0.759	N/A	N/A	N/A
Morocco	33.4	0.631	14.2	22.0	64
Sudan	31.3	0.512	60.0	85.0	81
Syria	14.4	0.721	11.4	14.8	62
Tunisia	17.9	0.753	4.1	8.3	33
Turkey	9.8	0.750	27.0	34.5	42
Yemen	40.6	0.489	35.5	40.6	83
<b>NENA average</b>	<b>20.9</b>	<b>0.654</b>	<b>25.3</b>	<b>34.3</b>	<b>58.1</b>

Various sources from 2003–2006: See Appendix Table 2 and 4 for more details.

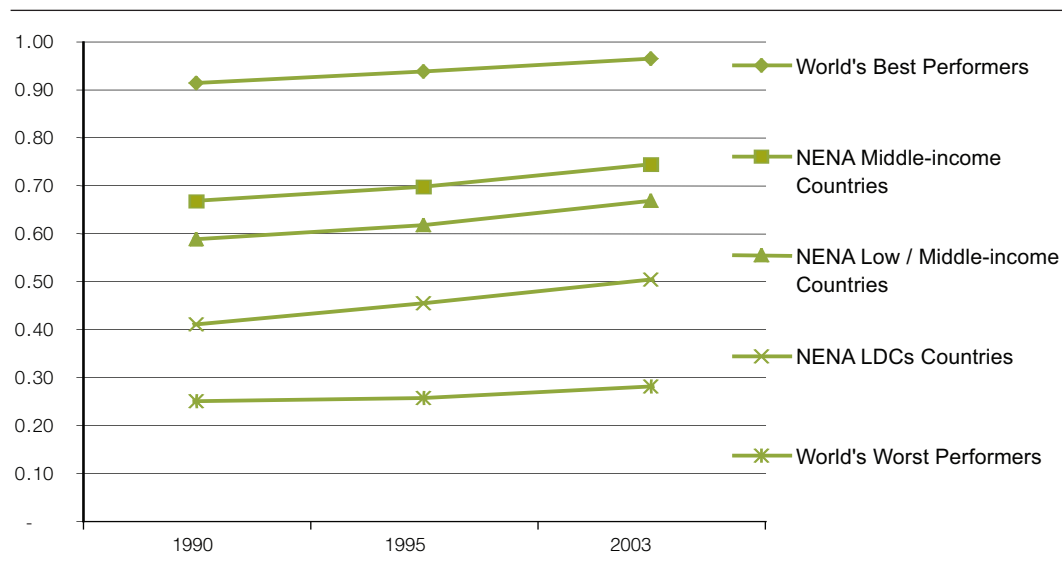
A close look at poverty reduction time series data shows that NENA has made less progress in reducing poverty compared to the best-performing countries in the world.<sup>24</sup> The reasons for this, as discussed earlier, can be found in the slow progress of policy reforms and trade liberalization, conflict, lack of effective decentralization and low public and private investments in areas with a high concentration of poverty—typically rural areas. Figure 4 shows the trend in HDI improvement in NENA over the last 13 years.

23/ IFAD, September 2006, Country Strategic Opportunities Paper (COSOP): Turkey (EB 2006/88/R).

24/ UNDP 2005, Human Development Report, New York.



**FIGURE 4.**  
Trends in human development index by country group (1990–2003)



Source: UNDP Human Development Indicators, 2005.

The causes of rural poverty in NENA are many, varied and complex in nature. Limitations and mismanagement of natural resources (land and water) combined with unstable climatic conditions may be considered the main economic and physical causes. As a corollary, the deficient physical infrastructure and financial services contribute to the perpetuation of poverty. Recent studies on the contribution of agricultural growth to poverty reduction show a strong statistical relationship between agriculture productivity and poverty reduction. Income inequality also affects the rate at which poverty is reduced. Assuming the same annual rate of growth of GDP, poverty would be reduced at a higher percentage when income distribution is more equally distributed than if income distribution were more unequal.<sup>25</sup> Empirical studies have also shown that distributional effects are more important for reducing poverty in middle-income countries, while growth is more important in LDCs. Furthermore, a number of non-economic dimensions are important in pinpointing the slow progress in reducing rural poverty in NENA. These include education, health services, sanitation and the promotion of organizations at the rural community level, including women's groups. These are discussed in detail under relevant sections. The symptoms of rural poverty in NENA, as elsewhere in the world, are manifested in vulnerability, exclusion and powerlessness—the erosion of people's capability to be free from fear and hunger and to have their voices heard. See "Profile of the Rural Poor," in chapter 3, for more details.

### Rural unemployment

Economic growth in recent years has not kept pace with the high population growth rates throughout most of the region. This has resulted in a steady rise in unemployment, particularly among the young new entrants to the job market and especially in rural areas. Appendix Table 5 provides available data. It is estimated that in the period 2005–2010, new entrants in the labour force will increase by 3 per cent annually,<sup>26</sup> entering a labour market that is unable to offer sufficient job opportunities. The average rate of unemployment in the region increased from 8 per cent in 1980 to 11 per cent in 1990. In 2000, it had reached 14.9 per cent. With the rise in oil prices and resulting GDP growth, regional unemployment declined to 13 per cent in 2004, but it is

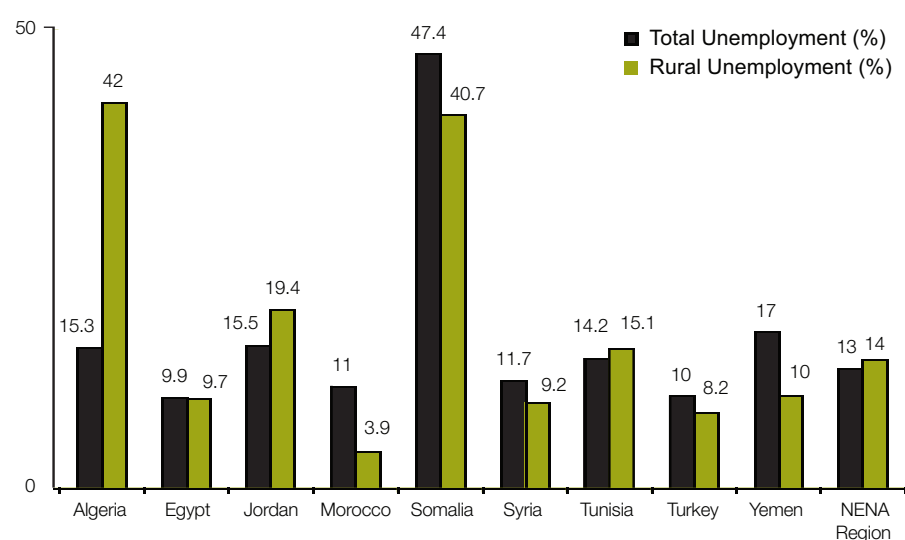
25/ F. Bourguignon, *The Poverty-Growth-Inequality Triangle*, World Bank, 2004; and R. H. Adams, Jr., *Economic Growth, Inequality and Poverty: Estimating the Growth Elasticity of Poverty*, World Bank, 2004, accessed 18 October 2006.

26/ World Bank projection.

questionable if this declining trend will continue.<sup>27</sup> National unemployment rates vary significantly from the region's average (see Figure 5). Djibouti had the highest unemployment rate in 2002, with 50 per cent, followed by Somalia, with 47.4 per cent, while more recent data for Gaza and the West Bank (2004) indicate an unemployment rate of 26.7 per cent. The fourth highest rate in the NENA region was recorded in Yemen, with 17 per cent.

Statistical data concerning rural unemployment are scarce. Figure 5 shows rural unemployment rates for selected countries where data is available, but chronological and methodological variations preclude comparisons between countries. On the basis of available data, rural unemployment in the NENA region averaged about 14 per cent in recent years, compared with an average overall unemployment of over 13 per cent. It is significant that these averages reflect unemployment situations in a number of NENA countries where rural unemployment is lower than urban unemployment. This may be explained by the incidence of disguised unemployment and underemployment in rural areas. It may also be related to rural-urban migration, which inflates unemployment rates in the cities where opportunities are increasingly becoming scarce. This could be interpreted as a transfer of poverty from the rural to urban and peri-urban areas.

**FIGURE 5.**  
Total and rural unemployment rates (data from 2001–2005, depending on country)



Various country data sources detailed in Appendix Table 5.

As mentioned earlier, in 2000, 58 per cent of the NENA population was under the age of 25. Estimates of youth unemployment range from 25.6 per cent by the International Labour Organization (ILO) (2005) to 53 per cent by the World Bank (2004). Unemployment figures for young women appear to be higher, affecting both unskilled workers and higher education graduates. According to the ILO, youth unemployment rates in NENA are the highest compared to any other region in the world.<sup>28</sup>

The female labour force participation in the NENA region is significantly lower compared to male participation, although it has steadily increased in recent years, partly due to a change in social attitudes, economic necessity and rising educational levels of women. In 2006, female labour force participation stood at about 30 per cent, compared to 77 per cent for males.<sup>29</sup> This

27/ World Bank, 2003: Trade, Investment and Development in the Middle East and North Africa: Engaging with the World, Washington, D.C. Note that this statement refers to the World Bank's MENA region.

28/ ILO 2006, Global Employment Trends Model,

29/ ILO 2006, Global Employment Trends Model, as reported in ILO Global Employment Trends for Women, Brief March 2007.

corresponds to about 37 economically active women per 100 economically active men, the lowest rate compared to all other regions in the world. The male labour force participation rate, on the other hand, has declined due to a lack of attractive job opportunities and longer education times. With growing unemployment, deterioration of wages and increasing poverty, men's traditional role as the sole breadwinner is no longer guaranteed. Despite these trends, only 2 out of 10 women of working age in the NENA region do work, compared to 7 out of 10 men.<sup>30</sup>

Meanwhile, women's unemployment rate of 17 per cent in 2006 is much higher than men's (at 10.4 per cent)<sup>31</sup>; the highest worldwide. Although slight progress was made during the past decade (18 per cent in 1996), high female unemployment persists. This can be related to the various socio-cultural barriers women face when looking for work. Women are more likely to work within the family-related farm or business, often without pay, or in the informal sector. The percentage of female unpaid workers to total female agricultural workers is 79 per cent in Yemen, 66 per cent in Syria, 60 per cent in Egypt and 45 per cent in Gaza and the West Bank. Even when remunerated, women receive a salary well below that of males. In Syria, for example, female salaries are 41 per cent that of male workers.

Child labour—a good indicator of poverty—is widespread in NENA rural areas, especially in the poorest countries. This issue needs to be addressed, as it keeps children out of school (see low primary school completion rates, Appendix Table 9), thus undermining their chances of improving their skills in order to: (i) move into more remunerative on-farm employment; (ii) be more capable of adopting productivity-enhancing agricultural technologies; and (iii) engage in stable non-farm employment. Adults unable to earn a decent wage to feed their families are more likely to push their children into on-farm or wage labour (at the expense of the children's education), thus reinforcing the cycle of poverty.

### Food security

As per FAO definition, "food security exists when all people, at all times, have access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life." Achieving food security is part of the MDGs. The level of food security and of hunger is measured by a series of indicators (see Appendix Table 6), including: (i) the national average per capita daily calorie intake; and (ii) the uneven access to food measured by percentage of undernourished population and by percentage of underweight children under 5.

The analysis shows that, at the regional level, NENA has achieved a relatively good level of food security and a lower prevalence of hunger compared with other regions, with average per capita daily consumption reaching 3,029 calories (compared to 2,798 in the world) and the undernourished population at 8.7 per cent (compared to 14 per cent in the world). However, two important features indicate that food security still represents a challenge in the region. First, the proportion of children under-5 who are underweight remains relatively high, at 14.1 per cent. Even in some middle-income countries such as in Morocco and Algeria, the figure reaches 10 per cent.

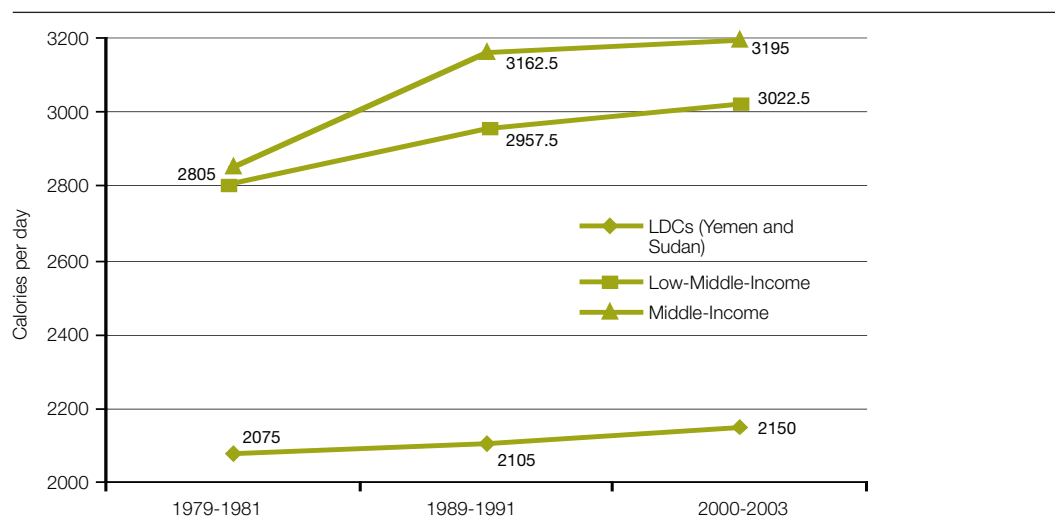
Second and more important, significant differences exist among countries in calorie consumption, as illustrated in Figure 6. The group of LDCs still remain highly food insecure, with the average per capita daily calorie consumption remaining at the very low level of 2,150 in 2000–2003. The undernourished population reaches 27 per cent in Sudan and 36 per cent in Yemen; the rate of undernourished children reaches 26 per cent in Somalia, 41 per cent in Sudan and 46 per cent in Yemen. To meet the MDGs targets, the region needs to reverse the rising trend of food insecurity experienced in the past decade.<sup>32</sup> Another problem is diet quality. While cereals and meat products are easily accessible in the region, fruits and vegetables are generally more scarce and expensive.

30/ Ibid.

31/ Ibid.

32/ FAO, *The State of Food Insecurity in the World, 2005*.

**FIGURE 6.**  
Trends in per capita daily calorie consumption (1979–2003)



Source: Appendix Table 6 (no data for Djibouti, Gaza and the West Bank,

Food insecurity affects vulnerable groups in the region such as nomadic pastoral communities, internally displaced persons, and the disadvantaged rural population as a whole. Vulnerable households have poor and unstable access to a sufficient quantity and quality of appropriate foods for a nutritious family diet. The direct influence of national food insecurity on rural poor households, especially in LDCs, is the risk of falling abruptly into food deficit when a shock (e.g., from conflict or climate change) occurs. For example, the combination of protracted conflict and natural disasters in Somalia has eroded livelihoods and caused structural food insecurity, population displacements and extreme poverty.<sup>33</sup>

In Sudan, about 60 per cent of the population suffers from poverty and food insecurity, while 27 per cent is reported to be undernourished. Conflict, compounded by climatic problems such as drought and floods, has caused severe food deficits, loss of livelihoods and major population displacements. Moreover, seasonal food shortage often evolves into chronic food insecurity. At the beginning of 2004, WFP and FAO estimated that 3.6 million inhabitants in Sudan were in need of food assistance, with internally displaced persons, refugees and returnees particularly exposed to food insecurity, health problems and insecurity<sup>34</sup>. After two decades of civil war, the Comprehensive Peace Agreement signed in early 2005 between the Government and Sudanese Population Liberation Movement, if it is consolidated, could open a new era of stability. Increased revenue from oil exports could boost the economy and have a positive impact on the food security and nutrition situation. The Second Intifada in Gaza and the West Bank—since September 2000—has also contributed significantly to increasing food insecurity.<sup>35</sup>

Yemen has witnessed a slight decline in per capita daily calorie consumption in the past decade (see Appendix Table 6). Conversely, in Egypt, major food groups are available and there has been an increase in the dietary energy supply over the last years. However, studies have revealed a misdistribution of the available food supplies, according to the different socio-economic classes. Food consumption studies have also shown that consumption of animal protein and animal fat is lower among rural than among urban populations.<sup>36</sup>

33/ Nutrition Country Profile: Somalia Nutrition Profile—Food and Nutrition Division, FAO, 2005.

34/ Nutrition Country Profile: Sudan Nutrition Profile—Food and Nutrition Division, FAO, 2005.

35/ Nutrition Country Profile: Palestine Nutrition Profile—Food and Nutrition Division, FAO, 2003.

36/ Nutrition Country Profile: Egypt Nutrition Profile—Food and Nutrition Division, FAO, 2003.

Overall, household food security varies by region and locality within a country. Food insecurity is most severe among households living in isolated or marginal areas (such as the very dry areas or mountain zones). In the course of its design work at the individual country level, IFAD collects data on food-insecure households and uses these data to target its interventions to the neediest households.

At the national level, one aspect of food security concerns the level of self-sufficiency in the production of staple food. All NENA countries, except Turkey and Syria, are far from being self-sufficient in staple foods such as wheat. On average in NENA, wheat production meets about 65 per cent of the region's needs. Turkey and Syria reach 100 per cent, North African countries range from 30 per cent to 50 per cent, and the remaining countries produce only about 10 per cent of their needs.<sup>37</sup> Basic grain insufficiency makes countries vulnerable to conflicts and/or embargos and leads to greater vulnerability among the poorest rural households, who need to find alternative sources of income to purchase grain. Imports of food and agricultural products in the NENA region are substantial, ranging from 11 per cent to 34 per cent of total goods imported. Unlike the LDCs, middle-income countries are able to purchase large quantities of food from abroad, thanks to revenues from oil (Algeria), tourism (Tunisia), remittances (Lebanon, Gaza and the West Bank) or a combination of exports.

### Migration and displacement

There is widespread seasonal, temporary and permanent migration in the NENA region. With regard to origin and destination of migrants, we can distinguish between the following main movements: (i) from rural to urban areas; (ii) from resource-poor to oil-producing countries within the region (with the flow originating mainly from Egypt, Gaza the West Bank, Jordan, Yemen and, to a lesser extent, Syria) to Gulf Cooperation Council (GCC) countries; (iii) internally displaced persons (IDPs) and refugees due to civil strife; and (iv) from the NENA region to Europe (with Egypt and the Maghreb being the main countries of origin). Some economic causes for migration in the NENA region include demographic pressures, lack of employment opportunities locally, small agricultural plots with insufficient production capacity, persistent adverse climatic

#### Box 1. Qat in Yemen

Qat (*Catha edulis*) is a shrub/tree whose leaves contain a mild stimulant, which are chewed by most Yemenis. Qat plays a major role in the Yemeni economy. It presently accounts for 8 per cent of GDP, 40 per cent of agricultural GDP, and 10 per cent of consumption expenditure, and nearly 15 per cent of the work force is employed in its production and marketing. In 2005, the area under qat amounted to 127,000 ha of mostly irrigated land (25 per cent of the irrigated acreage) and accounted for 30 per cent of the annual water usage. Qat plantation competes for land and water with food and export crops.

Qat presents a serious national dilemma because of its effect on the use of Yemen's limited agricultural resource base and its social and health implications. Qat production and marketing provide employment to about half a million persons (growers, distributors, transporters and sellers); it rewards its growers with high financial returns that are currently a multiple of likely alternative crops. A great number of the poor and low-income people consume qat at the expense of their basic needs while also incurring social and health costs. At US\$1.2 billion a year, qat accounts for 26 per cent of household expenditure, ranking second to food items. In addition, it is estimated that 20 million working hours are lost every day due to qat consumption habits.

The issue of qat is presently gaining a lot of attention in policy-making circles in view of the food-security issue facing Yemen as a result of recent steep rises in the prices of food imports and the resulting public outcry. The Government recognizes that qat is a complex national issue and that tackling it needs a coordinated national strategy built around national consensus on what needs and can be done.

Source: IFAD. Yemen COSOP (2008–2013). December 2007.

37/ FAOSTAT, 2006.

conditions such as drought, and better-paid labour in the cities. The main non-economic causes for expatriation include wars, conflicts and political persecution.

With regard to rural-urban migration (as discussed in the section on population, in chapter 1), in most countries of the region the urban population is increasing at much higher rates than the rural population (with the exception of Egypt). In Yemen, for example, the urban population almost tripled in the period 1975–1998, from 11.4 per cent to 31.4 per cent, and the capital Sana'a experienced a population growth rate of over 8 per cent between 1985 and 1995. In Egypt, Greater Cairo reached 24 million people in the early 2000s as a result of migration. Although more recent systematic statistical information at the regional level is not available, it is generally agreed that these trends persist, albeit to a lesser degree. Rural-urban migration is the result of a declining share of employment in agriculture and the real or perceived employment opportunities in the cities. It is also due to discrepancies in the provision of educational, health and other social services. The inflow of rural migrants has often been much larger than most urban economies could absorb, resulting in the growth of an informal sector that in some countries is of considerable proportions in terms both of non-agricultural employment and of national income (often unrecorded or under recorded). Nevertheless, remittances are an important source of income for the poor. In Morocco, for example, the World Bank has calculated that remittances represent as much as 30 per cent of the income of the poor.<sup>38</sup>

There are two major flows of long-term migration from NENA countries; namely to oil-producing countries and to Europe. The former is within the broader Middle East and North Africa region, from non-oil-producing countries towards oil-producing countries. Table 4 shows that the total number of migrants in NENA in 2002 was estimated at about 3.6 million. Two thirds of these originated from Egypt and Yemen. The destination of the majority of migrants was Saudi Arabia.

**TABLE 4.**  
Estimated foreign communities from NENA countries in oil-producing countries in 2002

Country of migration	Total migrants	Of whom, to Saudi Arabia
Egypt	1 455 000	1 000 000
Yemen	1 035 000	1 000 000
Jordan / Gaza and the West Bank	480 000	270 000
Syria	265 000	170 000
Sudan	250 000	250 000
Turkey	100 000	100 000
Total NENA	3 585 000	2 790 000

Source: Global Commission on International Migration (GCIM), *Migration in the Middle East and Mediterranean*, September 2005.

However, following economic, political and military developments in the region, oil-producing countries began to diversify their recruitment policies by attracting Asian rather than Arab workers. This resulted in massive and sometimes forced repatriations of Yemeni and other Arab workers to their homelands. This changing pattern of immigration has had an undeniable impact on the employment, income and poverty situation in the countries of origin of the repatriated workers.

The second important migration flow is to Europe. In 2002, Morocco and Turkey had the largest populations of expatriates in the European Union (2 and 3 million, respectively). These populations have been joined by migrants from Algeria and Tunisia, to make up large pools of labour migrants in Western Europe, most notably Belgium (Moroccans and Turks), France (Algerians, Moroccans and Tunisians), Germany (Moroccans and Turks), Italy (Moroccans and

38/ N. Al-Ali, July 2004, *The Relationship Between Migration Within and from the Middle East and North Africa and Pro-Poor Policies*; University of Exeter, Institute of Arab and Islamic Studies.

Tunisians), the Netherlands (Moroccans and Turks), Spain (Moroccans) and Sweden (Turks). According to a recent study by the International Organization for Migration (IOM),<sup>39</sup> about 2.7 million non-EU nationals are from Turkey, and approximately 2.3 million are from the Maghreb. Together, they account for nearly half of non-EU nationals living in the European Union.

War and conflict in the region are responsible for a large number of refugees and IDPs (see also “Civil strife and armed conflict,” in chapter 2). While the Palestinians are the oldest refugee population in the world, more recent wars and conflict have caused large numbers of people to flee their homes. As shown in Table 5, the largest number of refugees in NENA today originated in Gaza and the West Bank, Somalia and Sudan. An estimated 19 per cent of the world’s refugees and IDPs come from the NENA region. The registered number of displaced Sudanese alone (including refugees, IDPs and asylum seekers) has exceeded 1.5 million. By June 2006, UNHCR reported a total of almost 3 million displaced persons in the NENA region. It should be noted that these officially registered numbers represent an underestimation of real numbers, as they include only people assisted by UNHCR. The number of Sudanese IDPs is commonly estimated at 4 million. In addition, the numbers do not account for the recent outbreaks in Lebanon, Iraq and Somalia. IDPs are probably among the most vulnerable population groups and constitute an important share of the rural poor in the region. Finally, significant numbers of people also took refuge in some of the NENA countries, such as Jordan (which hosts a large number of Palestinians) and Syria (which, according to recent UNHCR estimates, hosts more than 1.2 million refugees from Iraq).

**TABLE 5.**  
Displaced persons in NENA region as registered by UNHCR (as of 2 June 2006)

Country of origin	Refugees (1)	IDPs (2)	Others (3)	Total
Algeria	12 006	–	1 392	13 398
Djibouti	503	–	218	721
Egypt	6 291	–	2 329	8 620
Gaza & the West Bank	349 673	–	7 069	356 742
Jordan	1 789	–	670	2 459
Lebanon	18 323	–	2 014	20 337
Morocco	2 920	–	463	3 383
Somalia	394 760	400 000	44 443	839 203
Sudan	693 267	841 946	32 001	1 567 214
Syria	16 281	–	7 023	23 304
Tunisia	3 129	–	365	3 494
Western Sahara	90 652	–	26 024	116 676
Yemen	1 325	–	425	1 750
<b>NENA</b>	<b>1 590 919</b>	<b>1 241 946</b>	<b>124 436</b>	<b>2 957 301</b>
World	8 394 373	6 616 791	5 740 718	20 751 882
NENA as percentage of world	19	19	2	14

Source: UNHCR, 2006, Global Appeal 2006: The Middle East—Recent Developments.

(1) Persons recognized as refugees by UNHCR.

(2) Persons displaced in their countries and assisted by UNHCR.

(3) Asylum seekers, returned refugees, various displaced persons.

39/ IOM, *World Migration 2005*, chapter 3, “Migration in the Middle East.”

## Health, hygiene and nutrition issues

### Health care and life expectancy

The region made extensive progress in the area of health care in 2005. Health expenditure represented 1 per cent of GDP in the LDCs, 1.5 per cent to 2.3 per cent in the low/middle-income countries and between 2.9 per cent and 4.3 per cent in the middle-income countries. The number of doctors per 10,000 inhabitants ranged from around 20 in the LDCs to more than 200 in Jordan and Egypt and 325 in Lebanon.<sup>40</sup> As a result, overall life expectancy in the region increased over the last decade. NENA also experienced further declines in fertility rates, which fell from 6.4 births per woman in 1970–1975 to 3.3 births per woman in 2000–2005 (see Appendix Table 7). This has been the result of higher female education and the availability of family planning policies.

The NENA region has seen a dramatic 75 per cent reduction in child mortality rates in the last three decades (see Appendix Table 7). According to UNICEF, the rate of this reduction has been more rapid than in any other developing region. Five countries in the region (Algeria, Egypt, Syria, Tunisia and Turkey) have seen an average reduction rate of more than 80 per cent since 1970, bringing their child mortality rates down to levels lower than 40 per 1 000 by 2004.<sup>41</sup> Meanwhile, child mortality rates in LDCs such as Yemen, Djibouti, Somalia and Sudan remain high, despite significant reduction rates. In these countries (and also in Iraq), an average of 1 in every 10 children dies before the age of 5. This points to an urgent need for these countries to intensify efforts to meet the MDGs. The situation in Somalia is particularly pressing where more than one in five children dies before reaching his fifth birthday (representing a mortality rate of 225 per 1 000). This is a result of civil insecurity and the absence of a central government, which has led to the collapse of the country's health-care system.

Furthermore, maternal mortality rates have decreased, to 186 per 100 000 live births. Still, maternal mortality rates, especially in the region's LDCs, remain high. In Sudan, more than five women per 1 000 live births die in childbirth. In Yemen and Morocco, the ratio is 3.5 and 2.3, respectively (see Appendix Table 7). As in other regions, there is a discrepancy in access to health care between rural and urban areas. Rural women are especially affected, as they generally marry at a younger age and have more children than urban women. Maternal mortality rates are considerably higher in rural than in urban areas.

### Safe drinking water and sanitation

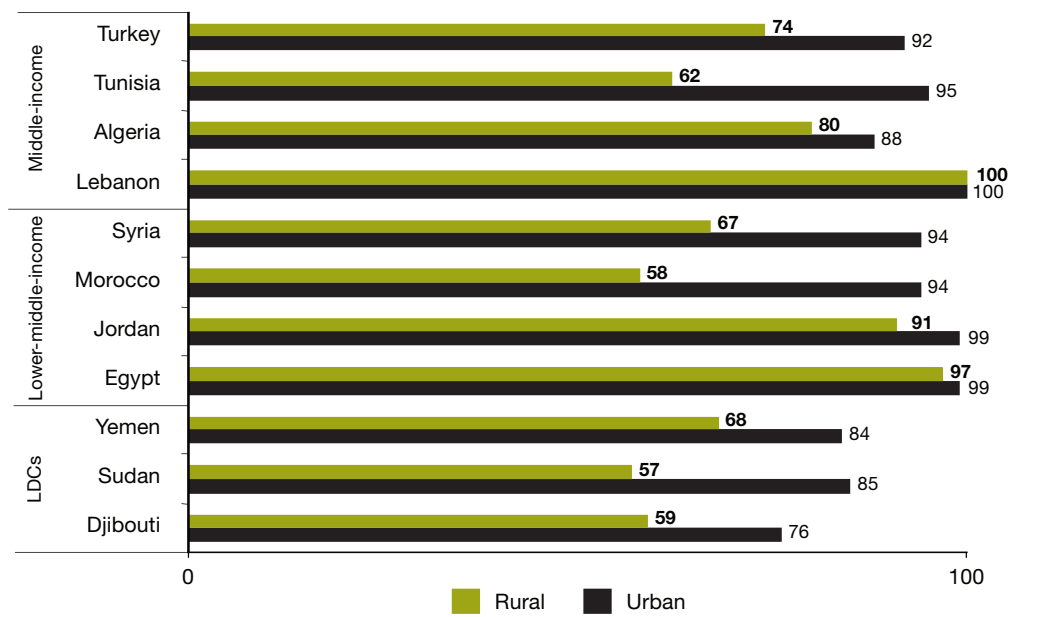
According to the UNDP Human Development Report, the percentage of the total population in NENA with access to safe water and sanitation facilities in 2004 was 62 per cent and 51 per cent, respectively, below the world averages of 83 per cent and 59 per cent respectively. As shown in Figures 7 and 8, access to such facilities is far worse in rural areas than in towns and cities. In the NENA region, an average of 91 per cent of the urban population has access to safe water and 63 per cent has access to sanitation, compared to 58 per cent and 39 per cent, respectively, of the rural population. The highest rural-urban disparities are found in Morocco, Yemen and Sudan (see also Appendix Table 8). In Morocco, for example, 94 per cent of the urban population has access to safe water and 87 per cent has access to sanitation, compared to 58 per cent and 27 per cent, respectively, of the rural population.

40/ UNDP, 2005, Human Development Indicators.

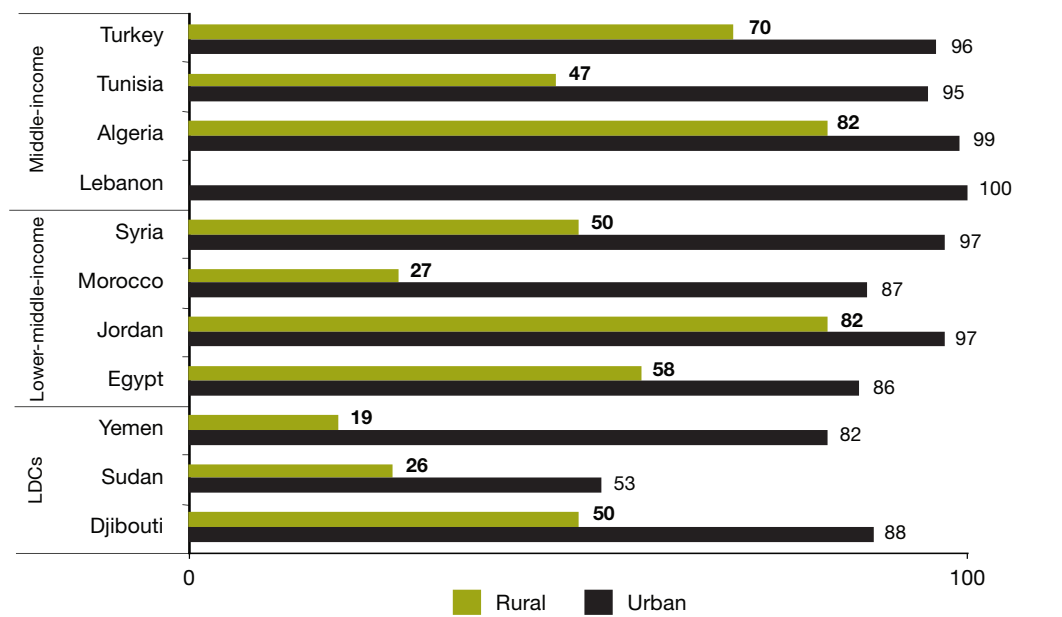
41/ Nutrition Country Profile: Somalia Nutrition Profile—Food and Nutrition Division, FAO, 2005.



**FIGURE 7.**  
Percentage access to safe water, rural/urban, 2004



**FIGURE 8.**  
Percentage access to sanitation, rural/urban, 2004



Source: UNDP Human Development Report 2005 (Appendix Table 8).

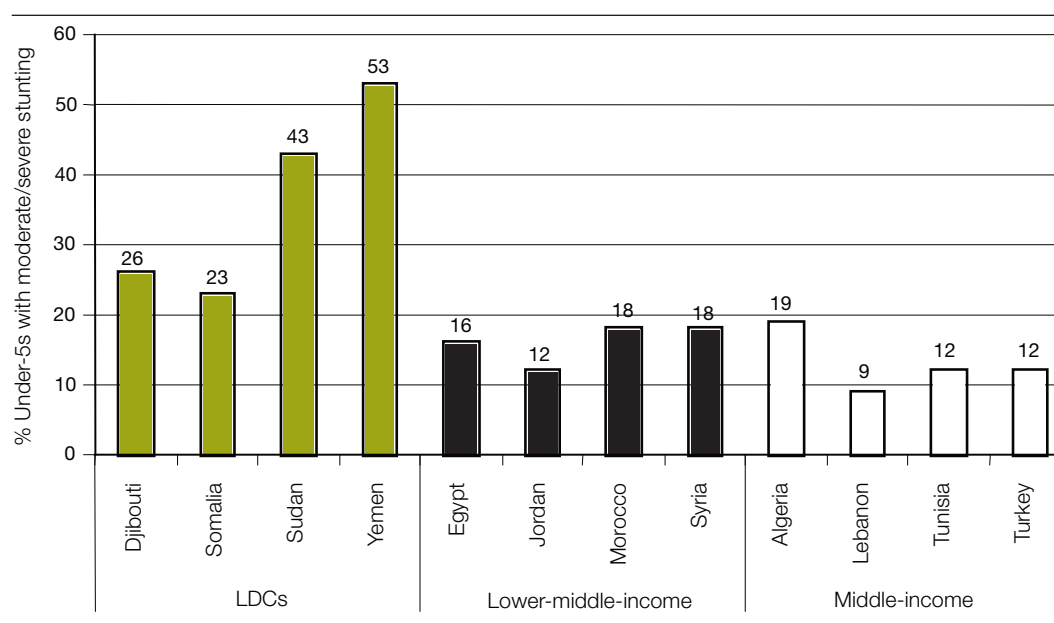
### Child nutrition

Child underweight prevalence in most countries in the region is 10 per cent or lower. Nevertheless, as reported by UNICEF, the overall proportion of underweight children increased between 1990 and 2004, and stunting levels remain high, particularly in the LDCs (see Figure 9 and Appendix Table 6). Progress in improving child health and nutrition has been slow, and insufficient to meet MDGs targets. In fact, six countries in the region are not on course to meet the MDGs targets for child nutrition.<sup>42</sup>

42/ UNICEF: Progress for Children: A Report Card on Nutrition, no. 4, May 2006 (analysis of underweight prevalence by place of residence and household asset quintile, based on survey data).

Regional statistics have been dragged down by children's plight in three populous countries: Sudan, Yemen and Iraq (not included in this assessment). In Sudan and Yemen, the proportion of underweight children is actually higher than in the early 1990s. The same trend is noted in Iraq. In Yemen, 46 per cent of all children are underweight, an estimated 53 per cent of children under-5 are stunted and 32 per cent of infants are born with low weight. In Sudan, where civil war has affected children's nutritional status, 41 per cent of children are underweight, an estimated 43 per cent of under-5s are stunted and 31 per cent of infants are born with low weight. Gaza and the West Bank, Syria and Tunisia are the fastest-improving countries. Gaza and the West Bank has reduced underweight prevalence to 4 per cent and, along with Lebanon, has reduced its prevalence of stunting to less than 10 per cent. Meanwhile, Tunisia has achieved universal salt iodization.

**FIGURE 9.**  
Percentage of moderate-to-severe stunting among children under-5



Source: FAO, UNICEF, <http://www.childinfo.org/areas/malnutrition/>. (See Appendix Table 6).

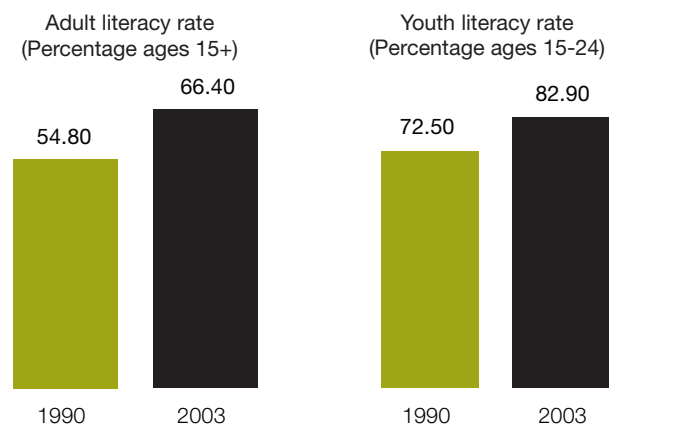
On the whole, children in rural areas of the region are 1.7 times more likely to be underweight than their peers in urban areas; and children living in the poorest households are more than twice as likely to be underweight as children living in the richest households. Little information is available on rural-urban disparities in child and maternal mortality. However, there are clear indications of higher mortality incidence in rural areas, due to inadequate provision of primary health care for women and children (see Appendix Table 7).

### Literacy and education

The NENA region has made tremendous strides in the provision of primary education over the past 25 years. As shown in Figure 10, this is reflected in a considerable increase in both adult and youth literacy rates in the region. Table 6 (see also Appendix Table 9) shows that Algeria, Egypt, Gaza and the West Bank, Jordan, Lebanon, Syria and Tunisia are all pushing close to universal primary education provision, with more than 93 per cent net primary school enrolment rates. At the opposite end of the spectrum are countries such as Djibouti, Somalia and Yemen, where the education system is not as developed and where even the impressive enrolment rates recorded in the region would be insufficient to ensure that all children are in school by 2015, as targeted by the MDGs.<sup>43</sup>

43/ UNICEF: Progress for Children: Gender Parity and Primary Education, no. 2, April 2005.

**FIGURE 10.**  
Adult and youth literacy rates in NENA (1990–2003)



Source: UNDP, Human Development Report 2005

The quality of education, school dropout rates and the gender gap remain issues in the region. Gender parity in primary and secondary education is a challenge, particularly in Djibouti and Yemen (as well as in Iraq), with all three scoring below or at 0.75 on the Gender Parity Index.<sup>44</sup> This is despite the huge advances in girls' education in recent decades. In Yemen, only 63 girls per 100 boys enrol in primary education. This, according to UNESCO and UNICEF statistics, places Yemen (alongside Djibouti and Sudan) among the countries in the world furthest from reaching the MDGs of gender parity in primary education.<sup>45</sup>

Table 6 shows persistently lower primary education completion rates (i.e. higher dropout rates) among girls than among boys across the region—with the exception of Jordan, where there is a disparity in favour of girls. From available country data, the lowest overall primary education completion rates accompanied by the highest gender disparities are recorded in Djibouti (34 per cent for boys, 24 per cent for girls), in Sudan (46 per cent for boys, 37 per cent for girls), and in Morocco (55 per cent for boys, 38 per cent for girls). In comparison, Algeria has almost reached gender parity both in primary education enrolment and completion rates (GPI: 0.99), while Egypt, Syria and Turkey are following suit. It is interesting to note that while in Tunisia girls enrol in primary education at a slightly higher rate than boys (GPI: 1.02), there is a visible disparity in completion rates favouring boys (GPI: 0.88), indicating that drop outs are especially a problem among girls. In addition to differences between countries, the urban-rural and rich-poor disparity in male and female literacy and school enrolment within each country continues to persist. In Syria, for example, the illiteracy rate among the poor amounts to 18 per cent; this was found to be the single characteristic with the strongest correlation to poverty risk. (Centre for World Food Studies [SOW-VU]. 2006. Syria Rural Poverty Assessment and Mapping).

44/ Gender Parity Index (GPI): Ratio of female to male values [or male to female, in certain cases] of a given indicator. A GPI of 1 indicates parity between sexes; a GPI between 0 and 1 means a disparity in favour of boys/men; a GPI greater than 1 indicates a disparity in favour of girls/women.

45/ UNICEF, 2005, Meeting the 2005 Gender Parity Goal: Where Do Countries Stand?

**TABLE 6.**  
Enrolment and completion rates: basic education in NENA

Indicator/ year	Net primary school enrolment ratio (%) <sup>46</sup>	Primary completion rate, boys (%)	Primary completion rate, girls (%)	Gender Parity Index (GPI): primary & secondary education <sup>47</sup>
Year	2004	2001	2001	2003 or 2004
Algeria	96	89.6	89	0.99
Djibouti	32	33.8	23.9	0.75
Egypt	94	97.5	91.5	0.94
Gaza & W. Bank	93	N/A	N/A	1.03
Lebanon	93	N/A	N/A	1.02
Morocco	87	55	38	0.88
Somalia*	14	N/A	N/A	N/A
Sudan	N/A	46	36.7	N/A
Syria	98	94.5	84	0.94
Tunisia	97	79	69.5	1.02
Turkey	89	93.2	86	0.85
Yemen	73	N/A	N/A	0.63
NENA region	88.4	82.68	75.22	0.90

\* Incomplete data for Somalia: Source: Somalia Human Development Report, 2001.  
Source: UNDP, Human Development Report. 2005: <http://hdr.undp.org/statistics/data>.

Despite low primary education completion rates, the past two decades have seen a continuous positive trend in equal access to education for women. There are clear indications that the literacy gap between young men and women (age 15–14) has diminished over the years (see Appendix Table 10). Jordan, for example, has almost reached universal literacy among both young men and women (99.1 per cent youth literacy, 0.97 women-to-men ratio). In comparison, Yemen's youth literacy rate in 2003 was 67.9 per cent, with a women-to-men ratio of no more than 0.34, one of the lowest in the world. In Morocco, the youth literacy rate in the same year was 69.5 per cent, with a women-to-men ratio of 0.62. The average women-to-men ratio in youth literacy in NENA (where data are available) is 0.80. These figures demonstrate that women in most parts of the region continue to be at a disadvantage in literacy achievements, which in turn translates into limited employment possibilities for women and their continuing relegation to a position of powerlessness in a region already characterized by strong cultural biases against them.

### Gender inequality

Gender disparities in terms of literacy and access to assets, capital, employment, and social (health, education, etc) and financial/productive support services (microfinance, extension), are discussed in detail throughout this report. This section discusses specifically the gender-related development index (GDI), a composite index measuring average achievement in the three basic dimensions captured in the human development index—a long and healthy life, knowledge, and a decent standard of living—adjusted to account for inequalities between men and women.<sup>48</sup> According to

46/ Refers to enrolment of the official age group for primary-level education, expressed as a percentage of the country's population in that age group.

47/ Ratio of female to male values. A GPI of 1 indicates parity between sexes; a GPI between 0 and 1 indicates disparity in favour of boys; a GPI of over 1 (as in Jordan and Lebanon) indicates disparity in favour of girls.

48/ It ranges from 0 to 1, with 1 indicating perfect parity. The following indicators are used: female life expectancy at birth, male life expectancy at birth, female adult literacy rate, female gross enrolment ratio (GER), male adult literacy rate, male GER, female estimated earned income, and male estimated earned income. (UNDP 2003) *Technical Note 1: Calculating the Human Development Indices*.

the UNDP's most recent Human Development Report (2005), the countries in NENA with low human development tend to have low GDIs, denoting greater gender disparities. As shown in Table 7, Yemen, Sudan and Morocco, with average human poverty indices between 30 and 40, have GDIs of 0.462, 0.492 and 0.615, respectively. Of the NENA countries with data available, none had GDI indices falling within the range typical of countries with high human development indices. Algeria, Jordan, Syria, Tunisia and Turkey had GDI indices falling within the range typical of countries with medium human development (between 0.702 and 0.745).

To further bridge the gender gap in NENA it is necessary to support women's education, employment, health and overall awareness of legal and social rights. It is also important to gain a better understanding of the division of labour between men and women in farming systems and to examine women's role as farmers, income earners and managers of agricultural resources, rather than perpetuating the older view of women as domestic workers. In line with the ongoing work to mainstream gender within projects,<sup>49</sup> IFAD needs to integrate women-related activities into efforts to promote community development and sustainable natural resource management. This will require assessing women's needs, mobilizing local support from women and associations to respond to those needs, and ensuring sustainability of project interventions in favour of women.

### Civil strife and armed conflict

At the time of the writing of this report, four of the 13 NENA countries were in a situation of armed internal or external conflict: Gaza and the West Bank, Lebanon, Somalia, and Sudan. As explained below, in some of these countries, it appears that rural poverty and/or competition over scarce natural resources is both a consequence and the major cause of the conflict. In addition, these conflicts, alongside civil unrest in Iraq, are having important consequences on other NENA countries, such as Jordan (influx of refugees), Yemen (decreased remittances) and Egypt. The direct impact of civil strife and armed conflict on rural poverty is enormous (see Boxes 2 and 3) and can be summarized as follows:

- Increased numbers of disabled people or direct loss of lives (typically among young men), leading to tremendous work load and vulnerability of wives or widows, who assume roles of main bread-winners or heads of household.
- Looting, destruction or burning of the main productive assets of the rural poor, such as tools, machinery, animals, storage and irrigation facilities, leading to grave food insecurity. Recovery of these assets is important to the rebuilding of rural livelihoods.
- Damaged rural infrastructure, including rural roads, irrigation, communication facilities, and storage facilities. This problem is compounded by the inability to repair or maintain such structures, due to the presence of mines or security alerts during the conflicts.

**TABLE 7.**  
Human development and gender parity in selected NENA countries (2004)

	Human poverty index (HPI-1) (Value: 0–100)	Gender-related development index (GDI) (Value: 0–1)
Algeria	21.5	0.713
Djibouti	30	N/A
Egypt	20	N/A
Gaza & West Bank	6.5	N/A
Lebanon	9.6	N/A
Morocco	33.4	0.615
Sudan	31.3	0.492
Syria	14.4	0.702
Tunisia	17.9	0.744
Turkey	9.8	0.745
Yemen	40.6	0.462

Source: UNDP Human Development Report 2005 (see also Appendix Table 4).

49/ Programme of Action to Assist IFAD Projects to Reach Rural Women in Near East and North African Countries, <http://www.ifad.org/nena/action/index.htm> 2006.

- Increased numbers of refugees and IDPs, who are highly vulnerable, constituting a new category of rural poor. According to UNHCR (see Table 5 on displaced persons in NENA region), as of June 2006, armed conflict in the region had created 1.6 million refugees and 1.2 million IDPs (both representing 19 per cent of world totals).

A large part of these immediate impacts are addressed by emergency/humanitarian efforts. Civil strife and armed conflict in the region, however, are having a much deeper impact on rural poverty, which would need to be addressed with longer-term interventions during reconstruction and rehabilitation phases, accompanying, facilitating, or following conflict resolution. The main challenges of such interventions are:

- The resettlement of returning IDPs and refugees—either in their former community or elsewhere—must be assisted so as to allow IDPs to regain their productive rural activities and to begin rebuilding their livelihoods. Humanitarian assistance is often needed during the resettlement period, followed by support to rebuild productive assets and training to enable IDPs to adapt to their new conditions.
- Reparation and maintenance of damaged rural infrastructure is essential for creating the conditions in which the war-affected rural poor can start re-establishing their daily lives, relying on basic economic activities.
- Public administration and other public and private institutions have collapsed or are extremely weak as a result of lasting conflicts. This is the case in Gaza and the West Bank, Somalia and southern Sudan. Basic institutions to support the rural poor need to be established or strengthened through capacity-building activities.
- Conflicting access to, or unsustainable use of, natural resources, both a cause and a consequence of armed conflict, must be addressed. Working out fair and negotiated access to natural resources and properties is essential to preventing conflicts between returnees and already resettled population groups.

### **Box 2. Gaza and the West Bank: The Impact of Conflict**

Indicators of health, education, gender, poverty and the environment have regressed since the start of the Second Intifada in September 2000. The political unrest has damaged the socio-economic infrastructure and shifted efforts from development and into relief and humanitarian aid. The severe restrictions on movement of goods and people, combined with the loss of jobs and incomes and the destruction of assets and property, have had a major impact on food security (1).

Gaza and the West Bank combines most of the conditions and causes of rural poverty in the NENA region: arid climate, scarce land and water resources, conflicting land use, competition over water, armed conflict, restricted access to markets, and a very high unemployment rate (reaching 27 per cent in 2005). As a result, the total poverty rate in Gaza and the West Bank—reported by the Palestinian Central Bureau of Statistics in the OCHA Consolidated Appeal Process 2007—is estimated to have climbed to 65.8 per cent; a much higher percentage compared to the 32 per cent reported by the UN Millennium Development Goals (2).

(1) Palestine Nutrition Profile—Food and Nutrition Division, FAO, 2003.

(2) This high poverty rate is based on income data from the 2nd quarter 2006 (compared to the "less than US\$1" poverty definition used in the UN Millennium Development Goals database).

### **Box 3. Sudan: Impact of Long-lasting Conflict on Rural Poverty**

The 21-year conflict in southern Sudan has killed about 2 million people, uprooted an estimated 4 million IDPs and forced 600,000 people to flee to neighbouring countries as refugees. More recently, in Darfur, the conflict has to date killed up to 300,000 people, forced hundreds of thousands to seek refuge in Chad and created 1 to 2 million IDPs.

These conflicts have contributed to aggravating rural poverty. Despite its relatively rich natural resources (land, water, fish and, more recently, oil), southern Sudan is considered one of the few poorest regions in the world that still depend heavily on food aid. The challenges ahead are enormous as the rural poor in most areas lack access to health, education, markets, infrastructure (rural roads, safe water), agricultural services and public administration.

### **Vulnerability to risks and external shocks**

Conflict, political turmoil and climate change are all factors that increase the vulnerability of the rural poor to risks and shocks beyond their control. Rising unemployment and the risk of job loss in these unstable economies add to that vulnerability. In line with IFAD's Policy on Targeting (September 2006, page 4 ), it is necessary "to support not only people who are chronically poor, but also those at risk of becoming poor because of vulnerability to such risks and external shocks." IFAD would need to make efforts to identify the most vulnerable households, using eligibility criteria defined and applied by the community.

As provided in the recent IFAD Policy on Crisis Prevention and Recovery (April 2006, page 4 ), "it is incumbent upon IFAD to help its target group increase their resilience to external shocks and their capacity to cope more effectively with crisis situations and to restore the means of livelihood that have been upset by crisis." Increasing resilience would require enhancing social cohesion and strengthening community capacities to mitigate foreseeable risks (man-made or natural crises) and to cope with unexpected shocks. Restoring livelihoods would involve complementing relief efforts (in harmony with other UN agencies, NGOs, and donors) with assistance in increasing agricultural productivity and in promoting access to natural resources, financial services and markets.

Evidence suggests that climate change will have significant impact on agriculture (through factors such as increased frequencies of droughts, floods, desertification, changes in rainfall patterns, and rising sea and river water levels). However, the precise impact at the country or sub-country level in the NENA region is still not clear and may be difficult to predict. The important factor to keep in mind is that climate change will lead to a greater level of variability and uncertainty, and that poor people will be most affected because of their limited capacity to cope with dramatic changes in their natural resource base. Institutions such as IFAD have a role to play in improving the adaptive capacity of their target groups (e.g. small farmers, livestock herders, artisanal fishers, women) to face the challenges of climate change and its consequences. This includes supporting the development of appropriate and location-specific technologies, management practices, financial schemes (e.g. crop insurance), and other risk-reducing mechanisms to decrease the vulnerability of these groups to climate change.

## **II. Reaching the Millennium Development Goals**

The MDGs consist of a series of commitments, organized around seven goals, to be reached in all signatory countries by 2015. Each goal consists of one or more targets, the achievement of which is assessed through 48 specific indicators. The evolution between 1990 (base year) and 2015 is monitored. For instance, the first goal (MDG 1) is to eradicate extreme poverty and hunger. It consists of two targets: (i) to halve, between 1990 and 2015, the proportion of people who are poor; and (ii) to halve, in the same period, the proportion of people who suffer from hunger. Five indicators are collected to measure the degree of achievement of these targets.

The purpose of this section is to assess the progress made in the achievement of the MDGs in the NENA countries through analysis from 1990 (or 1991, in some cases) until the most recent available year (2002 to 2004). Key data are presented in Appendix Table 11. Incidentally, the latest available data years coincide more or less with a halfway situation to reaching the full targets.

Consequently, the progress made is compared with half of the targets set under the MDGs. Figure 12 shows that a percentage of 100 indicates that, at halfway point, a country is on target, having achieved half of its final MDGs target. Due to a lack of data series to monitor trends, this section focuses on the following five indicators for which sufficient data are available<sup>50</sup>:

- **Indicator 5**—Proportion of the population below the minimum level of dietary energy consumption contributing to measuring MDG 1: “Eradicate extreme poverty and hunger.”
- **Indicator 6**—Net primary enrolment rate in primary education of female students, contributing to measuring MDG 2: “Achieve universal primary education.”
- **Indicator 13**—Under-5 mortality rate, contributing to measuring MDG 4: “Reduce child mortality.”
- **Indicator 30**—Percentage of the population using improved drinking water sources, contributing to measuring MDG 7: “Ensure environmental sustainability.”
- **Indicator 31**—Percentage of the population using improved sanitation facilities, contributing to measuring MDG 7: “Ensure environmental sustainability.”

The change over time of these indicators was analysed. In addition, a composite indicator was calculated by averaging the above percentages so as to provide an overall approximation of progress made towards the MDGs. The analysis revealed that in absolute values, poverty and other MDGs indicators are better in the NENA region compared to the rest of the world. For instance, in 2004, the under-5 mortality rate dropped significantly, from 91 per 1,000 to 46 per 1,000, and now compares favourably with the world average of 79 per 1,000. Access to education, safe water and sanitation is progressing in line with the MDGs.

However, the percentage of people suffering from malnutrition has been marginally diminished, from 9.3 per cent to 8.9 per cent, well below MDGs expectations. This represents only 20 per cent of the halfway mark for the NENA region. Some countries, such as Yemen and Jordan, have seen an increase in malnutrition rates. Compared with the other MDGs indicators, the rate of reduction in malnutrition is much slower than targeted, indicating a structural and persisting food insecurity problem in some countries, in some regions within countries, or among certain population strata within regions. The overall composite indicator is progressing well, albeit slightly slower than the target set by the MDGs.

Inevitably, the situation varies substantially among individual NENA countries. The analysis of country-specific data led to the identification of three groups of countries listed below. The progress for each group is presented in Figure 11 and Appendix Table 12.

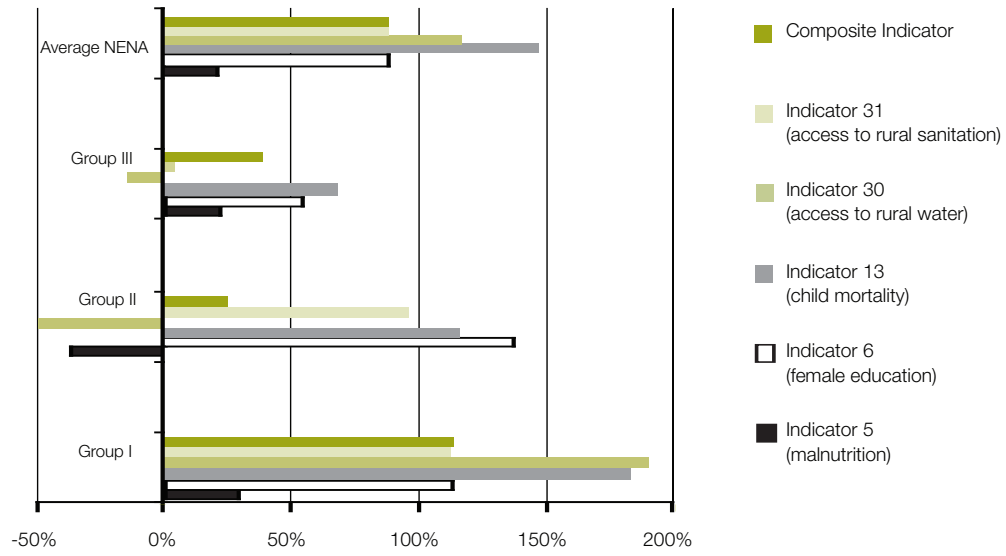
- **Group I**—Those with relatively good indicators, showing good progress, i.e. above or in line with MDGs targets. This group includes Egypt, Morocco, Syria, Tunisia and Turkey.
- **Group II**<sup>51</sup>—Those with relatively good indicators, showing little progress, below MDGs targets: Algeria, Jordan and Lebanon.
- **Group III**—Those with poor indicators, showing very little and slow progress: LDCs: Djibouti; Somalia, Sudan and Yemen. This reflects a worrying trend, namely that the poorest countries (those most in need of improvement) are those that show the least marginal progress in the achievement of the MDGs.

50/ The exact definition of each goal/target/indicator is provided in Appendix Table 11.

51/ The marked negative performance in access to rural water for Group II is driven mainly by a decrease from 89 per cent (in 1990) to 80 per cent access (in 2004) in Algeria, a country whose population represents about 80 per cent of the total population in that group. Indeed, Algeria is facing an increasing water crisis as a result of the combination of 10 years of drought (1995-2005), a lack of infrastructure to capture surface water (dams) and the excessive reliance on pumping water tables that have reached their maximum extraction level.



**FIGURE 11.**  
Achievement of MDGs halfway targets for selected MDGs indicators



Source: Appendix Tables 11 and 12.

# 3

## Constraints and opportunities for the rural poor

## I. Profile of the Rural Poor

At the household level, the number of dependents and the health and educational status of household members are major determinants of poverty levels. Fertility rates in the NENA region are declining but remain high, resulting in a high dependency ratio. As discussed earlier, life expectancy at birth is less than 61 years in the region's LDCs, indicating persistently poor levels of health. Illiteracy, despite considerable improvements, remains an issue in the rural areas, especially among the female population. Armed conflict adds to the vulnerability of poor rural households. As a result, the rural population continues to be less productive, has a poorer skills base and continues to be unprepared for the challenges of the new millennium, including free-market enterprise and globalization. It is cause for concern that halfway down the road to meeting the MDGs commitments (in 2015), the majority of NENA countries (except Egypt, Morocco, Syria, Tunisia and Turkey) have made slower progress in improving living standards than targeted by the MDGs.

For practical reasons and effective project targeting, IFAD identifies the rural poor in terms of their livelihood systems and/or shared characteristics, such as social group or gender. The major rural poor groups found in the NENA region in terms of production systems are the landless, farmers with small farm units, nomads and pastoralists, artisanal fishers and wage labourers. In terms of personal characteristics, the groups with the highest incidence of poverty are woman-headed households, unemployed youth and displaced persons. Box 4 gives a representative example of the characteristics of rural poverty in Syria.

The identification of different categories of rural poor is especially useful in the context of designing interventions to channel benefits to the most vulnerable. In this process, IFAD should consider the role of different categories of rural non-poor, who are competing for resources and political influence alongside these poor groups. For example, measures to support poor producers might have negative effects on pastoralists, labourers or even wealthier producers. A better consideration of local power dynamics among the various groups would assist in: (i) better predicting potential negative implications of project interventions; (ii) mitigating possible conflicts as a result of changes introduced; (iii) preventing elite capture of benefits; and (iv) developing differentiated approaches that would enable specific target groups to take better advantage of new opportunities.

### Box 4. Characteristics of Rural Poverty in Syria

Key findings from a recent survey on rural poverty in Syria indicate that:

- Poverty was generally more prevalent in rural than in urban areas. About 62 per cent of the poor lived in rural areas, but the greatest differences were geographic.
- Agriculture was over-represented within poor groups. In 2004, economic activity of 56 per cent of the rural poor was agriculture, and more than 77 per cent of the rural poor were landless but owned other assets, such as cattle, sheep, goats and poultry.
- Unemployment rates were correlated with poverty for Syria as a whole. Higher unemployment rates were experienced by the poor in both urban and rural areas.
- Education was the single characteristic with the strongest correlation to poverty risk. More than 18 per cent of the poor population was illiterate, and poverty was highest, deepest and most severe for these individuals.
- Female-headed households are vulnerable to economic shocks, as their sources of income are often irregular or insecure. Widows as heads of household, with children, are even more likely to be poor.
- Poverty measures correlate strongly with household size. Larger families are more likely to be poorer than small ones. The majority of the poor live in households with seven to nine people.

Source: SOW-VU, 2006, Syria Rural Poverty Assessment and Mapping.

### Major groups defined by livelihood system

#### Small farmers

Tenants and smallholders practicing rainfed agriculture on small farm plots are generally the poorest and most vulnerable farmers. While there is insufficient data to aggregate their numbers across the region, they probably constitute the majority of farmers. In Morocco, for example, roughly 85 per cent of arable land is not under irrigation. Aside from rainfed farmers, a considerable number of small farmers on irrigated land are also poor, due to their weak asset base. Most vulnerable of all, however, are farmers with insecure land tenure: those who farm as tenants or sharecroppers. The livelihoods of small farmers generally depend on a variety of sources, including rainfed tree crops, limited amounts of cereals grown for their own consumption (such as wheat) or animal consumption (such as barley) and small livestock that enhance household nutrition and supplement crop income. In Egypt, for example, smallholder households typically have access to less than 3 *feddans* (1.5 ha) of land and keep an average of one large and three small ruminants. They have to supplement their incomes from wage labour and internal migration, as their agricultural work provides, at best, only half of their staples.<sup>52</sup>

#### Nomads and pastoralists

The NENA region houses a large number of pastoralists. They depend on natural rangelands and are most prevalent in Algeria, Jordan, Morocco, Somalia, Djibouti, Sudan, Syria, Turkey and Yemen. Pastoralists in these countries are poor herders, who typically keep a few camels and some small ruminants (sheep and goats) and reside/move in very arid zones. These include: (i) settled pastoralists who generally raise around 50 animals; (ii) semi-nomads travelling limited distances with about 120 animals; and (iii) nomads with about 200 animals who are part of extensive transhumance systems. Small Bedouin herders in Syria, for example, own a small ruminant herd of 50 to 100 sheep and/or goats as their major source of income. Some may derive additional income from other sources, such as working abroad or within the Badia for larger stock owners, or being involved in trade. Often these small herders experience loss of animals due to drought.<sup>53</sup> In Djibouti, the majority of the rural poor are made up of pastoralists.<sup>54</sup>

#### Artisanal fishers

Artisanal fishers can be broadly defined as the traditional fishers who exploit small-scale fisheries extending some 4 to 12 km from the shore. They operate with wooden or fibre reinforced 5-to-11-meter plastic boats, typically shared by small groups of four to seven members. The boats are typically open and single-deck, powered by small outboard engines of 15 to 40 horsepower. Artisanal fishers reside in small fishing communities that dot the shores of the more than 7,000 km of coastline in Yemen, Syria, Lebanon, Sudan, Egypt, Tunisia, Algeria and Morocco. These communities receive practically no social services and many live in destitution.

#### Landless and wage labourers

This group includes a growing number of agricultural and non-agricultural workers. Many are members of farm households with insufficient land or water resources to support all family members. Others have no land at all. In some areas there is a strong predominance of landless wage labourers over farmers, who make their living working for daily wages off-farm or on the farms of larger landowners. In Egypt, for example, labourers are usually engaged in daily wage labour in agriculture or construction, internal migration to urban areas, and petty trading. They find work for about 10 days a month. They have insignificant numbers of livestock, usually only domestic fowl,

52/ IFAD, 22 March 2006, *Country Strategic Opportunities Paper (COSOP) Egypt*, (EB 2006/87/R.10).

53/ IFAD, 12 January 2006, *Draft Country Strategic Opportunities Paper (COSOP) Syria*.

54/ IFAD, November 2001, *Country Strategic Opportunities Paper (COSOP): Djibouti*.

which are used for home consumption but more frequently are sold when the need for cash is particularly acute. Rural households headed by wage earners tend to dominate the lowest expenditure groups in some countries. In Morocco, for example, the rural poor -- landowning or not — rely more on wage income than on cultivation of their own land. In Jordan, most small farm households reported relying on wage labour income to survive. In rural Egypt, labour typically accounts for 85 per cent of household income among the poor.<sup>55</sup>

### Major groups defined by personal characteristics

#### Women-headed households

The number of woman-headed households in NENA is increasing because of extensive male migration, the increased number of disabled males (due to conflict), widowhood and divorce. On average, these households tend to be considerably poorer and more vulnerable than households headed by men. In Turkey, for example, poverty rates are higher among households headed by women (32 per cent) than those headed by men (26.6 per cent).<sup>56</sup> According to the previous IFAD Rural Poverty Assessment, woman-headed households in the mid-1990s constituted 5 to 20 per cent of all rural households in the region. The percentage of woman-headed households was highest in Sudan, at 23.8 per cent, while in Egypt and Morocco it was 17 per cent.

According to a recent study of the socio-economic characteristics of woman-headed households in Egypt,<sup>57</sup> 62 per cent of women who head families are widows. The illiteracy ratio for woman-headed families (73 per cent) is higher than the ratio for the entire population of rural women (63.3 per cent). A total of 42 per cent of woman-headed households have cash incomes of less than LE 1,200<sup>58</sup> per year, and 30 per cent have cash incomes that range between LE 1,200 and 1,800 per year. About 80.5 per cent of woman-headed households in rural Egypt have no landholding. In this respect, liberalization of the land-rental relationship has pushed some woman-headed tenants out of their agricultural landholdings.

#### Rural unemployed youth

As mentioned earlier, in a region with a very young population (58 per cent under age 25) estimates of youth unemployment are very high (see chapter 2). Economic growth in recent years has not kept pace with the high population growth rates throughout most of the region. The resulting rise in unemployment has particularly affected the young new entrants to the job market, especially in the rural areas. Unemployment figures for young women appear to be even higher. This segment of the population often has inadequate education and skills. In 2003, youth illiteracy was 17 per cent, with a 0.80 girls-to-boys ratio. According to the ILO, the youth unemployment rate in the Near East and North Africa<sup>59</sup> stands at 25.6 per cent, which is the highest compared to any other region in the world.<sup>60</sup> In comparison, the rates for other regions are: sub-Saharan Africa (21 per cent), the transition economies (18.6 per cent), Latin America and the Caribbean (16.6 per cent), South-East Asia (16.4 per cent), South Asia (13.9 per cent), the industrialized economies (13.4 per cent), and East Asia (7 per cent). According to the same report, labour force participation rates for young people are by far lowest in the Middle East and North Africa (39.7 per cent) compared with sub-Saharan Africa (65.4 per cent) and East Asia (73.2 per cent).

55/ IFAD, 22 March 2006, Country Strategic Opportunities Paper (COSOP): Egypt, (EB 2006/87/R.10).

56/ IFAD, September 2006, Country Strategic Opportunities Paper (COSOP): Turkey (EB 2006/88/R).

57/ M. Ahmed, and M. Zakaria, 2004, Socio-economic situations of female-headed households in rural Egypt, FAO.

58/ US\$1 = 6.3 LE

59/ Referring here to the region as defined by the ILO, which is slightly different from the IFAD definition.

60/ ILO, Global Employment Trends Model, 2005; <http://www.ilo.org/trends>.

### Displaced persons

As discussed in chapter 2, sizeable numbers of poor people have been displaced or live in post-conflict situations in the region. The largest number of refugees in NENA today originates from Gaza and the West Bank, Somalia and Sudan. In addition, the region includes Yemeni returnee emigrant workers, recent Iraqi refugees in Jordan, and Lebanese farmers whose farms were destroyed during the latest war with Israel. An estimated 19 per cent of the world's refugees and IDPs come from the NENA region.

These people are probably among the poorest and most vulnerable population groups and constitute an important share of the rural poor in the region. The percentage of women and children in these communities is relatively higher than in more settled communities.

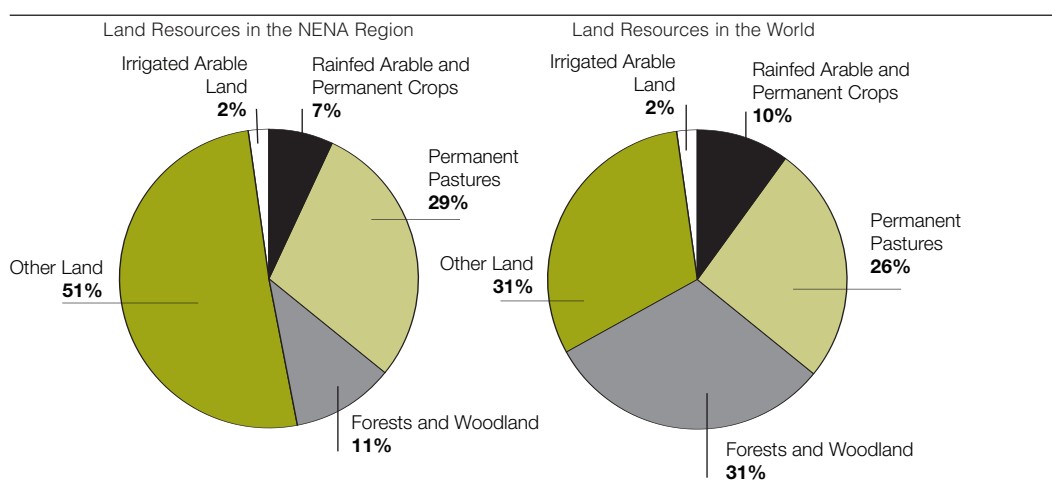
## II. Natural Resource Constraints

### Climate and land resources

All countries in the region are very arid, with high temperatures and an annual precipitation of less than 300 mm. Exceptions are found in Turkey (593 mm per year on average), Lebanon (661 mm) and the southern Sudan (from 600 to 1,500 mm in the extreme south). Vast areas are desert—such as the Saharan parts of the Maghreb and the Arabic peninsula—while most of the remaining land is used as rangeland, which is of relatively poor quality. Rainfed arable land is also of poor productivity, making supplementary or full irrigation a prerequisite for more intensive production practices. Here, too, exceptions are found in some parts of Turkey and southern Sudan.

Appendix Table 13 and Figure 12 present the structure of land resources in the NENA region and compare them with world averages: main features are summarized in the form of the graphs that follow. Total area is divided into three categories: agricultural land; forest and woodland; and other land. Agricultural land includes arable land (irrigated land and rainfed arable land), permanent crops and permanent pastures. The NENA region is characterized by a scarcity of arable land for permanent crops, which, with 78 million ha, accounts for only 8.9 per cent of the total area (compared to the world average of 11.5 per cent). In addition, this regional average includes Turkey and Sudan, which have much fewer problems of land availability and together represent 56 per cent of arable land in the region. In turn, countries such as Algeria, Egypt, Jordan, Somalia and Yemen have arable land resources that represent less than 5 per cent of total land area. While both the world average and the NENA average are around 0.25 ha per capita, Djibouti, Egypt, Jordan, Lebanon and Yemen have less than 0.1 ha of arable land per capita.

**FIGURE 12.**  
Land resources in the NENA region compared with the world



Source: FAOSTAT, 2003 data (See Appendix Table 14).

The scarcity of forest and woodland in NENA is even greater. These represent only 11 per cent of total land area, or one third of the world average. In contrast, permanent pastures represent 29.4 per cent of total area, above the world average of 25.6 per cent. Important grazing areas are available in most NENA countries; however, they are of low quality. Pastures and rangelands have been adversely affected by encroaching urban and rural communities, and by past government policies that encouraged barley production, overgrazing and mechanization with unsuitable land-preparation implements. Furthermore, confusing rangeland tenure policies and weak social organizations have made it difficult to develop effective common-property-management programmes to encourage beneficiaries to use and maintain the rangelands in a more sustainable manner.

FAO estimates that between 70 and 80 per cent of the estimated total potential cultivated land in NENA is already cropped (see Appendix Table 13 for detailed data). This leaves limited scope for future expansion. As a result, new land put into cultivation will be seriously constrained by difficult soil, climate and slope conditions and at increasing risk of environmental degradation.

#### Water resources

As a result of low precipitation levels, hot temperatures and resulting evaporation, NENA is by far the most arid region in the world. Total renewable water resources are measured at an average of 432 billion m<sup>3</sup> per year, which represents less than 1 per cent of the world's total, while the population represents about 5 per cent of the world population (see detailed data in Appendix Table 14 ). Indeed, renewable water resources are estimated at 1,346 m<sup>3</sup> per capita, which corresponds to only 19 per cent of the world average of 7,045 m<sup>3</sup> per capita.

Total annual water withdrawals are estimated at about 197 billion m<sup>3</sup>, which corresponds to about 45.5 per cent of renewable resources. This is an extremely high percentage compared to the world's average of 8 per cent (Asia 12 per cent and Africa 4 per cent). Three countries in the region (Egypt, Jordan and Yemen) extract more water than can be renewed, resulting in depletion of water resources. Yemen presents the most serious problems of water resource depletion in the region (see Box 5). The main consumer of water is irrigation, which absorbs an impressive 86 per cent of water use in the region on a total land area of about 15.1 million ha. However, the competition between irrigation and water use for non-agricultural activities, such as domestic and industrial purposes, is increasing, which sharply reduces the scope for irrigation expansion.

The significant water resource limitations translate into immense demands on poor households' time and income. For example, in disadvantaged rural areas of Syria, women spend three to four hours each day fetching water. In Sudan, some poor families in the area of En Nahud claimed they spent up to 50 per cent of their entire cash income on drinking water. This reality calls for a pressing need to improve water-harnessing technologies and the efficiency of water use in general and of irrigation systems in particular, with a combination of activities on the demand and supply side as outlined in the last chapter of this report.

#### **Box 5. Yemen: Extreme Depletion of Scarce Water Resources**

Yemen is probably the country where aquifers (most of them non-renewable) are depleting most rapidly in the world. In Sana'a Basin, extractions of water by pumping exceeds by four times the recharge of the water table. The main reason for this is the dramatic development of irrigation (400,000 ha today against 37,000 ha in 1970) driven largely by the development of qat production, which occupies half of the irrigated land in Sana'a Basin. This is made possible by the rising demand for qat, past Government subsidies for irrigation development and the very low water fees.

On the economic side, this development leads to increased rural incomes in the areas concerned. However, on the social side, the impact on rural poverty is much less significant, as benefits are unevenly distributed in favour of better-off farmers with the means to extract more water. On the environmental side, this is entirely unsustainable to the point where even the potable water supply of the capital Sana'a is at risk, despite efforts to improve water demand and water supply management.

### Environmental issues and climate change

The scarcity of land and water resources combined with human pressure on existing resources has led to important environmental problems in the region. On the whole, the region suffers gravely from problems of declining soil fertility and desertification, which are also exacerbated by climate change. The fertility of some arable and grazing land is decreasing due to overuse or overgrazing, wind and water erosion, and overall mismanagement. An estimated 70 per cent of NENA rangeland is considered at serious risk of degradation. Rangeland in the Maghreb has decreased by 10 to 13 per cent since the mid-1970s. It is estimated that, in the 1970s, about 70 per cent of the feeding requirements of small ruminants were satisfied by rangeland. In the 2000s, this has decreased to between 10 and 40 per cent, depending on the country.<sup>61</sup> It is expected that climate change will worsen the environmental situation unless mitigation measures are adopted very soon.

Other worrying trends of deteriorating environmental conditions include: (i) the very high use of chemical fertilizers in several countries, including Egypt, Gaza and the West Bank, Jordan, and Lebanon; (ii) the excessive pressure on water resources, which has resulted in aquifer pollution and salination, or aquifer depletion (e.g. the Nile Valley, the Jordan Valley, Yemen's Sana's Basin [see Box 5]); and (iii) the high frequency of drought in countries such as Morocco and Tunisia, which depend on rainfed agriculture for most of their domestic food crop production.

## III. Challenges of the Agricultural Sector

### Farming systems and poverty

The early development of irrigation-based civilizations in much of the region has laid the foundation for intensive agricultural systems still in use today. In addition, a significant number of pastoralists are found in the region, moving seasonally between low and high altitudes in mountainous areas and between wet zones and dry steppes.<sup>62</sup> In these conditions, poverty in the region is largely conditioned by access to scarce resources, namely good quality land and water (which are often interlinked). The consequences of the scarcity of these resources are relatively few crop and livestock options, low productivity levels (see next section) and continuing deterioration of natural resources.

An FAO–World Bank study seeks to correlate rural poverty with types of farming systems, in order possibly to identify geographical areas of priority intervention for addressing rural poverty. The study identifies nine main farming systems in the NENA countries, as indicated in Table 8. This analysis should help target interventions aiming to reduce poverty in the NENA. For instance, interventions could be targeted to entire regions covered by the highland mixed farming system or the agro-pastoral millet-sorghum farming system. Additionally, benefits could be targeted more specifically to smallholders living in the areas covered by the dryland mixed system or those living in pastoral areas.

### Cropping patterns

The most striking feature in the cropping patterns of NENA countries is the lack of diversification and the importance of grain (Appendix Table 15). This is conditioned by the aridity of the region. The most important grain crop is wheat, followed by barley, sorghum (largely in Sudan), millet and maize. Altogether, grain crops occupy 66 per cent of the total cropped area in NENA, compared with 46 per cent in the world. Despite this, the region is far from being self-sufficient in grain production. Figure 14 presents the average cropping patterns in NENA compared to world averages.

As shown in Figure 13, the areas under fruit and vegetable production—the highest value-added crops—make up about 10 per cent of the total cropped area, which is in line with world

61/ FAOSTAT, 2006.

62/ This section draws partly on FAO and World Bank, 2001, *Farming Systems and Poverty: Improving Farmers' Livelihoods in a Changing World*.



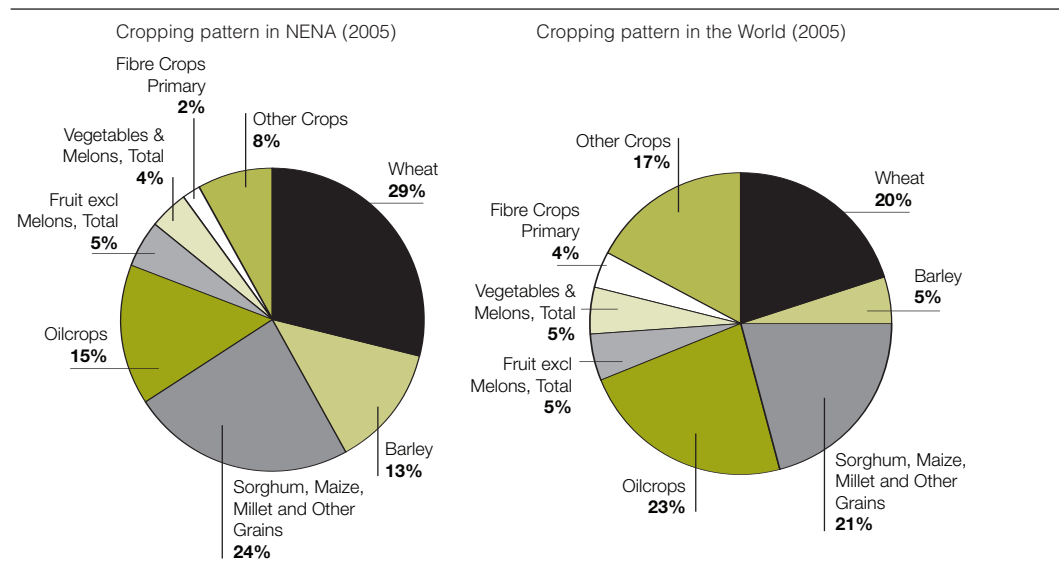
**TABLE 8.**  
Farming systems and prevalence of rural poverty

Farming system	Main NENA countries	Principal production concerned	Prevalence of poverty
Highland mixed	Yemen, Morocco	Cereals, legumes, sheep	Extensive
Agro-pastoral millet-sorghum	Sudan, Somalia	Sorghum, millet, pulses, cattle, sheep and goats	Extensive
Dryland mixed	All countries except Sudan, Somalia and Turkey	Cereals, sheep	Extensive for small farmers
Pastoral	Most countries	Sheep, goats, barley	Extensive for small herders
Irrigated	All countries	Fruits, vegetables, cash crops, cereals	Moderate
Coastal artisanal fishing	Most countries	Fishing	Moderate
Small-scale cereal livestock	Turkey	Wheat, barley, sheep and goats	Moderate
Rainfed mixed	Algeria, Jordan, Morocco, Tunisia	Tree crops, cereals, legumes	Moderate for small farmers
Sparse (arid)	Most countries (about 50–60 per cent of all territory), except Turkey	Extensive camels, sheep	Limited
Cereal root crop mixed	Sudan	Maize, sorghum, millet, roots, cattle	Limited

Source: FAO/World Bank, 2001, Farming Systems and Poverty: Improving Farmers' Livelihoods in a Changing World. Adapted to IFAD's NENA region.

averages. However, this share accounts for only 2 per cent in Sudan and 6 per cent in Somalia. On the other end of the spectrum, countries with a long tradition of irrigation, favourable climatic conditions and well-established markets produce much larger quantities of fruits and vegetables: Egypt (20 per cent of cropped area), Jordan (28 per cent), and Lebanon (37 per cent). Finally, the production of other crops (such as oil and fibre) is much lower in the NENA region compared to the world. The share of such crops amounts to 25 per cent of the total cropped area in NENA

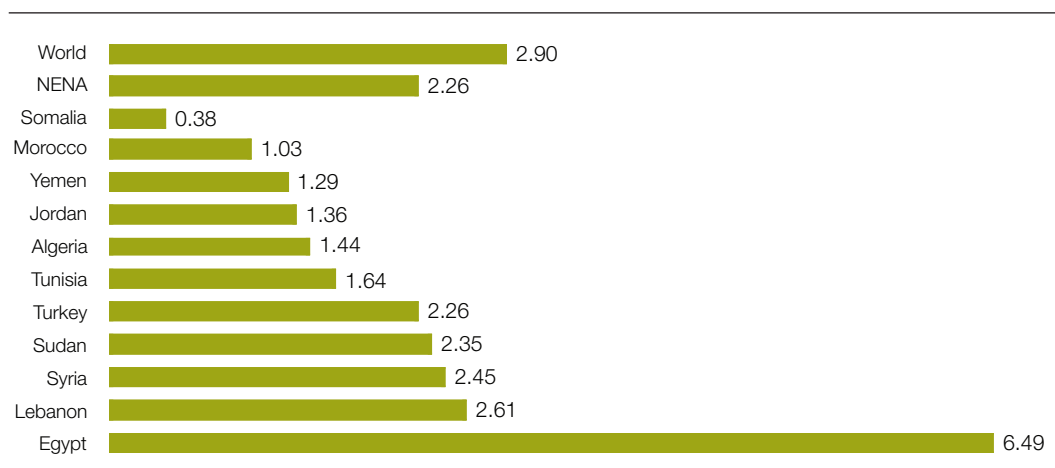
**FIGURE 13.**  
Cropping patterns: NENA compared with the world



Source: FAOSTAT, 2005 (see Appendix Table 15).

compared to 44 per cent in the world. This reflects the lack of diversification of production systems and the subsistence nature of most farming systems in the region due to poor soils and arid climates and lack of marketing infrastructure and information. Figure 14 shows that, while wheat is by far the most preferred crop grown in the region (29 per cent of total cropped area), the average productivity of 2.26 tons per hectare, is 22 per cent lower than the world average. Significant discrepancies exist between the countries where wheat is mostly a rainfed crop and those where it is at least partly irrigated (e.g. Egypt). In general, investments in rainfed research and technology transfer in the region are very low compared to what is needed to improve productivity (see “Access to improved technologies and rural support services,” in this chapter).

**FIGURE 14.**  
Wheat yields (ton/ha) in NENA countries (2005)



Source: FAOSTAT, 2005 (see Appendix Table 15).

The abovementioned cropping patterns and the agro-climatic and geographical position of the region suggest that the region could benefit from innovations in farming systems and diversification of livelihoods based on the production and improved marketing of high-value crops, non-traditional horticultural commodities, herbs, and medicinal and aromatic plants. Diversification into these non-traditional crops is particularly promising for rural poverty reduction in the NENA region because of their higher water-use efficiency, relatively higher economic return per unit area, and capacity for value addition and employment creation in the related agro-processing sub-sectors.

#### Off-farm rural activities

Unemployment is one of the major causes of rural poverty in NENA's rural areas. In marginal areas with a poor agricultural resource base, households with limited land need alternative sources of income to get out of poverty. Their options are constrained, however, by an environment where the formal sector offers very few job opportunities and urban centres cannot absorb the growing number of migrant rural youth looking for jobs. Employment in agro-processing, other industries in rural areas and public-sector services (e.g. education and health) is very limited. With the exception of a few countries, such as Tunisia and Morocco, the NENA region has not developed a significant agro-processing or manufacturing sector or exports that could absorb important surpluses of labour.

Most non-agricultural rural activities in NENA are found in the low-wage informal sector, including petty commerce, shops, repair workshops or various informal services (e.g. hair dressers). This sector has an important potential for rural employment and could be a good source of rural incomes. In Egypt, an estimated 50 per cent of rural incomes are derived from non-farm activities,

including wage earnings from non-agricultural labour and government and private-sector employment and net revenues from non-farm enterprises.<sup>63</sup>

The development of off-farm activities and rural businesses is constrained by the following:

- **Low rural demand for products and services.** Due to stagnating economic conditions in the rural areas and the associated lack of cash resources, demand for goods or services in the rural areas is often limited to essentials.
- **Difficult access to markets and information.** Because of lack of transportation facilities, communication and good education, many rural poor lack access to knowledge of market demand or simply to potential clientele for their enterprises.
- **Poorer infrastructure base** (water, sanitation, heating, electricity, rural roads, and communication) compared to the urban areas. This discourages potential investors from investing in rural areas.
- **Inadequate access to rural finance** (dealt with in another section of the report). This is constrained by the lack of outreach of formal banks, the lack of collateral of potential borrowers, and the risks associated with lending to the poor for uncertain enterprises in the rural areas.
- **Lack of skills.** Most rural workers are under-skilled and do not fit the requirements of potential employers in rural areas. Traditional handicraft producers could be strengthened through training to adapt their production to market requirements, in terms both of quality and of range and type of product.
- **Competition** with other countries, such as China (e.g. for the handicraft or textile industries) where rural enterprises are largely developed. This competition—coupled with the problem of quality standards for local products in the region—has led to the closure of a number of small textile industries located in rural areas, leading to considerable loss of rural incomes, especially among women workers (e.g. in Tunisia).

### On-farm livestock raising and pastoralism

As already mentioned, livestock raising is an essential part of most livelihoods in the region. It includes mainly small ruminants (goats and sheep) and to a lesser extent cattle and camels. The region also houses millions of pastoralists, whose entire livelihoods depend on herding on natural rangelands. These are most prevalent in Algeria, Jordan, Morocco, Somalia, Sudan, Syria, Turkey and Yemen. Herders include settled pastoralists, semi-nomads travelling limited distances, and nomads who are part of extensive transhumance systems.

The main challenges facing animal production in NENA are related to low productivity levels, associated with socio-cultural norms and beliefs. In many NENA countries, the wealth and prestige of families is measured by the number of animals owned. In addition, livestock is crucial for household food security (supply of milk and dairy products, in particular for children) and as a social security asset that could be cashed in case of shock in the family.

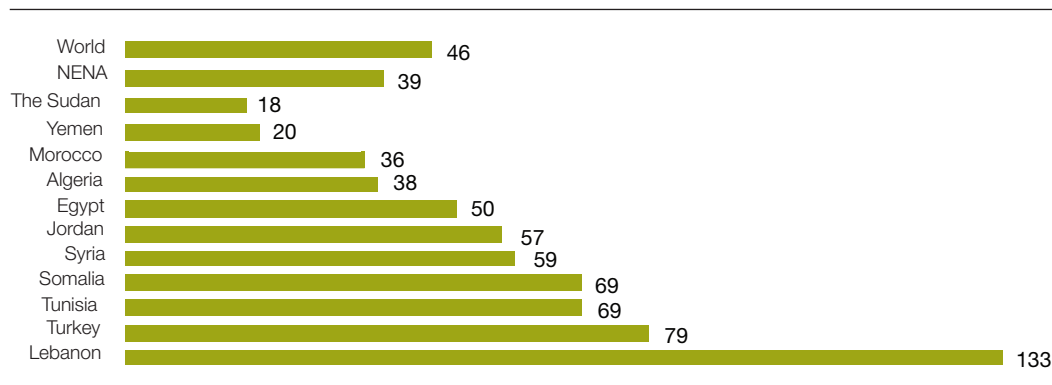
As shown in Appendix Table 16, while the NENA population represents less than 5 per cent of the world population, pastures represent 7.5 per cent of the world pastures. More important, the number of goats and sheep accounts for 11.2 per cent of the world total and the production of mutton and lamb meat amounts to 12.8 per cent of the world total. Goat and sheep milk production is even more impressive, reaching 18.5 per cent and 31.8 per cent of the world totals respectively. Cattle milk production is much more modest and only accounts to 3.9 per cent of the world production.

However, cattle milk yields are relatively low compared to world average, in particular in the four LDCs of the region, where annual milk production per head ranges between only 350 and

63/ IFPRI Egypt Integrated Household Survey, 1997.

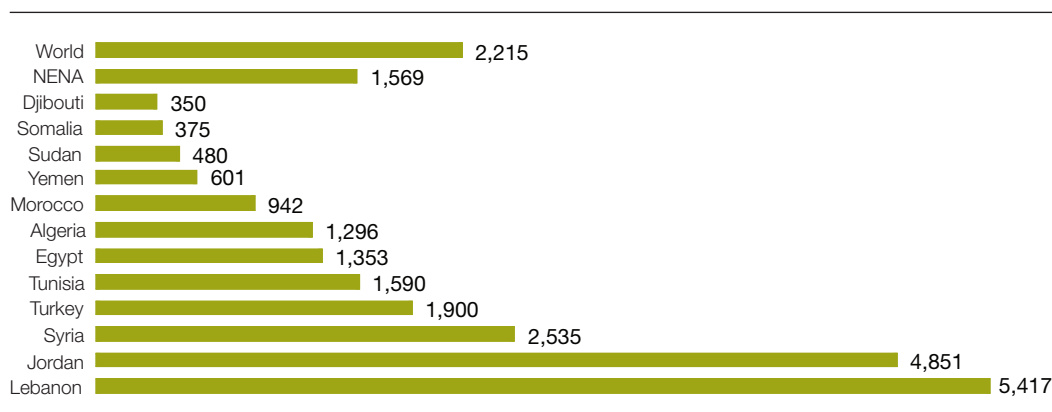
601 kg (see Figure 15). This illustrates the importance of social prestige attached to the ownership of cattle, as an important asset and cash reserve rather than as a productive source of income. Milk yields from small ruminants (goat and sheep) are much closer to the world average and are even higher in a number of NENA countries, as shown in Figure 16. This illustrates the important contribution of goat and sheep milk to food security in the countries of the region.

**FIGURE 15.**  
Sheep's milk yields in NENA countries in 2005 (kg per animal)



Source: FAOSTAT, 2005 (see Appendix Table 16).

**FIGURE 16.**  
Cow's milk yields in NENA countries in 2005 (kg per animal)



Source: FAOSTAT, 2005 (see Appendix Table 16).

Numbers of animals are rising with no regulatory mechanisms, leading to a rapid decline in the area and quality of rangelands, which in turn represents an important threat to the sustainability of the system. This situation calls for a need to improve the productivity of livestock raising by enhancing performance, improving animal health and increasing off-take rates so as to raise meat production and decrease animal numbers. This is particularly important considering the strong potential that livestock has to contribute to poverty reduction. To best take advantage of this potential, it would be essential to improve the quality of animals and their products through better animal health services, and to enhance the market infrastructure. This would in turn increase off-take rates and ultimately reduce pressure of livestock on deteriorating range resources.

### Women's participation in agriculture

Throughout the NENA region, women play an important role in crop and livestock production and household food security, as paid or unpaid labour. Women's participation in farming activities increases significantly in the age group 30–40 years, as most men seek job opportunities outside

agriculture as a result of the limited size of the family landholding.<sup>64</sup>

The tasks women perform are often non-mechanized and labour-intensive: broadcasting seeds and fertilizer by hand, picking fruit and vegetables and carrying produce on their backs. They spend many hours in post-harvest activities such as threshing, cleaning, sorting and grading. As paid and/or unpaid labour, rural women are estimated to spend up to 19 hours/day<sup>65</sup> performing essential agricultural and domestic tasks such as sowing, weeding, harvesting, animal husbandry, cleaning, fetching water and firewood, baking, cooking, sewing and child rearing to ensure the livelihood of the household.<sup>66</sup>

However, women's real participation in agricultural production is largely underestimated, and their economic activity is narrowly defined in census and survey statistics throughout most of the region. In Egypt, the 1996 census survey estimated that only 9 per cent of rural women are economically active. This is because female agricultural labour is mostly unpaid and falls outside the formal economy. However, applying FAO's more flexible definitions of economic participation in this region reveals high rates of female participation in agriculture in Djibouti, Morocco, Somalia, Sudan, Turkey and Yemen, indicating clear trends towards the feminization of agriculture.

As shown in Figure 17, the NENA region has a high proportion of women engaged in agriculture, compared to all economically active women. In the four LDCs, more than 74 per cent of all economically active women are engaged in the agricultural sector. The equivalent percentage for men in the same countries is 49 per cent. The gender disparity is even wider in the middle-income countries, with less dependence on agriculture, such as in Algeria (40 per cent women compared with 16 per cent men) and Turkey (72 per cent women compared with only 25 per cent men). These disparities are linked to socio-cultural norms of gender-appropriate areas of employment, with men being more visible in the public sphere and therefore more active in non-agricultural jobs.

In terms of decision-making within the farming household, it appears that although men play a dominant role (due to cultural norms), women wield more indirect power in several important family issues. They are also likely to have more decision-making power in aspects of agricultural and livestock production such as dairy products, poultry and handicrafts, which are traditionally female tasks. Intra-household decision-making must be analysed at the individual country (or community) level to understand the extent of women's ability to independently take advantage of project benefits. Can women, for example, make key decisions that affect the household's livelihood (such as take a loan for income generation), or do they have to consult their husbands, even if the latter have migrated?

Mainstreaming gender in agricultural policies and programmes has recently entered the agendas of ministries of agriculture in the region. To achieve this, many countries have prepared methodologies for the development of strategies and plans of action aiming to integrate the gender dimension into rural and agricultural development policies and programmes.<sup>67</sup> Almost all countries in the region have initiated actions to translate the gender approach into institutionalized structures. The main established structures are the Women in Development (WID)/Gender Unit, Direction of Women, Policy and Coordination Unit for Women in Agriculture, Division of Women. In addition, NENA governments have established national committees/NGOs and other organizations for the advancement of women, which are typically being headed by the countries' First Ladies. Furthermore, ministries in charge of women and the family have been established in Algeria and Tunisia.

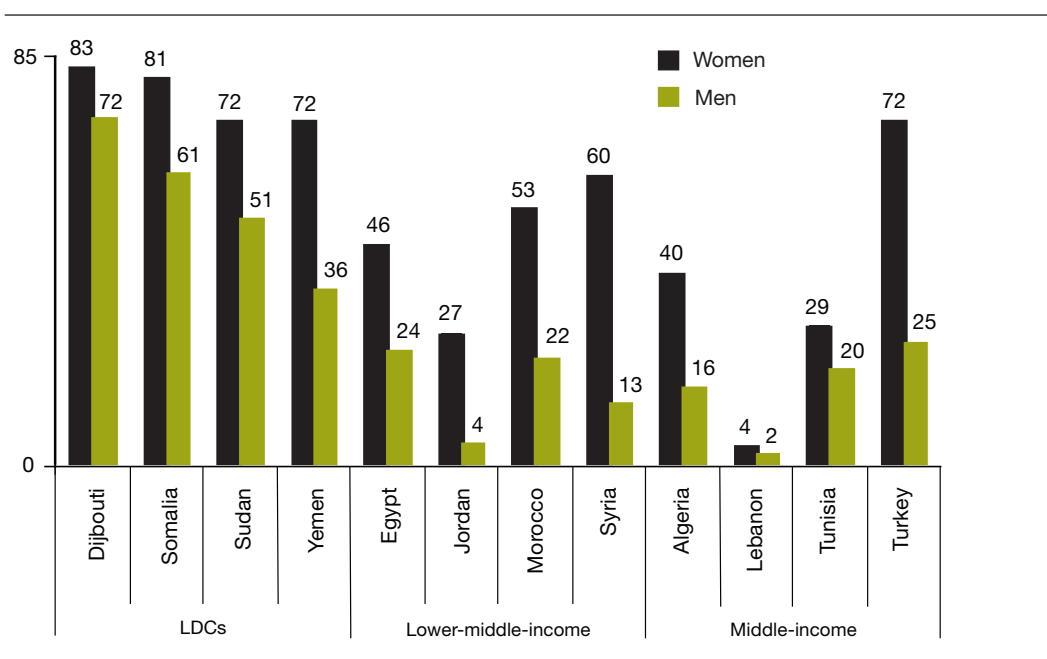
64/ This M. Abdel Aal, 2002, *Women in agriculture*.

65/ This is based on results from participatory rural appraisal (PRA) exercises (Daily Activity Clocks) carried out with poor rural women in a variety of Arab countries.

66/ FAO, 2005, *Breaking Ground: Present and Future Perspectives for Women in Agriculture* (chapter on the Near East).

67/ Support to all Arab countries has been provided by FAO's Regional Office for the Near East through technical projects.

**FIGURE 17.**  
Women and men engaged in agriculture, as percentage of total female and male economically active population (2004)



Source: FAOSTAT, 2004 (no data available for Gaza and the West Bank).

#### IV. Institutional and Policy Constraints

Studies of the impact of economic growth on hunger and poverty suggest that poverty falls significantly faster and farther when accompanied by a stable political situation, rare incidence of corruption and high farm productivity and literacy rates.<sup>68</sup> This section analyses the institutional and policy constraints to rural poverty alleviation in the NENA region and suggests that NENA countries with the slowest improvement (or greatest deterioration) in food security have the least stable political environment, the weakest rule of law and the most widespread corruption. Various degrees of weakness of the rule of law in the region have proven to erode agricultural productivity and food security by making land tenure and contracts precarious and rural investment unattractive. In addition, failure to develop sufficient roads, electricity and communication links in rural areas has made it difficult and expensive for farmers to get their produce to market and to obtain fertilizer and other agricultural inputs. Good governance and sufficient public investment in rural infrastructure, services and agricultural research, coupled with the presence of an active civil society, are essential in reducing poverty in rural areas.

##### Land tenure distribution and land access rights

Given the scarcity of land resources in the region, their access by poor farmers is critical and is largely influenced by land tenure arrangements, i.e. the combination of laws, rules and procedures conditioning the access and use of land. In the NENA region, access to land (together with water) is one of the most important limiting factors for poverty reduction. The rural poor are confronted with a number of constraints in relation to land tenure.

**Uneven distribution of land** among farmers. This results from historical factors such as social rules in the communities, the poverty that forced certain households to abandon or sell land, inheritance rules and size of the family. For instance, in Egypt, while the average farm size is 1.7 ha,

68/ FAO, The State of Food and Agriculture, 2005.

50 per cent of farmers have less than 1.0 ha, while 10 per cent of farmers cultivate more than 4.0 ha. Unfortunately, there is no systematic statistical information on land distribution by size of farm holding.

**Conflicting access and use of land.** This occurs between settled farmers and pastoralists, particularly during the transhumance periods, when livestock routes overlap with cropped areas. This is the result of the increasing density of farmers, their pressing need for arable land at the expense of traditionally grazed areas, the rise in animal numbers and the deterioration of pasture resources. Another source of conflicting access to land is the development, in some countries, of large-scale farms or irrigated schemes at the expense of poor small-scale farmers and, in some cases, herders. Such developments lead to poor farmers' deprivation of some land resources or, at best, to harsh competition with large-scale farms for vital resources. These conflicts occur in large areas of Sudan, the Sana'a Basin in Yemen, the Souss Plain in Morocco and the Bekaa Valley in Lebanon.

**Insecure land tenure.** While many farmers have land use rights, they do not have ownership or tradable rights over their cropland. Over time, the development of irrigation and private property, as well as nationalization in some countries, has led to the development of new "modern laws," which are often inconsistent with traditional rules. As a result, in some countries, access to land is insecure, involving a concentration of large areas of arable land in the hands of few farmers, while the poorest have to lease land or enter into arrangements of crop sharing or rental payments. The latter, therefore, have limited opportunity to sell or buy fragments of land to consolidate or expand their holdings.

**Landlessness.** As a result of historically high rates of population growth, fixed or declining arable land, and traditional concentration of land among the influential class, a certain proportion of rural households are landless or possess very small holdings. Most of the rural poor are found in this category of rural households. In the recent history of some NENA countries such as Egypt, Morocco and Syria, some attempts have been made to redistribute land resources to landless farmers. However, according to some estimates,<sup>69</sup> only 2 per cent of total agricultural households received land under these schemes. It is also estimated that small farmers and landless agricultural workers constitute about 89 per cent of the total farming population but hold only 25 per cent of the cultivated area.

**Fragmentation of land.** This is a result of growing population, fragmented parcels and traditional/religious inheritance rights. In some cases, small landholding sizes can be a constraint for mechanization and the development of irrigation or farm management practices. The size and quality of the land available to farmers and pastoralists have a direct bearing on farmers' and pastoralists' production levels.

**Women's access to land.** Despite the significant participation of women in agricultural activities, their access to and control over land are limited. The limited gender-disaggregated data available for the region indicates that women landholders form around 5 per cent of total landholders in Egypt and Syria. Female land ownership, on the other hand, is around 24 per cent in Egypt, 29 per cent in Jordan, 14 per cent Morocco and 4 per cent in Syria.<sup>70</sup> There is a gender disparity in the average size of landholdings: in Egypt, males hold an average of 2.4 *feddans*, compared to 2 *feddans* for females.<sup>71</sup> In Syria, the same average is 80 *dunum* for males, compared to 57 *dunum* for females. Some countries in the region are implementing programmes of land reclamation, yet, in Egypt, for example, less than 7 per cent of newly reclaimed land is under female ownership.<sup>72</sup> Again here, the analysis is constrained by a lack of systematic gender-disaggregated statistical data on access to land resources.

69/ M. Rihan and M. Nasr, 2001, Prospects for Land Reform and Civil Society Movements in the Near East and North Africa, Whose Land? Civil Society Perspectives on Land Reform and Rural Poverty Reduction, United Nations Research Institute for Social Development (UNRISD).

70/ Note the difference between landholding and land ownership: the latter does not necessarily lead to landholding. Most middle-class women own land through inheritance and rent it to others, mostly men.

71/ 1 feddan = 0.4 ha; 1 dunum = 0.1 ha.

72/ FAO, 2005, *Breaking Ground: Present and Future Perspectives for Women in Agriculture* (chapter on the Near East).

Encouraging and innovative initiatives have been carried out in some NENA countries, by IFAD and other agencies such as FAO, to address issues of land tenure and access rights. These have ranged from partial redistribution programmes, based on traditional and customary land-use practices and regulations, to adapting local legislation and institutions to evolving needs, e.g. in the aftermath of conflicts. Some of these initiatives have helped develop longer-term and more secured access to land by poor farmers (e.g. through leasing) in compliance with traditional rules.

### **Access to improved technologies and rural support services**

In some of the poorest countries of NENA (Yemen, Somalia, parts of Sudan), formal agricultural services such as research, extension services, plant protection and veterinary services, have virtually ceased to operate, due to lack of funds. In the other countries, these services are still in operation, but their interventions suffer from a number of shortcomings: (i) old-fashioned techniques and operations due to lack of incentives, staff training or exposure to participatory approaches; (ii) bias in favour of better-off farmers (typically on irrigated land); and (iii) provision of services not adequately adapted to specific needs, such as those of transhumant herders or landless farmers.

Thus the rural poor are constrained by disproportionately low investments in rainfed technology in relation to the number of households that depend on it. This constraint is reflected in the inadequate spread of improved drought- or salt-tolerant crop varieties, limited application of water-saving technologies, few investments in research and scarce attention to improved rangeland management techniques. Similarly, improved animal breeds, or the technology to produce them, are either unavailable in poor areas or, due to the high costs involved, beyond the reach of the poor.

In NENA countries, these rural support services used to be (and still are, to a large extent) handled by the Government. The decrease in government budgetary resources and external investment in the agricultural sector largely explain the deterioration of these services. Their future development will require an adaptation of services to community needs and priorities and the creation of public and private partnerships. Experience has shown how a variety of field methods can be used within one country to target services according to specific needs. For instance, in the southern Kordofan states of Sudan, mobile veterinary clinics were developed with IFAD support to target transhumant herders. Meanwhile, in the southern part of the same country, community-based animal health workers (CAHWs) were successfully promoted by NGOs and FAO to target more settled agro-pastoralists affected by the war. Mobile clinics were adapted to moving herders and offered good-quality services, while CAHWs were suitable to more settled herders with low access to health services during civil strife. In addition, the International Centre for Agricultural Research in the Dry Areas (ICARDA) is assisting in the development of improved and disease-resistant varieties of wheat, barley and other basic food crops to benefit marginal areas in Egypt, Sudan and Yemen. Lately, ICARDA has also increased its focus on technology development and transfer for non-traditional crops such as high-value fruits and vegetables, olives and dates, which coincides with IFAD's interest in this sub-sector in terms of its potential role for rural poverty reduction.

Other approaches, such as farmer field schools (FFS), have shown very promising results in limited parts of some NENA countries. These schools combine several advantages. They are: (i) field-based, hence adapted to local conditions and practical; (ii) cheap to operate, in most cases, as they involve a significant start-up investment in training and capacity building but otherwise require expenditure only for locally recruited facilitators and seed money for on-farm experimentation; (iii) relatively easy to set up; (iv) owned by farmers; (v) focused on specific issues; and (vi) flexible and adaptable to changing needs over time. The main challenge now is to scale up these approaches to larger areas and institutionalize them in order to reach sustainability. In this



endeavour, farmers' organizations and other community-based organizations will have a crucial role to play as the main catalysts for the establishment of farmer field schools.

A significant gender gap is observed in terms of women's access to rural support services. Women do not benefit as much as men from training, information, credit or extension services and have therefore fewer opportunities to improve their skills, working conditions and productivity. Cultural norms dictate that women farmers should interact with female (not male) extension workers, yet there are very few female extension agents in the region, and these generally work in offices and focus on domestic rather than entrepreneurial, income-generating activities. This trend is gradually being reversed with the emergence of female graduates present at the village level in Algeria, Egypt, Jordan, Morocco, Syria, Tunisia, and western parts of Sudan.<sup>73</sup>

### **Financial resources and investment in rural areas**

*Investment in Rural Areas* (pages 18-20) describes the low levels of both public and private investment in the rural areas of the region. The low levels of public investment lead to poor provision of public services, such as transportation infrastructure, water supply, and telecommunication. Deficient private investment means that there is not enough capital to purchase assets or inputs for agricultural development, resulting in slow growth in the rural areas.

### **Access to rural credit and microfinance**

Traditionally, lending policies in the NENA region (dominated by public-sector institutions) have tended to favour larger better-off farmers and entrepreneurs with physical or financial collateral. Microfinance has been, and remains, based primarily on providing credit for enterprise investment and has not been successful in promoting agricultural production or product diversification. Voluntary savings, deposit services and micro-insurance are offered rarely. This excludes a large part of the rural population (both the economic active poor and the extremely poor), who are in need of microfinance packages better suited to their specific needs.

Nevertheless, the microfinance sector is in an expansion phase. The number of microfinance institutions (MFIs) in the region is increasing in most countries and a good proportion of them have achieved financial sustainability. In addition, during the last two decades, microfinance has been increasingly recognized in a number of NENA countries as an important tool in alleviating poverty. A recent UN Capital Development Fund-commissioned survey in eight countries of the region<sup>74</sup> shows a significant growth in outreach from 129,000 borrowers in 1999 to 710,000 in 2003, and an outstanding portfolio increase from US\$40 million to US\$240 million in the same period. Still, the percentage of rural borrowers does not exceed 22 per cent of the total borrowers, which is low compared to the percentage of poor residing in rural areas (estimated at 57 per cent). Microfinance in NENA has had limited market penetration, while a decisive impact on rural poor livelihoods is still to be seen.

Poor rural women remain particularly disadvantaged in terms of accessing microfinance services. This is partly due to adverse institutional structures, cultural practices and higher illiteracy rates. During the past five years, a number of small credit programmes have targeted rural women in the region, aiming to improve their incomes and to increase household food security. In Egypt, the percentage of women in the 1990s who obtained short-term production loans did not exceed 12.0 per cent. In Jordan, rural women received 19.6 per cent of total agricultural loans in 2001, but the value of their loans did not exceed 12.0 per cent of the total value of agricultural loans.<sup>75</sup> Schemes adapted to the local context, including agricultural banks, cooperatives and social funds for development, are still under experimentation.

73/ FAO, 2005, *Breaking Ground: Present and Future Perspectives for Women in Agriculture* (chapter on the Near East).

74/ Ibid., including eight countries: Egypt, Gaza and the West Bank, Jordan, Lebanon, Morocco, Syria, Tunisia and Yemen.

75/ FAO, 2005, *Breaking Ground: Present and Future Perspectives for Women in Agriculture* (chapter on the Near East).

As of the end of 2006, the ongoing IFAD loan portfolio in rural finance in the NENA region amounted to over US\$200 million in loan commitments invested through 24 projects in 10 countries. In some of these projects, the Fund has sought to support government efforts in institutional and legislative reform that would improve and facilitate the outreach to rural poor. In Morocco, for example, a rural development project<sup>76</sup> in one of the poorest mountainous areas of the country seeks, through a participatory approach, to improve the livelihoods of the target group by facilitating their access to financial services. In this and in other similar projects in Algeria, Egypt and Tunisia, microfinance channels have been selected (some of which are NGOs) that correspond better than traditional agricultural credit banks to the needs of the target clientele. In Egypt, for instance, in the context of an IFAD project, the Social Fund for Development (SFD) is being considered as an alternative partner to the official agricultural credit bank to channel credit to the rural poor. This was decided on the basis of a realization that policies and regulations of the official agricultural credit bank, the Principal Bank for Development and Agricultural Credit, had failed to include lending terms and operations adapted to the rural poor (see Box 6).

Important challenges still lie ahead to fully exploit the potential of microfinance to serve the rural poor. These include: (i) promoting product diversification by introducing savings, insurance and other financial services; (ii) gaining financial sustainability and thereby access to commercial capital; (iii) increasing the coverage of potential borrowers in rural areas; (iv) focusing on the needs and constraints of women by tailoring programmes that take care of their specific needs; and (v) improving the capacity of MFIs to better reach and serve their customers. Two prerequisites are necessary to successfully face the above challenges. First, a conducive policy environment needs to be supported through (i) liberalizing interest rates; (ii) eliminating distortions due to subsidized credit, which have shown high default rates; (iii) introducing regulations facilitating the MFIs' role and their ability to mobilize savings; and (iv) when necessary, establishing supervisory mechanisms. Second, it is important to provide technical assistance on rural financing, sound accounting practices, reporting and performance standards, and experiences and successful models tried elsewhere in the region.

### Access to rural marketing

Sustainable farm incomes rely heavily on finding suitable markets for diversified farm output. NENA's agricultural marketing performance is affected by a number of constraints. The rural marketing and distribution systems are generally inadequately

#### Box 6. Egypt: Social Fund for Development (SFD)

SFD was established in 1991 to protect and improve the status of the poor and the unemployed during a period of economic transition. One of Egypt's major social safety net programmes, it is focused on creating employment for vulnerable groups, especially in the rural non-farm sector. Its main activities include the Small Enterprise Development Programme, promoting employment and income-generating opportunities in the small- and micro-enterprises sector. In 2002 the programme granted more than 14,300 loans of an average size of LE 24,000 (approx. US\$5,100); 32 per cent of the beneficiaries were women. Capacity building is another main SFD activity, involving strengthening partner agencies' capacities to carry out community development programmes, create income-generating employment opportunities for low-income groups and encourage local participation in productive activities. SFD also implements a public works programme through 27 regional offices, covering all of the country's governorates.

In 2001–2002 the SFD granted micro loans to 28,000 beneficiaries for a total of US\$7.7 million for an average size of US\$320 per loan and with UNDP support credit for micro projects totaling US\$450,000. Both operations were slated for further expansion. The SFD has an impressive record of involvement in a variety of operations to assist the population sections that fall under IFAD's target group.

Source: Arab Republic of Egypt, Upper Egypt: Challenges and Priorities for Rural Development, Policy Note, World Bank, June 2006.

76/ *Projet de Développement Rural dans les Zones Montagneuses de la Province d'Al-Haouz, Rapport d'Évaluation, 8/2000; Mission de Suivi, 12/2003.*

developed, while the poor conditions of roads and infrastructure contribute to the isolation of markets, especially in the LDCs. This leads to a high rate of losses and waste, which limits efficient marketing and affects small farmers' income. Local marketing, in some countries, is additionally constrained by limited local urban centres and a lack of long-term contractual arrangements between producers and buyers. Typically, small farmers in the region produce crops in small quantities, of a limited harvest period and of variable quality. They have access to poor storage facilities and little or no formal microfinance for marketing. This leads them to sell their crop at very low prices. It is important to keep in mind that, although limited, surpluses from smallholders' production often constitute the main source of cash income for poor rural households.

Livestock markets in many NENA countries are traditionally arranged with limited infrastructure and organization. There is often a long chain of middlemen and various taxes and levies imposed by local authorities, all of which erode most of the producer's market share. For example, the recent government monopoly over livestock exports in Sudan is expected to have negative effects on local herders. Furthermore, as discussed below (section on information technology), marketing information systems are constrained by a limited capacity to gather, analyse and disseminate information to users, due to poor equipment, infrastructure and human resources. There is limited involvement of the private sector in market information.

With little access to services to improve their human capital, the rural poor are less able to engage in gainful economic activities through, for example, linking to urban or export markets or through engaging in off-farm employment. As a result—especially in remote mountain areas in countries such as of Morocco, Turkey and Yemen—the rural poor are often economically, physically, intellectually and socially isolated from the rest of the nation.

Current world agricultural market trends are likely to affect NENA countries and small producers in different ways. Some of these trends include<sup>77</sup>: (i) market concentration in the hands of a smaller number of large export companies in developing countries, who tend to impose conditions as they often purchase directly from producers; (ii) vertical integration by big companies controlling large sections of value chains at the international level; (iii) rapidly increasing share of supermarkets in retail sale of agricultural products<sup>78</sup>; and (iv) increasing quality requirements by clients (both in exporting and potential importing countries), imposed on producers, processors and exporters.

The challenge for IFAD lies in finding ways to enable poor farmers to access these and/or new markets. In the LDCs (Djibouti, Somalia, Sudan and Yemen), it would be necessary to invest considerably in creating product chains. In most of the other NENA middle-income countries, the aim would be to promote poor people's access to existing marketing channels. Finding suitable markets for diversified farm output is likely to become difficult, as small farmers have a relatively low capacity to diversify and to identify advantageous market outlets.

Given the high potential for the production and marketing of high-value commodities in the NENA region (such as fruits and vegetables, herbs, medicinal and aromatic plants), the key for rural poverty reduction is to focus on commodities that have the potential to favour small growers and that take into consideration the obstacles these growers face in their production and marketing activities. This would favour labour-intensive commodities with: low investment costs, low economies-of-scale, low production costs, accessible technology, high water-use efficiency, and the potential to be integrated into existing subsistence systems. Many high-value commodities could meet these criteria, and IFAD is currently working with ICARDA to identify a few commodities and countries in which to conduct supply-chain analysis to identify needs, investment gaps, and policy issues to address.

77/ This should *not* be read as an exhaustive list of trends.

78/ While this is starting to be observed in a few middle-income NENA countries, the whole region stands to be affected when exporting products to richer countries where supermarkets already dominate the market.

### Information and communication technology

Poverty implies being deprived of access to the information needed to participate in and benefit from the activities and services of society at large. Information and communication Technology (ICT) constitutes a powerful means to promote economic growth and social development, including rural development. In the LDCs but also in the lower-middle-income countries of NENA, there is a low overall awareness of - and in some countries, a political resistance to - the ICTs' potential to create earnings opportunities and jobs, improve delivery and access to health and education, facilitate information sharing and knowledge creation, and increase the transparency, accountability and effectiveness of government, business and NGOs.<sup>79</sup>

Despite the pressing need imposed by globalization to respond quickly to the challenges of ICT, the NENA region lags behind in technology use compared to the Asia and Latin America regions. Although most countries in the region already have a functional basic communications infrastructure, they do not offer affordable and equitable connection access to the global information network. The digital gap between urban/rural and rich/poor within NENA countries is very wide.<sup>80</sup>

ICT, if used adequately, can make significant changes in poor livelihoods. Awareness needs to be built and best practices and knowledge shared to induce new thinking in NENA on the importance of ICT, not only for development in general but, more particularly, for the empowerment of the rural poor. Governments need to adopt strategies to expand the national and regional use of ICTs to reach disadvantaged rural areas.

There is a growing number of excellent examples of ICTs connecting rural populations to information on updated commodity prices, food security, financial services, health and education, employment opportunities, poverty alleviation schemes and social funds activities. For example, Egypt—through a United States Agency for International Development (USAID) grant—has embarked on a programme to expand the usage of IT both by the private sector and by individual citizens. The programme provides sub-grants to NGOs to support activities leading to the increased development and adoption of IT in rural areas, small towns, and villages. ICT can help farmers make decisions that can significantly improve their livelihoods: they might decide to diversify their activities, choose a better market, avoid reliance on a middleman for marketing, or aggregate production to create scale to “feed” a larger national market. Useful poverty-alleviation technologies include the Internet, cellular telephony, and digital packet radio. Information access points include tele-centres, schools and mobile units.<sup>81</sup>

### Governance, decentralization and empowerment

Poverty reduction in NENA—as elsewhere in the world—is closely linked to good governance, a complex concept that takes into account: (i) public accountability and transparency at all government levels; (ii) the degree to which decisions are decentralized and how they are implemented; and (iii) the quality of administration and its capacity to formulate and implement sound policies and programmes. In the heart of good governance lie the principles of: (i) inclusiveness, implying social inclusion, public participation and the absence of corruption and nepotism; and (ii) accountability, implying full transparency in all public actions and the capacity of citizens to sanction such actions through a freely expressed vote.

Inclusiveness in NENA suffers on a number of accounts, all of which impede economic and

79/ IFAD Self-Evaluation of the Near East and North Africa (NENA) and Central and Eastern Europe and the Newly Independent States (CEN) Regional Strategies, p. 13, 2006.

80/ UNDP, undated, Research and Development in Information and Communications Technologies: Challenges, Trends, and Recommendations, by Mohammad S. Obaidat.

81/ UNDP, The use of Information and Communication Technologies (ICTs) for Development in the Arab States: Overview, Considerations and Parallels with Asia, by Gabriel Accascina. 2005.

social growth. This is visible (in various degrees) in, for example, the rural-urban discrepancies in access to public services, the low participation of women in the labour force and the social exclusion of minority groups in some areas. Furthermore, despite positive strides towards democratization, many countries in the region also suffer from the effects of low accountability and transparency of government decisions and actions.

The World Bank constructed a complex index of government quality (IGQ), against which seven lower-middle-income NENA countries were examined<sup>82</sup> (see Table 9). These results were then compared with those of countries of the same level of income in other regions. The comparison has shown that the NENA region lags behind other regions in terms both of quality of administration and of public accountability. The IGQ rating also revealed that quality of government in NENA increases with income, a pattern similar to that of other regions. This supports the argument that rising living standards foster openness, tolerance and democracy, and vice-versa.<sup>83</sup>

Jordan, with IGQ 44, followed by Morocco, with IGQ 43, are at the higher end of the scale, while Syria scores lowest, with IGQ 19. The average IGQ for comparable lower-middle-income countries worldwide is 41.3, which would place four out of the seven countries below average. The value of such an exercise is obviously limited by the fact that it may hide large discrepancies between various indicators that compose the index. It might also fail to capture significant changes in some indicators that occur rapidly as a result of policy changes and/or the implementation of certain programmes. Lebanon, for example, underwent a ninefold increase in child immunizations within the last decade, and Morocco and Tunisia saw a very rapid expansion of rural credit through microfinance projects.

It appears that economic liberalization in NENA was not matched by social and governance liberalization.<sup>85</sup> This fact, coupled with the lack of individual and organizational knowledge and skills, has constrained the ability of the rural poor to benefit from economic liberalization policies. Governance liberalization, in this context, needs to be translated into effective decentralization of and equal participation in decision-making processes for all, including the rural poor.

The NENA region has made important strides in decentralization. In most NENA countries, however, the decentralization process has, so far, taken the form of administrative delegation, or "deconcentration," i.e. decentralization of functions, as opposed to decentralization of decision making, which implies devolution of authority to lower levels of government (regional, local) with fiscal autonomy. An example of the latter is found in the Local Authorities Law promulgated by the parliament of Yemen in 2000.<sup>86</sup> The law gives local governments strong powers over administrative and fiscal authority. Implementation of the law has been slow, mainly due to limited local capacity, but where implemented, it has shown its validity in involving broad segments of the population in local reforms, capacity building and boosting productive investment. Bringing the functions of government closer to citizens who have both a direct stake in performance and the information to assess performance will undoubtedly improve the quality of government accountability.

**TABLE 9.**  
Index of government quality (IGQ)<sup>84</sup>

Country	Index of government quality (IGQ)
Jordan	44
Morocco	43
Tunisia	43
Algeria	32
Lebanon	32
Egypt	30
Syria	19

Source: World Bank, 2003, *Better Governance for Development in the Middle East and North Africa: Enhancing Inclusiveness and Accountability*.

82/ UNDP, 2002, Arab Human Development Report; World Bank: Better Governance for Development in MENA; Enhancing Inclusiveness and Accountability, Washington, D.C., 2003

83/ B. M. Friedman, The moral consequences of economic growth; N. York, 2005, quoted in Nabli and Jauregui, Democracy for Better Economic Growth in the MENA Region, World Bank staff paper, 2006.

84/ On a scale of 0 to 100, with 100 being better.

85/ IFAD Self-Evaluation of the Near East and North Africa (NENA) and Central and Eastern Europe and the Newly Independent States (CEN) Regional Strategies, p. 13, 2006.

86/ Republic of Yemen: Poverty Reduction Strategy Paper, 2003–2005.

Decentralization also has the potential of empowering those concerned—including disadvantaged rural groups—to actively and effectively participate in the decisions that affect their lives and livelihoods.

In the NENA region, empowerment would involve putting a greater emphasis on the needs of the rural poor by seeking to: (i) gain a thorough understanding of their representative organizations and identify specific areas that need strengthening through skills training; (ii) provide them with greater/improved access to natural and financial resources tailored to their specific needs; (iii) ensure the physical infrastructure that would help market their production surplus; and (iv) provide the framework by which decision-making processes remained at the local level. In order to achieve sustainable poverty reduction, it is necessary to gain a more intimate knowledge of the needs of the rural poor by devising proper targeting approaches to maximize results.

### Women's public participation and representation

Where NENA falls considerably short in comparison with other regions is on indicators of women's economic participation and political empowerment.<sup>87</sup> As discussed in "Rural unemployment," in chapter 2, NENA's rate of female labour force participation is significantly lower than would be expected when considering the region's fertility rates, its educational levels, and the age structure of the female population. Women are also underrepresented on the boards of cooperatives. In Gaza and the West Bank, for example, women are intensely involved in agricultural labour but are almost absent from any system of decision-making. The West Bank Agricultural Cooperative Union has a total membership of 7,414, of whom only two are women (rate of 0.03 per cent female membership).<sup>88</sup>

Nevertheless, the region is witnessing some encouraging developments in the area of public participation and representation. In the past few years, an increasing number of women's organizations and associations have been formed at both the national and local levels. These play a fundamental role in increasing awareness of women's legal rights and other issues that affect women, such as globalization, information technology, the environment, education and health care.

### Civil society organizations

Civil society organizations in NENA—compared to other developing regions in the world—are generally scarce, of limited scope and geographic coverage and of relatively low implementation capacity. For example, the few community-based organizations (CBOs) and international nongovernmental organizations (NGOs) in Syria are weak, their activities are restricted and they cannot access international funds directly. While the first positive steps have been taken towards developing a civil society in Syria, there are still considerable barriers that impede their effective participation in the socio-economic development programmes. In Turkey, the dominance

#### Box 7. Civil Society Environment in Egypt

Civil society in Egypt is impressively large, dense, diverse, and steadily expanding, comprising community development associations (CDAs), syndicates, federations, unions, and extensive CDA/NGO networks. Following the introduction of favourable legislation, new types of NGOs have been introduced or reactivated, such as farmer associations, water-user associations, water boards, consumer associations, and human rights associations.

Active NGOs are mostly supported by international and intermediary organizations, as an integral part of their own broad development objectives. Some focus on community-based development and social services, while others address productivity and marketing issues by promoting economic objectives, including market-led agricultural production and water management (e.g. water-user associations, water boards, and farmer associations).

87/ World Bank, 2004, *Gender and Development in the Middle East and North Africa: Women in the Public Sphere* (MENA Development Report).

88/ FAO, 2005, *Breaking Ground: Present and Future Perspectives for Women in Agriculture* (chapter on the Near East).

of the public sector in regional and rural development efforts continues to act as a disincentive to the emergence of national or local initiatives outside the public domain. No foreign NGOs operate in agricultural and rural development programmes, and there are very few local NGOs.

In contrast, Sudan has seen a considerable emergence of national and local NGOs and voluntary organizations in recent years, following a government commitment to working with these organizations as service providers. Along these same lines, the Government of Morocco's development plan of 2000–2004 highlighted the need to improve the poverty focus of public policies and emphasized the value of involving civil society in that endeavour, through creating a social fund to work directly with NGOs.<sup>89</sup> In Egypt, the number of officially registered NGOs has increased dramatically over the past six years, from around 14,000 to almost 17,000. This is a consequence of modified laws (such as the NGO Law 84 of 2002) that have signaled a gradual relaxation of government control over NGO activities. Nevertheless, assessments of NGOs' efficiency and effectiveness show that only around 20 per cent of these are active. The main shortcomings faced by NGOs and CBOs in Egypt, as elsewhere in NENA, lie in functions related to internal governance, management and strategy, financial management and advocacy capacities.

Despite the weaknesses, a considerable number of NENA countries (including Egypt, Morocco, Tunisia and Sudan) are witnessing clear national trends towards creating positive policy environments for the promotion and further development of NGOs and CBOs. Recent adaptations of legislative measures and procedures (in particular for SMEs) demonstrate that the importance of supporting such organizations is recognized under new government policies. Local-based NGOs in these countries face a great opportunity to take a central position in the ongoing/upcoming decentralization processes. Being more demand-driven, participatory and transparent, they are also in a better position to attract donor funds and become more efficient, effective and sustainable.

For IFAD this opens substantial opportunities for linkages with the emerging civil society organizations, particularly in promoting community participation and taking active roles in the development of microfinance and income-generating activities. In an increasingly favourable environment, credible local NGOs and CBOs could be assisted in becoming agents of change. If strengthened, they have a good potential to act as vehicles for alleviating poverty and for bringing the rural poor over the poverty line, into sustained productive activity.

### **Role of agriculture in national poverty reduction strategies<sup>90</sup>**

Poverty reduction strategy papers (PRSPs) have been prepared in three of the NENA countries (Djibouti, Sudan and Yemen), as required by the World Bank/IMF Heavily Indebted Poor Countries (HIPC) Initiative for debt relief. A few other countries have developed national strategies outside the framework of the PRSP. Countries with lower poverty levels, such as those of North Africa and Turkey, have elaborated socio-economic/human development strategies. Meanwhile, Lebanon and Somalia have no poverty reduction strategies.

As mentioned earlier, recent data show that poverty is more pronounced in rural areas and that agriculture (including pastoralism and fisheries) is the main source of livelihood for poor rural households. Despite this fact, the role of agriculture and rural development in national poverty reduction strategies in NENA countries is usually relatively limited compared to the role of other sectors, such as the development of social services (education and health), infrastructure and safety nets. Most national poverty reduction strategies recognize agriculture as a contributor to poverty reduction, but with quite limited emphasis.

The key features and challenges of agricultural development addressed in the poverty reduction

89/ Examples quoted from World Bank, op. cit. footnote 1.

90/ This section draws heavily on the draft IFAD paper dated August 2006, Review of National Poverty Reduction Strategies and Agricultural/Rural Policies.

strategies include:

- (i) targeting the poorest areas and investing in poverty reduction strategies designed for marginal farmers;
- (ii) supporting improved and sustainable natural resource management practices in particular in relation to water management/irrigation and better use of pastures (interestingly, issues of access to land and land tenure, being politically sensitive, are almost never mentioned);
- (iii) enhancing access by the rural poor to markets/marketing and storage facilities; and
- (iv) improving delivery of agricultural services, such as advisory services.

An important question to consider is what type of farmers in NENA countries are benefiting from agricultural policies. When the main objective of policies is the growth of agricultural production and/or exports, the beneficiaries have often been larger commercial farms, at the expense of smallholders and poor rural households. This, for instance, has been the case in Morocco, where policies have focused on developing irrigated agriculture and supporting export-orientated citrus producers at the expense of poorer farmers engaged in rainfed production systems. Similarly, in Sudan, the allocation of land and support to large-scale “semi-mechanized farms” has created conflicts with small deprived farmers, pastoralists and the landless. In Yemen, subsidies to large producers of irrigated *qat*, at the expense of poorer farmers, have contributed to the depletion of aquifers.

IFAD operates within the framework and in support of national policies and through national government structures (alongside civil society and the private sector). It is therefore important to identify how to influence national policy targets through policy dialogue so as to reorient them towards pro-poor interventions, but also how to contribute to building national capacities and multi-stakeholder partnerships to better achieve the aim of benefiting the rural poor within the PRSPs. When formulating policies, governments (typically the ministries of agriculture and finance) should be encouraged to consider the crucial role of smallholder agriculture in:

- (i) improving food security, both at the national and the household level, as a mitigation to the risk of famine which, in countries such as Somalia and Sudan, is still an imminent threat;
- (ii) reducing poverty in rural areas through employment creation, thereby mitigating the risks of massive migration to urban centres, which does not lead to enhanced job opportunities; and
- (iii) creating value added, particularly where intensive crops are supported.





# 4

## Concluding overview

The present study has found that some important elements contained in the previous NENA Rural Poverty Assessment Report are still valid today, especially in terms of who the poor are and why they are poor, as well as some of the constraints they still face (e.g. water scarcity, inadequate rural infrastructure, inappropriate policies and institutions, weak local-level organizations, gender inequity). However, there are several new socio-economic and political trends in the region (e.g. new migration trends, the move towards decentralization, globalization, changing trade patterns, increasing unemployment among young men and women, and new market orientation towards non-traditional crops) that have influenced the realities of the rural poor in terms of the opportunities and/or constraints they face. The characteristics, dimensions and cross-cutting causes of rural poverty in the NENA region are summarised here.

**Poverty in the NENA region is mainly a rural phenomenon.** About 48 per cent of the total NENA population (151 million people) lives in rural areas, and despite a rapid rate of urbanization, poverty in the NENA region remains concentrated in the rural areas. An estimated 25 per cent of the region's overall population is estimated to be poor, of which about 58 per cent live in rural areas. Furthermore, about 34 per cent of the total rural population in the region is estimated to be poor, compared to 18 per cent of the urban population. The distribution of the poor within countries is uneven, with some regions experiencing a higher incidence of poverty than others (e.g. Upper Egypt compared to the Delta region). In some countries, pockets of high poverty are found within areas of low-poverty incidence (Morocco, Tunisia), while other countries, such as in Djibouti, Somalia, Sudan and Yemen (i.e. the LDCs), experience widespread rural poverty.

The major **rural poor groups** found in the NENA region in terms of production systems are the landless, farmers with small sub-economic farm units, nomads and pastoralists, artisanal fishers and wage labourers. In terms of personal characteristics, the groups with the highest incidence of poverty are women-headed households, unemployed youth and displaced persons. Inadequate access to water and viable landholdings is a major constraint to the livelihoods of rural poor households in the region.

Although the prevalence of hunger in NENA is relatively low compared to other regions, overall **hunger and food insecurity** are not substantially improving, especially in the LDCs, where average per capita food consumption hardly exceeds 2,000 calories per day. The proportion of underweight children increased between 1990 and 2004, and stunting levels remain high, ranging from the highest, 53 per cent in Yemen, to a low 9 per cent in Lebanon. Children in rural areas of the region are 1.7 times more likely to be underweight than their peers in urban areas. Compared with the other MDGs indicators, the rate of reduction of malnutrition in the region is much slower than targeted, indicating a structural and persisting food insecurity problem in some countries, in some regions within countries, or among certain population strata within regions.

**Agriculture's contribution to total GDP** in the region presently stands at 12.6 per cent, a decline from 15.0 per cent in 2000. Public investments in rural areas have also followed a downward trend since the 1980s, with net average investment in agriculture declining from an annual average of US\$6.1 billion in 1986–1990 to US\$1.9 billion in 1996–2000. Of the total estimated economically active population of 126.0 million, 47.6 million, or 37.8 per cent, are engaged in agriculture, down from 47.8 per cent in the 1990s. Given the relatively low contribution to GDP, this demonstrates that despite some improvement, labour productivity in the agricultural sector is still low.

**Private investment** in rural enterprises is seriously constrained by: (i) poor rural, compared to urban, infrastructure base, including water, sanitation, heating, electricity, rural roads and communication; (ii) inadequate access to rural finance; (iii) insufficient availability of local skills to fit the job's requirements; and (iv) recent competition with low-cost products from China, where rural enterprises such as handicraft or textile industries are developed.

**Access to and sustainability of natural resources** such as water, land and pasture—a crucial determinant of rural poverty in the NENA region—is rapidly deteriorating. The causes of this

deterioration are found in the increasing human population density and pressure and in the incidence of rural poverty itself, which prevents poor households from preserving natural resources for the benefit of satisfying immediate needs. The scarcity of these natural resources is very likely to be aggravated in the coming years and decades as a result of global warming and climate change. The consequences include a depletion of water resources in some areas or in entire countries (e.g. Yemen), a deterioration of pastures, and scarcer access to land resources by the rural poor. In addition, conflicting access to these three vital resources is among the most important causes of armed conflicts in the region (e.g. Gaza and the West Bank, Sudan).

In terms of **rural infrastructure and social services**, the percentage of the population with access to safe water and sanitation facilities does not exceed 62 per cent and 51 per cent, respectively, below the world averages of 83 per cent and 59 per cent, respectively. As regards education, the region has witnessed great improvements over the past decade, experiencing a clear trend towards narrowing the literacy gap between young men and women (age 15–24). Jordan, for example, has almost reached universal literacy among both young men and women, but Yemen, in contrast, has a youth literacy rate of 68 per cent, with a women-to-men ratio of no more than 0.34, one of the lowest in the world. The NENA region has also made extensive progress in the area of health care over the last decade, with increasing life expectancy and declining fertility rates. The region has experienced a dramatic 75 per cent reduction in child mortality rates in the last three decades. This rate is much higher than in any other developing region in the world.

Despite migration, urbanization, and declining population growth rates, the rural population in NENA increased by 17 million between 2000 and 2004, posing a constraint on the labour market's capacity to absorb newcomers seeking employment every year. On the basis of available data, the average rate of **rural unemployment** in the NENA region is estimated at about 14 per cent (compared to an overall average of 13 per cent). Youth unemployment rates are much higher (ranging from 25.6 per cent to 53.0 per cent), and are the highest compared to any other region in the world. The decrease in employment opportunities, especially in the rural sector, represents a growing challenge to rural poverty reduction. While migration (rural-to-urban or to Western Europe and the Gulf) has been a coping strategy for many poor people (especially young men), job opportunities for unskilled rural workers are becoming more and more scarce, in urban areas and abroad.

**Access to rural microfinance services** is still very limited in the region. Despite recent advances in a few countries, the NENA region is still considered as having one of the least developed microfinance sectors, and a very traditional rural financial sector that does not reach out to the poor. Existing community banks and MFIs are concentrated mainly in urban and peri-urban areas. The region is also characterized by strong state involvement in the financial sector and, except for a few countries, lacks adequate legislation or regulations for microfinance. As a result, millions of poor people are still without access to adequate financial services in rural areas. A major breakthrough is needed in this sector to reach out more widely to the rural poor through alternative delivery mechanisms that are more suitable to a dispersed and poorly connected population.

Improved access to **technology and markets**, for both rainfed and irrigated small-farm agriculture, is needed to increase smallholder farm productivity and cash income. In particular, improving the production and marketing of non-traditional crops (such as high-value horticultural commodities, herbs and medicinal and aromatic plants) represents a promising economic development opportunity for the NENA region because of these crops' higher water-use efficiency, relatively higher economic return per unit area compared to traditional crops, and the potential to add value through processing and marketing. The basic approach is to focus on those commodities of interest to small farmers, and to identify and address through supply-chain analysis, the capacity-building needs, investment gaps, and key policy constraints.

**Conflict** in four of the region's countries, and **adverse climatic conditions** (such as drought and floods) in many areas are causing severe food deficits, loss of livelihoods and population

displacements. Almost 3 million people in the NENA region have been officially displaced due to conflict (and many more displaced persons are not officially recorded), constituting an important share of the most vulnerable population groups in rural areas. Although individual country effects are not yet clear, climate change may also lead to increased displacement and vulnerability due to increased frequencies of drought, floods, desertification, changes in rainfall patterns, and rising sea and river water levels. Poor rural people would be most affected by **climate change** because of their limited capacity to cope with dramatic changes in their natural resource base. The development of appropriate and location-specific technologies, management practices, financial schemes (e.g. crop insurance), and other risk-reducing mechanisms is needed to decrease this rising vulnerability.

**Gender inequity** is a major hindrance to rural (and overall) development of the NENA region. While women are essential for their contribution to agricultural production activities (the share of women is much higher than men), sustaining rural livelihoods (cooking, water and wood collection), providing education to future generations, and careful management of household assets and financial resources (e.g. their seriousness in participating in credit schemes is recognized), women in the NENA region suffer from a number of important constraints. These include: (i) excessive work load related to agricultural and domestic tasks, partly due to poor infrastructure, the increasing scarcity of natural resources (water, wood) and, more important, the high level of seasonal or permanent migration of men, not to mention the impact of conflicts and displacement; (ii) lower access to education than men, with the difference remaining very significant in some of the NENA countries where the gender parity in primary and secondary education scores below 0.85, despite important advances in girls' education over the last decades; and (iii) difficult access to health services and relatively high maternal mortality rates, especially in rural areas. These constraints are exacerbated by the sustained population growth in the region.

**Poor governance** is another cause of insufficient progress in poverty alleviation in the NENA region. A comparative analysis has shown that the NENA region lags behind other regions in the world in terms of the quality of governance. The problems include corruption, poor public management practices including lack of transparency and accountability, red tape, insufficient decentralization of decision-making and public services, and inequitable access to natural resources (unfair land tenure arrangements), financial resources and information.

Overall, the NENA region has therefore made **some steady but slow progress in reducing (rural) poverty** over the past decade, with great unevenness among countries. Based on their performance against five key indicators related to the MDGs, the NENA countries analysed can be classified into three groups: (i) countries with relatively good indicators, showing good progress in line with the MDGs targets (Egypt, Morocco, Syria, Tunisia, and Turkey); (ii) countries with relatively good indicators, showing limited progress but remaining below MDGs targets (Algeria, Jordan and Lebanon); and (iii) countries with poor indicators, showing very little progress far below MDGs targets (Djibouti, Somalia, Sudan, and Yemen). The performance of this third group of countries demonstrates a particularly worrying trend, because these are also classified as the poorest and least developed countries of the region. The reasons for their poor performance can be found in the slow progress of policy reforms and economic liberalization, conflict, weak governance, gender inequity, and low public and private investments in areas with a high concentration of poverty, typically rural areas.

# Appendix

**TABLE 1.**  
Demographic indicators of the NENA region

Indicator	Total population		Rural population		Average annual population growth rate		Population under (% per year) As % of total population 2003	Total fertility rate age 15 (births per woman)	
	Year	2005	Total population 2004	As % of total population 2004	Of total population 1990-2004	Projected total population 2003-2015		1970-75	2000-05
Algeria	32.854		13.160	40,7%	1,85%	1,5%	31.2	7.4	2.5
Djibouti	793		114	16,0%	2,70%	1,6%	42.1	7.2	5.1
Egypt	74.033		42.488	57,9%	2,43%	1,8%	34.3	5.7	3.3
Gaza and the West Bank	3.626		1.000	27,1%	4,57%	3,0%	46.0	7.7	5.6
Jordan	5.411		1.158	20,6%	4,17%	2,1%	38.0	7.8	3.5
Lebanon	3.577		439	11,8%	0,14%	1,0%	29.5	4.8	2.3
Morocco	30.168		13.026	41,9%	1,85%	1,4%	31.9	6.9	2.8
Somalia	8.228		6.681	64,8%	2,64%	n.a.	n.a.	n.a.	n.a.
Sudan	36.233		20.654	60,2%	2,96%	1,9%	39.7	6.7	4.4
Syria	19.043		9.078	49,8%	2,10%	2,3%	38.0	7.5	3.5
Tunisia	10.022		3.586	36,1%	1,42%	1,0%	27.5	6.2	2.0
Turkey	72.636		24.133	33,4%	1,83%	1,2%	29.7	5.3	2.5
Yemen	20.975		15.355	74,1%	4,06%	3,1%	47.1	8.5	6.2
Total NENA region	317.599		150.872	47,7%	2,27%	1,7%	34.3	6.4	3.3

Source: UNDP, Human Development Report 2005, 2005 (also found under <http://hdr.undp.org/statistics/data/>)

**TABLE 2.**  
Economic and social performance in NENA countries

Indicator	Gross Domestic Product (GDP) in million US\$		Annual GDP growth rate in %		GDP per capita (in US\$)	Human development index (HDI) in 2003	
	2005	Year	in 2005	Average 1999-2005 in constant price		Absolute value	Rank (out of 177)
Algeria	102.257		5,3%	4,5%	3.112	0,722	103
Djibouti	702		3,2%	2,5%	885	0,495	150
Egypt	89.336		4,9%	4,0%	1.207	0,659	119
Gaza and the West Bank (GDP data from 2003)	3.454		1,7%	-6,7%	953	0,729	102
Jordan	12.861		7,2%	5,7%	2.377	0,753	90
Lebanon	22.210		1,0%	3,3%	6.209	0,759	81
Morocco	51.745		1,6%	3,6%	1.715	0,631	124
Somalia	4.835		2,4%	na	588	0,221	172
Sudan	27.699		8,0%	6,3%	764	0,512	141
Syria	26.320		4,2%	3,6%	1.382	0,721	106
Tunisia	28.683		4,2%	4,5%	2.862	0,753	89
Turkey	363.300		7,4%	4,8%	5.002	0,750	94
Yemen	14.452		4,2%	5,4%	689	0,489	151
<b>TOTAL NENA COUNTRIES</b>	<b>747.854</b>		<b>5,3%</b>	<b>4,5%</b>	<b>2.355</b>	<b>0,654</b>	<b>120</b>
WORLD	44.384.870		3,6%	3,0%	6.894		
<b>NENA compared with world</b>	<b>1,7%</b>		<b>150%</b>	<b>153%</b>	<b>34%</b>		

Source economic data: World Bank, 2006 (<http://devdata.worldbank.org/data-query/>), except for Somalia: Index Mundi (<http://www.indexmundi.com/somalia/>)  
Source HDI: UNDP, Human Development Report 2005, 2005 (also found under <http://hdr.undp.org/statistics/data/>) except Somalia: Somalia Human Development Report, 2001  
Note: Annual Growth of GDP in calculated in constant currency, i.e. net of inflation.



**TABLE 3.**  
Agricultural economy

<b>Indicator</b>	<b>Agricultural value added</b> % of total GDP <b>2005</b>	<b>Average annual growth rate of agricultural GDP</b> Average 2000-2005 <b>2000-2005</b>	<b>Total economically active population</b> Thousand people		<b>Economically active in agriculture</b> (% of economically active population)		<b>Agricultural GDP / capita (agricultural population)</b> US\$ <b>2004</b>
<b>Unit</b>			<b>1990</b>	<b>2004</b>	<b>1990</b>	<b>2004</b>	
Algeria	8,4%	2,4%	6.979	12.033	26,1%	23,3%	707
Djibouti (*)	n/a	n/a	267	354	82,0%	76,8%	na
Egypt	13,9%	2,3%	18.697	27.902	40,5%	30,8%	477
Gaza and the West Bank	6,2%	n/a	n/a	n/a			852
Jordan	2,3%	2,6%	815	1.933	15,1%	10,1%	413
Lebanon	7,3%	2,4%	847	1.412	7,3%	2,8%	
Morocco	13,3%	2,4%	9.119	12.979	44,7%	33,1%	726
Somalia	n/a	n/a	3.128	4.368	75,3%	69,3%	na
Sudan	33,7%	2,2%	9.393	13.806	69,5%	57,4%	227
Syria	21,4%	2,3%	3.520	6.250	33,5%	26,2%	856
Tunisia	12,6%	2,5%	2835	4.211	28,1%	23,1%	1.117
Turkey	11,9%	1,9%	24.255	34.269	53,6%	43,3%	1.341
Yemen	12,9%	2,4%	3.550	6.507	60,1%	46,4%	133
<b>TOTAL NENA COUNTRIES</b>	<b>12,6%</b>	<b>2,2%</b>	<b>83.405</b>	<b>126.024</b>	<b>47,8%</b>	<b>37,8%</b>	<b>719</b>

Source: World Bank and FAOSTAT data, 2006.  
The high percentage of economically active population in agriculture is explained by the fact that this includes peri-urban agriculture.

**TABLE 4.**  
Poverty indicators

Year	Human Development Indicators				Poverty Indicators (6)				
	Human poverty index (HPI-1) (2)	Gender-related development index (GDI) (3)	GINI Index (4)	Poverty data date (7)	Total poverty (% of total population poor)	Urban poverty (% of urban population poor)	Rural poverty (% of rural population poor)	Percentage of poor living in the rural areas	
	2004	2004	Value	Date (5)	UN Millennium Development Goals Indicators with exceptions (8)				
<b>Source</b>	UNDP / Human Development Report 2006				UN Millennium Development Goals Indicators with exceptions (8)				
Algeria (11)	21,5	0,713	35,3	1995	12,1%	10,3%	14,7%	53%	
Djibouti	30	n/a	n/a	n/a	74,4%	66,2%	83,0%	16%	
Egypt	20	n/a	34,4	1999-2000	16,7%	22,5%	23,3%	60%	
Gaza and the West Bank (13)	6,5	n/a	n/a	n/a	32,0%	20,6%	55,0%	67%	
Jordan (9)	7,6	0,747	38,8	2002-2003	14,2%	13,0%	19,0%	27%	
Lebanon	9,6	n/a	n/a	n/a	na	na	na	na	
Morocco (12)	33,4	0,615	39,5	1998-1999	14,2%	7,9%	22,0%	64%	
Somalia (14)	n/a	n/a	n/a	n/a	60,0%	na	na	na	
Sudan (16)	31,3	0,492	n/a	n/a	60,0%	26,9%	85,0%	81%	
Syria (15)	14,4	0,702	n/a	n/a	11,4%	8,3%	14,8%	62%	
Tunisia (11)	17,9	0,744	39,8	2000	4,1%	1,6%	8,3%	33%	
Turkey	9,8	0,745	43,6	2003	27,0%	22,0%	34,5%	42%	
Yemen (10)	40,6	0,462	33,4	1998	35,5%	18,7%	40,6%	83%	
<b>TOTAL NENA COUNTRIES (1)</b>	<b>20,9</b>	<b>0,653</b>	<b>36,70</b>		<b>25,3%</b>	<b>17,8%</b>	<b>34,3%</b>	<b>58,1%</b>	

(1) Weighted average for countries for which data is available.

(2) HPI is a composite index measuring deprivations in the three basic dimensions captured in the human development index—a long and healthy life, knowledge and a decent standard of living.

(3) GDI is a composite index measuring average achievement in the three basic dimensions captured in the human development index—a long and healthy life, knowledge and a decent standard of living—adjusted to account for inequalities between men and women.

(4) The GINI index measures the extent to which the distribution of income among individuals within a country deviates from a perfectly equal distribution (GINI = 0). 100 represents perfect inequality.

(5) The GINI index requires in-depth surveys and could therefore not be measured very often, which explains why some countries have outdated data, and others none at all.

(6) Poverty indices are defined as the percentage of population living with less than 1 US\$ (PPP 1992) per day. Source: UN Millennium Database, except when specified in specific footnotes (9), (10) and (11).

(7) Although poverty data was lately compiled on 31 July 2006 by the UN Millennium Development Goal Team, poverty data was collected and analysed in various years depending on the countries.

(8) Exceptions are: Djibouti: Enquête auprès des ménages 2 (2002), undertaken by the World Bank and DINAS, cited by IFAD in the "Rapport de Formulation du MESDAP (juin 2006)."

(9) Poverty Data from Jordan Poverty Assessment Executive Summary December 2004, World Bank.

(10) Poverty Data from The Socio-Economic Development Plan for Poverty Reduction (2006-2010), Ministry of Planning and International Cooperation, October 2006.

(11) Poverty data from Richard Adams, Jr., 2003, "Trends in Urban and Rural Poverty and Equality in the Middle East and North Africa (MENA), 1980-2000," World Bank, Washington, D.C.

(12) Poverty data from World Bank (2004), Morocco Poverty Report.

(13) According to the Palestinian Central Bureau of Statistics, reported in the OCHA Consolidated Appeal Process 2007 (using income data of 2nd quarter 2006), the total poverty rate has climbed to 65.8 percent and continues to rise.

(14) Poverty data on Somalia is very limited and available mostly from Somalia's Human Development Report, of 2001.

(15) Poverty source in Syria is a UNDP-supported study in 2004, mentioned in the IFAD COSOP dated January 2006.

(16) Poverty data in Sudan is also extremely difficult to obtain due to the conflict there and to the discrepancies between the northern and southern parts of the country. These were extracted from the draft COSOP dated 2002, which puts poverty at between 50 and 70 percent.

**TABLE 5.**  
Total and rural unemployment rates

	Year	Total unemployment (%) Source of data (1)	Rural unemployment (%) Source of data (2)
Algeria (3)	2005	15,3	42
Djibouti (4)	2004	50,0	na
Egypt, Arab Rep. (5)	2004	9,9	9,7
Gaza and the West Bank	2004	26,7	na
Jordan (6)	2003	15,5	19,4
Lebanon (7)	2001	11,5	na
Morocco	2005	11,0	3,9
Somalia (8)	2002	47,4	40,7
Sudan		na	na
Syrian Arab Republic	2002	11,7	9,2
Tunisia	2002	14,2	15,1 (2001)
Turkey	2005	10,0	8,2
Yemen (9)	2005	17,0	10 (1999)
<b>NENA Region</b>		<b>13,0</b>	<b>14,0</b>

(1) Main source of data is ILO (<http://laborsta.ilo.org/>), unless not available, or more recent data is available from other sources (specified).

(2) Source of data: Rural unemployment in the Near East and North Africa Region, IFAD, Rome, February 2006.

(3) Enquête Emploi Aupres Des Menages, 2005, Collections Statistiques No. 126, Office National des Statistiques, Alger, Janvier 2006.

(4) The World Fact Book, (CIA)

(5) Egypt Human Development Report, 2005.

(6) Economic Research Forum, August 2005, Jordan Country profile. Unofficial figures reach 30 percent.

(7) FEMISE 2005, Lebanon Country Profile, Institut de la Méditerranée.

(8) Source: UNDP and the World Bank, Somalia Socio-Economic Survey, 2002; UNDP Somalia Human Development Report, 2001.

(9) Source: Socio-Economic Development Plan for Poverty Reduction (2006-2010), Ministry of Planning and International Cooperation, October 2006.

**TABLE 6.**  
Food security and nutrition

Unit: Year:	Per Capita Daily Consumption			Undernourished population % of total population 2000-2002	Children under 5 moderately or severely underweight % of children under 5 2004	% of children under 5 suffering from moderate to severe stunting % of children under 5 (*)
	Calories 1979-1981	Calories 1989-1991	Calories 2000-2003			
Algeria	2.640	2.880	2.990	5%	10%	19%
Djibouti					18%	26%
Egypt	2.910	3.180	3.340	3%	9%	16%
Gaza and the West Bank				na	4%	9%
Jordan	2.610	2.790	2.670	7%	4%	12%
Lebanon	2.710	3.140	3.160	3%	3%	9%
Morocco	2.750	3.060	3.040	7%	10%	18%
Somalia	n/a	n/a	n/a	n/a	26%	23%
Sudan	2.180	2.150	2.260	27%	41%	43%
Syria	2.950	2.800	3.040	4%	7%	18%
Tunisia	2.820	3.120	3.270	2%	4%	12%
Turkey	3.230	3.510	3.360	3%	4%	12%
Yemen	1.970	2.060	2.040	36%	46%	53%
<b>Subtotal NENA</b>	<b>2.785</b>	<b>2.988</b>	<b>3.029</b>	<b>8,7%</b>	<b>14,1%</b>	<b>21,1%</b>
World	2.549	2.704	2.798	14%		
As share of world	109,3%	110,5%	108,3%	62,3%		

Source economic data: World Bank, 2006 (<http://devdata.worldbank.org/data-query/>), except for Somalia: Index Mundi (<http://www.indexmundi.com/somalia/>)  
Source HDI: UNDP: Human Development Report 2005, 2005 (also found under <http://hdr.undp.org/statistics/data/>) except Somalia: Somalia Human Development Report, 2001  
Note: Annual Growth of GDP in calculated in constant currency, i.e. net of inflation.

**TABLE 7.**  
Life expectancy and mortality rates

Indicator	Total fertility rate (births per woman)		Life expectancy at birth, total (years)			Mortality rate, infant (per 1,000 live births)			Mortality rate, under-5 (per 1,000)			Maternal mortality ratio "Ratio reportedb (per 100,000 live births) 1985-2003e "
	1970-75	2000-05	1970-75 <sup>d</sup>	2004	Change	1970	2004	Change	1970	2004	Change	
Algeria	7,4	2,5	54	71,47	32%	143	34,6	-76%	234	40	-83%	140
Djibouti	7,2	5,1	44,4	53,14	20%	160	101,4	-37%	241	125,6	-48%	74
Egypt	5,7	3,3	52,1	70,22	35%	157	26,4	-83%	235	36,2	-85%	84
Gaza and the West Bank	7,7	5,6	56,6	72,99	29%	77	22,6	-71%	107	26,8	-75%	41
Jordan	7,8	3,5	56,5	71,77	27%	45	26,5	-41%	54	30,5	-44%	100
Lebanon	4,8	2,3	66,4	72,3	9%	119	38,2	-68%	184	42,8	-77%	230
Morocco	6,9	2,8	52,3	70,08	34%	104	62,6	-40%	172	91,4	-47%	550
Somalia	n.a.	n.a.	47,2			90	15	-83%	129	16,4	-87%	65
Sudan	6,7	4,4	45,1	56,55	25%	135	21	-84%	201	25,4	-87%	69
Syria	7,5	3,5	57,4	73,59	28%	150	28,3	-81%	201	32	-84%	130
Tunisia	6,2	2	55,6	73,3	32%	202	81,6	-60%	303	111,4	-63%	350
Turkey	5,3	2,5	57	69,92	23%	139,3	38,8	-72%	206,90	51,05	-75%	186,55
Yemen	8,5	6,2	39,9	61,27	54%							
NENA Countries	6,4	3,3	52,65	67,86	29%							

Source: United Nations Development Programme (UNDP), 2006, Human Development Report, 2005 (<http://hdr.undp.org/statistics/data/>).

**TABLE 8.**  
Access to water and sanitation (as percentage of total population)

	Access to safe water			Access to sanitation		
	Rural 2004	Urban 2004	Total 2004	Rural 2004	Urban 2004	Total 2004
Algeria	80	88	85	82	99	92
Djibouti	59	76	73	50	88	82
Egypt	97	99	98	58	86	70
Gaza and the West Bank		94				
Jordan	91	99	97	82	97	93
Lebanon	100	100	100	27	100	56
Morocco	58	94	75		87	51
Somalia (*)	19	31	23			33
Sudan	57	85	64	26	53	73
Syrian Arab Republic	67	94	80	50	97	75
Tunisia	62	95	81	47	95	85
Turkey	74	92	85	70	96	82
Yemen	68	84	71	19	82	32
<b>NENA region</b>	<b>58,4</b>	<b>91,0</b>	<b>61,6</b>	<b>39,5</b>	<b>62,8</b>	<b>50,8</b>
World	73,0	95,0	83,0	39,0	80,0	59,0

Source: UN. (<http://millenniumindicators.un.org/unsd/mdg/Data.aspx>)  
(\*) Incomplete data from 1999 only. Source: Somalia Human Development Report, 2001.

**TABLE 9.**  
Education

Indicator/Year	Net primary school enrolment ratio (1)		Gender parity index (GPI) in primary and secondary education (2)		Primary completion rate, boys		Primary completion rate, girls		Gender parity index (GPI) in primary education completion (2)	
	2004	2003 or 2004	2001	2001	2001	2001	2001	2001	2001	2001
Algeria	96	0,99	89,6	89	0,99					
Djibouti	32	0,75	33,8	23,9	0,71					
Egypt	94	0,94	97,5	91,5	0,94					
Gaza and the West Bank	93	1,03	n/a	n/a	n/a					
Jordan	93	1,01	68,9	76,6	1,11					
Lebanon	93	1,02	n/a	n/a	n/a					
Morocco	87	0,88	55	38	0,69					
Somalia (*)	14		n/a	n/a	n/a					
Sudan			46	36,7	0,80					
Syria	98	0,94	94,5	84	0,89					
Tunisia	97	1,02	79	69,5	0,88					
Turkey	89	0,85	93,2	86	0,92					
Yemen	73	0,63	n/a	n/a	n/a					
<b>NENA Countries</b>	<b>88,4</b>	<b>0,90</b>	<b>82,68</b>	<b>75,22</b>	<b>0,89</b>					
World	87,0	0,94								

Source: UNDP, Human Development Report, 2005 (also found under <http://hdr.undp.org/statistics/data/>).

(1) Enrolment of the official age group for a given level of education, expressed as a percentage of the population in that age group.

(2) Ratio of female to male values (or male to female, in certain cases). A GPI of 1 indicates parity between sexes; a GPI of between 0 and 1 means a disparity in favour of boys;

a GPI of greater than 1 indicates a disparity in favour of girls.

(\*) Incomplete data from 1999 only. Source: Somalia Human Development Report, 2001.

**TABLE 10.**  
Literacy

Indicator	Unit:	Adult literacy rate <sup>a</sup> (% ages 15 and above)	Youth literacy rate <sup>a</sup> (% ages 15-24)	Ratio of literate women to men, 15-24 years old
Country		1990 2003	1990 2003	2000 (*)
Algeria		52.9 69.8	77.3 90.1	0.92
Djibouti			73.2	
Egypt		47.1 55.6	61.3 73.2	0.88
Gaza and the West Bank			98.7	
Jordan		81.5 89.9	96.7 99.1	0.97
Lebanon		80.3	92.1	
Morocco		38.7 50.7	55.3 69.5	0.62
Somalia (**)		24 17, 1		
Sudan		45.8 59.0	65.0 74.6	0.71
Syria		64.8 82.9	79.9 95.2	0.73
Tunisia		59.1 74.3	84.1 94.3	0.81
Turkey		77.9 88.3	92.7 96.6	0.91
Yemen		32.7 49.0	50.0 67.9	0.34
<b>NENA Countries</b>		<b>54,8 66,4</b>	<b>72,5 82,9</b>	<b>0,80</b>
WORLD			84,3 87,2	0,93

Source: UNDP, Human Development Report 2005 (also found under <http://hdr.undp.org/statistics/data/>).

(\*) Except for Algeria and Egypt, for which data is from 2004.

(\*\*) Only partial data is available for Somalia in 2001. Source: Somalia Human Development Report, 2001.



**TABLE 11.**  
Evolution of selected MDG indicators in MENA countries

Indicator (see definitions in the notes below)	Indicator 5. Proportion of population below minimum level of dietary energy consumption		Indicator 6. Net enrolment ratio in primary education, girls		Indicator 13. Child under-5 mortality rate per 1,000 live births		Indicator 30. Proportion of the rural population using improved drinking water sources		Indicator 31. Proportion of the population using improved sanitation facilities, rural		Combined progress factor (3)	Notes			
	1991	Achievement of mid target (1) 2002	1991	Achievement of mid target (1) 2004 (2)	1990	Achievement of mid target (1) 2004	1990	Achievement of mid target (1) 2004	1990	Achievement of mid target (1) 2004					
<b>Medium indicators and good progress</b>	<b>3.8</b>	<b>3.5</b>	<b>29%</b>	<b>89.9</b>	<b>113%</b>	<b>86.0</b>	<b>33.2</b>	<b>183%</b>	<b>76.9</b>	<b>87.9</b>	<b>191%</b>	<b>50.7</b>	<b>64.6</b>	<b>113%</b>	
Egypt	4	3	100%	76.5	94	149%	104	36	196%	86.0	33.2	183%	76.5	94	149%
Morocco	6	6	0%	45.9	83.4	139%	89	43	155%	89	43	155%	45.9	83.4	139%
Syria	5	4	80%	86.4	91.9	81%	44	16	191%	44	16	191%	86.4	91.9	81%
Tunisia	2.5	2.5	0%	90	97.6	152%	52	25	156%	52	25	156%	90	97.6	152%
Turkey	2.5	3	-80%	85.4	86.8	19%	82	32	183%	82	32	183%	85.4	86.8	19%
<b>Medium indicators but little progress</b>	<b>4.7</b>	<b>5.1</b>	<b>-37%</b>	<b>83.3</b>	<b>94.7</b>	<b>137%</b>	<b>62.5</b>	<b>37.5</b>	<b>116%</b>	<b>83.1</b>	<b>96%</b>	<b>25%</b>	<b>77.7</b>	<b>83.1</b>	<b>96%</b>
Algeria	5	5	0%	82.8	95.4	147%	69	40	126%	89	80	-327%	77	82	87%
Jordan	4	7	-300%	94.4	92	-86%	40	27	98%	91	91	0%	82	87	111%
Lebanon	2.5	3	-80%	71.3	92.7	149%	37	31	49%	100	100		87	87	
<b>Poor parameters and little progress</b>	<b>32.4</b>	<b>30.6</b>	<b>22%</b>	<b>28.5</b>	<b>47.7</b>	<b>54%</b>	<b>146.7</b>	<b>114.4</b>	<b>68%</b>	<b>61.0</b>	<b>59.7</b>	<b>-14%</b>	<b>23.8</b>	<b>24.3</b>	<b>3%</b>
Djibouti	53	26	204%	24	29.3	14%	163	126	68%	59	59	0%	50	50	0%
Somalia				6.4	na		275	225	55%	na	27		na	14	
Sudan	31	27	52%	34.1	39.1	15%	120	91	73%	57	64	65%	26	24	-11%
Yemen	34	37	-35%	27.6	63.2	98%	142	111	65%	68	65	-38%	19	28	44%
<b>MENA</b>	<b>9.33</b>	<b>8.86</b>	<b>20%</b>	<b>69.07</b>	<b>82.54</b>	<b>87%</b>	<b>90.83</b>	<b>46.24</b>	<b>147%</b>	<b>75.70</b>	<b>82.79</b>	<b>117%</b>	<b>48.36</b>	<b>59.78</b>	<b>89%</b>
<b>World</b>							<b>95.00</b>	<b>79.00</b>	<b>51%</b>	<b>64.00</b>	<b>73.00</b>	<b>100%</b>	<b>26.00</b>	<b>39.00</b>	<b>70%</b>

The latest years for which data is available (2002-2004) corresponds to midway between 1990 and 2015. The progress achieved was therefore compared with half of the targets explained below.

(1) Year 2000 for Sudan and 2002 for Syria

Goal 1. Eradicate extreme poverty and hunger.

Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Indicator 5. Proportion of the population below the minimum level of dietary energy consumption referred to as the prevalence of undernourishment, is the percentage of the population that is undernourished or food deprived, whose food intake falls below the minimum level of dietary energy requirements (food insecurity line). It measures the level of food insecurity of a population. Food deprivation is one of the several causes of undernutrition (other causes are poor sanitary conditions, absence of health, inadequate health care and protection, infectious diseases, among others), which affects labour productivity and learning capacity. Poverty reduction strategies must address food insecurity first so that the population has access to food (physically, economically and culturally).

Goal 2. Achieve universal primary education.

Target 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Indicator 6. Net primary enrolment rate in primary education is the number of children of official primary school age (according to ISCED971) who are enrolled in primary education as a percentage of the total children of the official school-age population. Where more than one system of primary education exists within the country, the most widespread or common structure is used for determining the official school-age group.

Goal 4. Reduce child mortality.

Indicator 13. The under-5 mortality rate is the probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before reaching the age of 5 if subject to current age-specific mortality rates.

Goal 7. Ensure environmental sustainability.

Target 10. Halve by 2015 the proportion of people without sustainable access to safe drinking water.

Indicator 30. Percentage of the population using improved drinking water sources (including household water connection, public standpipe, borehole, protected dug well, protected spring, rainwater collection and bottled water, if a secondary source is also improved).

Goal 7. Ensure environmental sustainability.

Target 10. Halve by 2015 the proportion of people without sustainable access to safe drinking water.

Indicator 31. Percentage of the population using improved sanitation facilities (including flush to piped sewer system, flush to septic tank, flush/pour flush to pit, flush/pour flush to elsewhere).

**TABLE 12.**  
Achievement of MDG halfway targets for selected MDG indicators

	Indicator 5 (malnutrition)	Indicator 6 (female education)	Indicator 13 (child mortality)	Indicator 30 (access to rural water)	Indicator 31 (access to rural sanitation)	Composite indicator
Group I: Egypt, Morocco, Syria, Tunisia, Turkey	15%	102%	183%	223%	99%	115%
Group II: Algeria, Jordan, Lebanon	-46%	103%	116%	-257%	83%	22%
Group III: Djibouti; Somalia, Sudan, Yemen.	22%	73%	61%	27%	9%	46%
<b>Average NENA</b>	<b>20%</b>	<b>98%</b>	<b>147%</b>	<b>117%</b>	<b>89%</b>	<b>92%</b>

**TABLE 13.**  
Land resources in the NENA region (in 2003)

Indicator:	Total area 1 000 ha	Agricultural Area 1 000 ha	% of total area	Arable land and permanent crops (1 000 ha)	% of total area	Permanent pasture (1 000 ha)	% of total area	Forest and woodland (1 000 ha)	% of total area	Arable and permanent crop area per capita ha	Permanent pasture area per capita ha
Unit:	1 000 ha	1 000 ha	% of total area	1 000 ha	% of total area	1 000 ha	% of total area	1 000 ha	% of total area	ha	ha
Algeria	238.174	39.956	16,8%	8.215	3,4%	31.741	13,3%	3.950	1,7%	0,25	0,97
Djibouti	2.320	1.701	73,3%	1	0,0%	1.700	73,3%	22	0,9%	0,00	2,14
Egypt	100.145	3.424	3,4%	3.424	3,4%	-	0,0%	34	0,0%	0,05	-
Gaza and the West Bank	602	345	57,3%		0,0%	150	24,9%	30	5,0%	-	0,04
Jordan	8.878	1.142	12,9%	400	4,5%	742	8,4%	70	0,8%	0,07	0,14
Lebanon	1.040	329	31,6%	313	30,1%	16	1,5%	80	7,7%	0,09	0,00
Morocco	44.655	30.376	68,0%	9.376	21,0%	21.000	47,0%	8.970	20,1%	0,31	0,70
Somalia	63.766	44.071	69,1%	1.071	1,7%	43.000	67,4%	16.000	25,1%	0,13	5,23
Sudan	250.581	134.600	53,7%	17.420	7,0%	117.180	46,8%	42.000	16,8%	0,48	3,23
Syria	18.518	13.759	74,3%	5.421	29,3%	8.338	45,0%	484	2,6%	0,28	0,44
Tunisia	16.361	9.784	59,8%	4.930	30,1%	4.854	29,7%	676	4,1%	0,49	0,48
Turkey	78.356	39.180	50,0%	26.013	33,2%	13.167	16,8%	22.199	28,3%	0,36	0,18
Yemen	52.797	17.734	33,6%	1.669	3,2%	16.065	30,4%	2.000	3,8%	0,08	0,77
<b>TOTAL NENA COUNTRIES</b>	<b>876.193</b>	<b>336.401</b>	<b>38,4%</b>	<b>78.253</b>	<b>8,9%</b>	<b>257.953</b>	<b>29,4%</b>	<b>96.515</b>	<b>11,0%</b>	<b>0,25</b>	<b>0,81</b>
WORLD	13.432.420	4.973.406	37,0%	1.540.572	11,5%	3.432.834	25,6%	4.172.435	31,1%	0,24	0,53
<b>Share of NENA in the world</b>	<b>6,5%</b>	<b>6,8%</b>		<b>5,1%</b>		<b>7,5%</b>		<b>2,3%</b>		<b>104,0%</b>	<b>153,8%</b>

Source: FAO (<http://faostat.fao.org/site/5444/default.aspx>)

**TABLE 14.**  
Water resources and withdrawals

Indicator	Water resources		Total water withdrawals Billion m <sup>3</sup> / year 2003-2007	Withdrawals as percentage of resources %	Total agricultural withdrawals Billion m <sup>3</sup> / year 1998-2002	Agricultural withdrawals as percentage of total withdrawals	Irrigated area 1 000 ha 2005
	Total renewable water resources Billion m <sup>3</sup> / year 2003-2007	Total renewable water resources per capita m <sup>3</sup> / capita / year 2003-2007					
Algeria	11,67	354,9	6,07	52,0%	3,94	64,9%	569
Djibouti	0,30	416,1	0,02	6,3%	0,00	15,8%	1
Egypt	58,30	778,6	68,30	117,2%	59,00	86,4%	3422
Gaza and the West Bank	0,06	52,0	n.a.		n.a.		17
Jordan	0,88	153,0	1,01	114,8%	0,76	75,2%	75
Lebanon	4,41	1172,0	1,38	31,3%	0,92	66,7%	104
Morocco	29,00	918,8	12,60	43,4%	11,01	87,4%	1445
Somalia	14,70	1368,0	3,29	22,4%	3,28	99,7%	200
Sudan	64,50	1841,0	37,32	57,9%	36,07	96,7%	1863
Syria	26,26	1408,0	19,95	76,0%	18,93	94,9%	1333
Tunisia	4,60	457,6	2,64	57,5%	2,17	82,0%	394
Turkey	213,55	2913,0	37,53	17,6%	27,86	74,2%	5215
Yemen	4,10	190,9	6,63	161,7%	6,32	95,3%	485
<b>NENA region</b>	<b>432,32</b>	<b>1346,1</b>	<b>196,74</b>	<b>45,5%</b>	<b>170,26</b>	<b>86,5%</b>	<b>15123</b>

Source: FAO Aquastat (<http://www.fao.org/ag/agl/aglw/aquastat/dbase/index.stm>)

**TABLE 15.**  
Land use in the NENA region: cropping pattern (2005)

	Wheat	Barley	Sorghum, maize, millet and other grains	Oil crops	Fruit excl. melons, total	Vegetables & melons, total	Fibre crops, primary	Other crops
Algeria	1,800,000 46%	850,000 22%	75,700 2%	218,700 6%	450,820 11%	280,100 7%	100 0%	272,177 7%
Egypt	1,254,741 24%	45,000 1%	1,665,000 32%	501,650 10%	425,928 8%	600,406 12%	324,850 6%	380,652 7%
Jordan	24,418 13%	36,767 19%	878 0%	64,547 33%	22,373 12%	31,307 16%	0%	12,956 7%
Lebanon	46,000 17%	13,000 5%	1,800 1%	60,680 22%	73,900 27%	28,500 10%	0%	51,115 19%
Morocco	2,966,000 41%	2,180,000 30%	319,700 4%	602,907 8%	308,659 4%	205,479 3%	2,670 0%	633,762 9%
Sudan	170,000 1%	0 0%	10,888,000 70%	3,826,000 24%	133,440 1%	157,340 1%	208,000 1%	251,650 2%
Syrian Arab Republic	1,903,830 38%	1,327,200 26%	55,801 1%	741,454 15%	171,591 3%	123,820 2%	218,294 4%	487,113 10%
Tunisia	827,000 25%	381,000 11%	56,000 2%	1,518,400 45%	219,017 7%	135,295 4%	2,000 0%	204,190 6%
Turkey	9,300,000 44%	3,600,000 17%	1,194,500 6%	1,909,346 9%	1,054,063 5%	1,048,803 5%	600,000 3%	2,461,140 12%
Yemen	82,921 8%	36,875 4%	568,284 55%	60,800 6%	94,890 9%	61,622 6%	28,300 3%	97,030 9%
Djibouti	0 0%	0 0%	6 0%	0 0%	0 0%	4,200 100%	0 0%	0 0%
Somalia	2,600 0%	0 0%	577,500 67%	84,600 10%	22,180 3%	23,450 3%	15,000 2%	139,450 16%
<b>Total NENA</b> NENA in %	<b>18,377,513</b> 28,8%	<b>8,469,843</b> 13,3%	<b>15,403,171</b> 24,1%	<b>9,589,086</b> 15,0%	<b>2,976,862</b> 4,7%	<b>2,700,324</b> 4,2%	<b>1,399,214</b> 2,2%	<b>4,991,236</b> 7,8%
<b>WORLD</b> World in %	<b>217,000,377</b> 20,2%	<b>56,981,256</b> 5,3%	<b>227,980,223</b> 21,2%	<b>249,774,594</b> 23,3%	<b>51,569,063</b> 4,8%	<b>52,117,189</b> 4,9%	<b>38,675,193</b> 3,6%	<b>178,810,966</b> 16,7%

Source: FAO  
FAOSTAT | © FAO Statistics

**TABLE 16.**  
Animal production

Unit	Pastures Thousand ha	Cattle and buffalo Thousand heads	Sheep and goats Thousand heads	Production of sheep's milk tons	Production of goat's milk tons	Production of cow's milk tons	Mutton and lamb meat tons	Goat's milk yield kg per animal	sheep's milk yield kg per animal	Cow's milk yield kg per animal
Algeria	31.741	1.540	20.500	200.000	160.000	1.300.000	165.000	89	38	1.296
Djibouti	1.700	7.370	8.142	93.000	15.100	8.050	2.184	13	50	350
Egypt	-	35	1.140	-	-	2.300.000	42.500	-	-	1.353
Gaza and the West Bank	742	67	2.024	65.752	13.842	173.074	4.000	54	57	4.851
Jordan	16	90	732	24.600	39.000	260.000	14.740	152	133	5.417
Lebanon	21.000	2.689	21.951	26.900	34.000	1.300.000	103.000	30	36	942
Morocco	43.000	-	-	468.000	393.500	436.640	48.100	60	69	375
Somalia	117.180	38.325	87.000	464.940	1.295.000	3.264.000	144.000	65	18	480
Sudan	8.338	883	14.500	604.200	62.100	1.250.000	207.000	90	59	2.535
Syria	4.854	760	8.250	17.300	12.200	930.000	55.000	28	69	1.590
Tunisia	13.167	10.564	34.000	750.000	240.000	9.500.000	272.000	105	79	1.900
Turkey	16.065	1.400	13.750	22.440	34.748	193.000	30.300	28	20	601
<b>Subtotal NENA</b>	<b>257.803</b>	<b>63.723</b>	<b>211.989</b>	<b>2.737.132</b>	<b>2.299.490</b>	<b>20.914.764</b>	<b>1.087.824</b>	<b>66</b>	<b>39</b>	<b>1.569</b>
World	3.427.189	1.529.110	1.888.736	8.609.949	12.435.038	529.662.559	8.502.428	83	46	2.215
As share of world	7,5%	4,2%	11,2%	31,8%	18,5%	3,9%	12,8%	79,5%	84,8%	70,8%

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Investment Centre Division  
Food and Agriculture Organization  
of the United Nations  
Viale delle Terme di Caracalla  
00153 Rome, Italy  
Telephone: +39-06-57054477  
Facsimile: +39-06-57054657  
E-mail: [Investment-Centre@fao.org](mailto:Investment-Centre@fao.org)  
[www.fao.org](http://www.fao.org)  
[www.fao.org/tc/tci](http://www.fao.org/tc/tci)



Via del Serafico, 107  
00142 Rome, Italy  
Telephone: +39-06-54591  
Facsimile: +39-06-5043463  
E-mail: [ifad@ifad.org](mailto:ifad@ifad.org)  
[www.ifad.org](http://www.ifad.org)  
[www.ruralpovertyportal.org](http://www.ruralpovertyportal.org)