



Social protection landscape and perspectives

Comprehensive national review of the system and reforms of Egypt

Edition 1



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**Social protection
landscape
and perspectives**

**Comprehensive
national review of
the system and
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United Nations publication issued by ESCWA, United Nations House, Riad El Solh Square, P.O. Box: 11–8575, Beirut, Lebanon.

Website: www.unescwa.org.

Cover photo: ©Ministry of Social Solidarity

UNITED NATIONS PUBLICATION
E/ESCWA/CL2.GPID/2025/8/V.1/EGY
Sales no: E.25.II.L.16
PRINT ISBN: 9789211546019
PDF ISBN: 9789211597615
2500554E

Acknowledgements

The report was drafted in accordance with the “Social protection landscapes and perspectives: Comprehensive national reviews of the systems and reforms of ESCWA member countries - Template for authors” developed by the Economic and Social Commission for Western Asia (ESCWA) in collaboration with the International Policy Centre for Inclusive Growth (IPC-IG).

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National entities included, but were not limited to, the National Organization for Social Insurance, the Ministry of Manpower, the Ministry of Planning and Economic Development, the Ministry of Finance, the Ministry of Supply and Internal Trading, the Ministry of Housing, Utilities and Urban Communities, and the Ministry of Labour.

International organizations included the International Labour Organization (ILO), the World Bank, and the United Nations Children’s Fund (UNICEF).

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- Production: The Conference Management Section at ESCWA.

Foreword

In the recent decade, Egypt has undertaken considerable and wide-reaching reforms across economic and social domains. It consolidated its economy and laid the groundwork for sustainable growth. These reforms have, amongst other things, included phasing out universal subsidies and promoting market mechanisms.

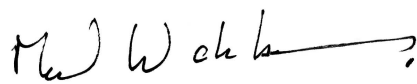
In this context, Egypt has also taken major steps to strengthen and expand its social protection system, in particular by introducing conditional and unconditional cash transfers, unifying the social insurance system, deepening and broadening its economic empowerment landscape, and ushering in a universal health insurance regime. Those efforts reflect the Egyptian Government's recognition of social protection as a right.

At the same-time, Egypt, like other countries around the world, has been strongly affected by recent global events, like the Covid-19 crisis and the outbreak of conflict in Ukraine, which caused food prices to hike, as well as by the more recent uncertainty surrounding trade, which has had ramifications around the world. Moreover, regional developments, like the conflicts in Gaza and the Sudan, have likewise impacted the country's economic and social pathways.

When crises occur, however, social protection serves to cushion the impact on livelihoods, and acts as an automatic stabilizer, ensuring a certain level of sustained demand in national and local economies. Moreover, social protection has the potential to promote the transition towards more inclusive and productive labour markets. Comprehensive, national systems, based on solidarity, promote social cohesion. As such, social protection is a key to socioeconomic development, building human capital, and a precondition for social stability.

Against this background, the Ministry of Social Solidarity (MoSS) and the Economic and Social Commission for Western Asia (ESCWA) are honoured to present the report "Social protection landscape and perspectives: Comprehensive national review of the system and reforms of Egypt". This national report has resulted from comprehensive efforts of the Ministry of Social Solidarity and other national stakeholders, facilitated by ESCWA, since September 2023. Importantly, the nationally led and structured process that guided the report's drafting has served as a platform for in-depth dialogue, knowledge sharing and consensus-building. This approach, involving a broad range of Egyptian stakeholders, has fostered a sense of ownership, ensuring that the proposed social protection reforms are in line with national needs and aspirations.

The report is not intended to be merely a self-assessment, but also to stimulate ongoing processes aimed at further reinforcing the national social protection system, including the launch of the National Social Protection Framework (NSSF), and in this context to identify the next logical steps to improve the system and its key programmes. The recommendations – which align with broader national development objectives like the Egypt Vision 2030 – are expected to serve as a catalyst for further cooperation and collaboration between the Government of Egypt and other stakeholders, including ESCWA, with the aim of continuing to work towards an ever-stronger and more inclusive social protection system favouring shared prosperity and leaving no one behind.

**Mourad Wahba**

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of the United Nations
Acting Executive Secretary
of ESCWA

**Maya Morsy**

Minister of Social Solidarity
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Executive summary

The national review of the social protection system of Egypt aims to establish the progress made so far in enhancing the social protection landscape of Egypt and based on this, identifies crucial next steps in shaping the effectiveness and efficiency of the system and its key programmes.

The report begins by laying out the general national context of Egypt. In the last decade, substantive reforms have been implemented to address macroeconomic imbalances, notably by phasing out general energy subsidies. Economic growth has on average been relatively strong, despite external shocks such as COVID-19 and arising conflicts in the neighbouring countries. Inflation, considered an international challenge, constitutes a significant challenge for Egypt's society. The labour market is marked by persistently low levels of economic participation, especially among women, in combination with high levels of unemployment and informality, entailing that the transition from informal to formal employment should be a policy priority.

The second chapter offers a thorough overview of the national social protection system and the policy context. Considerable social protection reforms have been carried out in recent years, including the gradual phase-out of general subsidies, the restructuring and consolidation of the social and health insurance systems, and the expansion of targeted social assistance. While overall spending on social protection as a proportion of gross domestic product (GDP) has gone down due to the reduction of general subsidies, measures have been taken to enhance effectiveness and efficiency. The Ministerial Committee for Social Justice continues to facilitate coordination in the context of ongoing reforms but requires further strengthening. Crucially, a national social protection framework is currently being developed and is expected to further enhance service delivery contributed to by several key national players.

The third chapter focuses on the programme level, beginning with an inventory of contributory and non-contributory schemes and related active labour market programmes and subsidies. It shows that the social protection architecture of Egypt, which encompasses cash transfers, social insurance, and labour market interventions, each targeting different dimensions of vulnerability, operates through multiple parallel programmes and institutions, suggesting that there are opportunities for further coordination and integration. Subsequently, the chapter examines the design and delivery mechanisms of three key social protection programmes:

- **Takaful and Karama**, established in 2015, provides conditional cash transfers to families with children and non-conditional cash transfers to vulnerable groups such as older persons and persons with disabilities. Covering 4.7 million families incorporating 17 million individuals, the programme is considered a regional success story. However, inflation has to some extent undermined the real value of the programme's benefits.
- **The economic empowerment programme**, among other programmes undertaken by the Ministry of Social Solidarity, was being trialed in 161 villages across Egypt until 2023, providing employment and self-employment opportunities to Takaful and Karama beneficiaries as well as to other vulnerable households.
- **The social insurance and pension system** was profoundly reformed through the adoption of Law No. 148 in 2019, which unified the separate schemes that previously existed for different categories of workers. The main challenge ahead is the effective expansion of economic empowerment and the transition of informal workers into formal economy. .

The fourth chapter provides a summary of the findings and contains several policy recommendations related to the system level (strategy, coordination, and financing) and to the programme level (social insurance, Takaful and Karama, and Forsa). It also includes cost estimates for the implementation of some of these recommendations, where applicable, specifically Monotax-style insurance for informal sector workers, Takaful and Karama expansion, and the implementation of a BRAC-model approach.

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Abbreviations

CAPMAS	Central Agency for Public Mobilization and Statistics
CBN	Cost of Basic Needs
EFB	Egyptian Food Bank
EGP	Egyptian pound
ESCWA	Economic and Social Commission for Western Asia
FY	financial year
GDP	gross domestic product
GSIF	Government Social Insurance Fund
HIECS	Household Income, Expenditure and Consumption Survey
IFPRI	International Food Policy Research Institute
ILO	International Labour Organization
IMF	International Monetary Fund
LMIC	lower middle-income country
M&E	monitoring and evaluation
MIS	Management information system
MSME	micro, small and medium-sized enterprise
NGO	non-governmental organization
PMT	proxy means test
PSIF	Public and Private Social Insurance Fund
SME	small and medium-sized enterprise
SMS	short message services

1

Country
context



A. Geographical and political overview

Egypt is a lower-middle-income country (LMIC) in North Africa. It is a republic with a bicameral parliament consisting of an upper house (i.e. the Senate) and a lower house (i.e. the House of Representatives). The President is head of State and head of the executive branch of Government and collaborates with the Cabinet to determine general policies. The Government, headed by the Prime Minister, serves as the supreme executive and administrative body. Egypt is administratively divided into governorates, cities, centres, districts and villages and local councils, and is economically segmented into geographical/administrative regions.

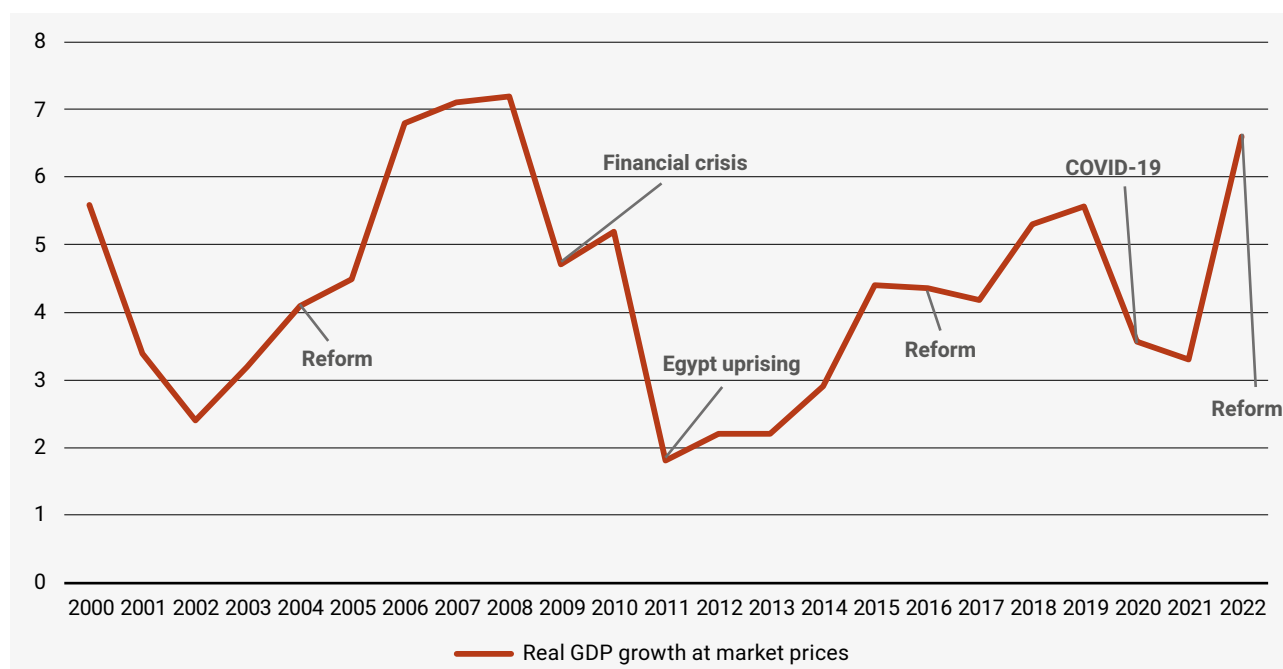
B. Macroeconomic overview

In 2023, the gross domestic product (GDP) of Egypt amounted to approximately \$400 billion, making it the third biggest economy in the Arab region. Over the past 30 years, reforms have been implemented to address macroeconomic imbalances and enhance market mechanisms. The Government has been phasing out energy subsidies since 2014. In 2022, the International Monetary Fund (IMF) approved a 46-month Extended Fund Facility arrangement for the national reform programme, prioritizing a flexible exchange rate regime, continued fiscal discipline and structural policies, and an agenda promoting private sector investment while reducing the State's economic role. This reflects efforts to strengthen private sector development and improve market efficiency.

Despite averaging an annual real GDP growth rate of 4.6 per cent between 2000 and 2022, the economic growth of Egypt was hindered by various shocks. The global financial crisis decelerated growth from 7.16 per cent in 2008 to 4.67 per cent in 2009.

Although Egypt demonstrated resilience with a timely fiscal and monetary response and moderate COVID-19 lockdown measures, real GDP growth plunged to 3.57 per cent in 2020 and 3.30 per cent in 2021.¹ Nevertheless, Egypt outperformed the North African region in 2020, where growth averaged 0.9 per cent.²

Figure 1. Real GDP growth, 2000–2022 (Percentage)



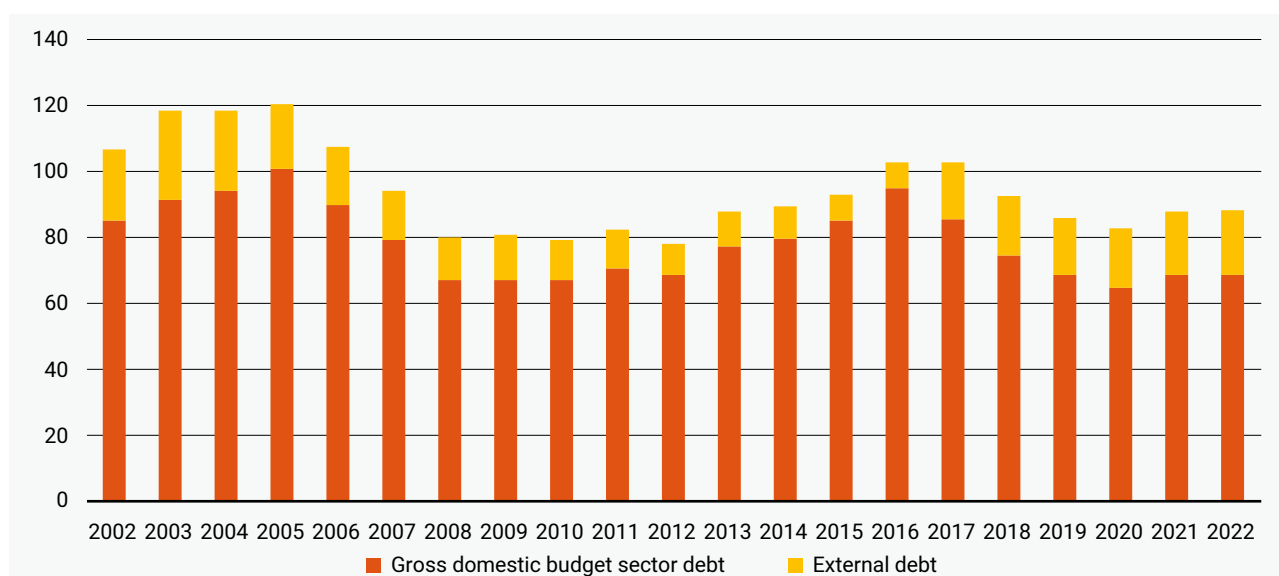
Source: Authors' elaboration.

Note: Real GDP growth at market prices data: Ministry of Planning and Economic Development, 2023a. The financial year of Egypt runs from 1 July to 30 June. Figures are based on this financial year cycle, and growth rates are calculated with reference to the previous financial year. The base year has been updated from 2016/2017 to 2021/2022, resulting in changes to the GDP series at constant prices reflecting the updated based year.

The 2022 war in Ukraine impacted commodity prices and triggered capital outflows, reducing the central bank foreign reserves and exacerbating exchange rate misalignment.³ Conflict and instability in neighbouring countries further aggravated the situation.⁴

Total budget sector debt fluctuated significantly between 2002 and 2022, with government debt-to-GDP ratio peaking at 120.6 per cent in 2005. Between 2016 and 2020, the Government undertook fiscal consolidation measures, and this ratio was reduced from 102.8 to 82.8 per cent.⁵

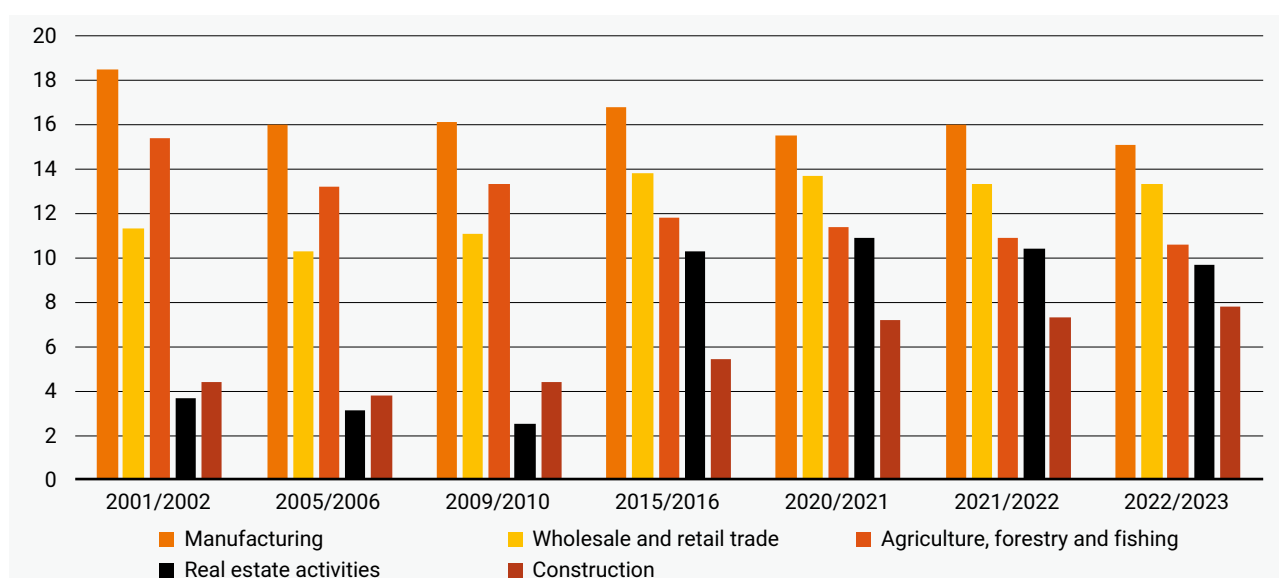
Figure 2. Total budget sector debt (domestic and external), 2002–2022 (Percentage of GDP)



Source: Authors' elaboration, based on World Bank Group, 2022a, p. 11.

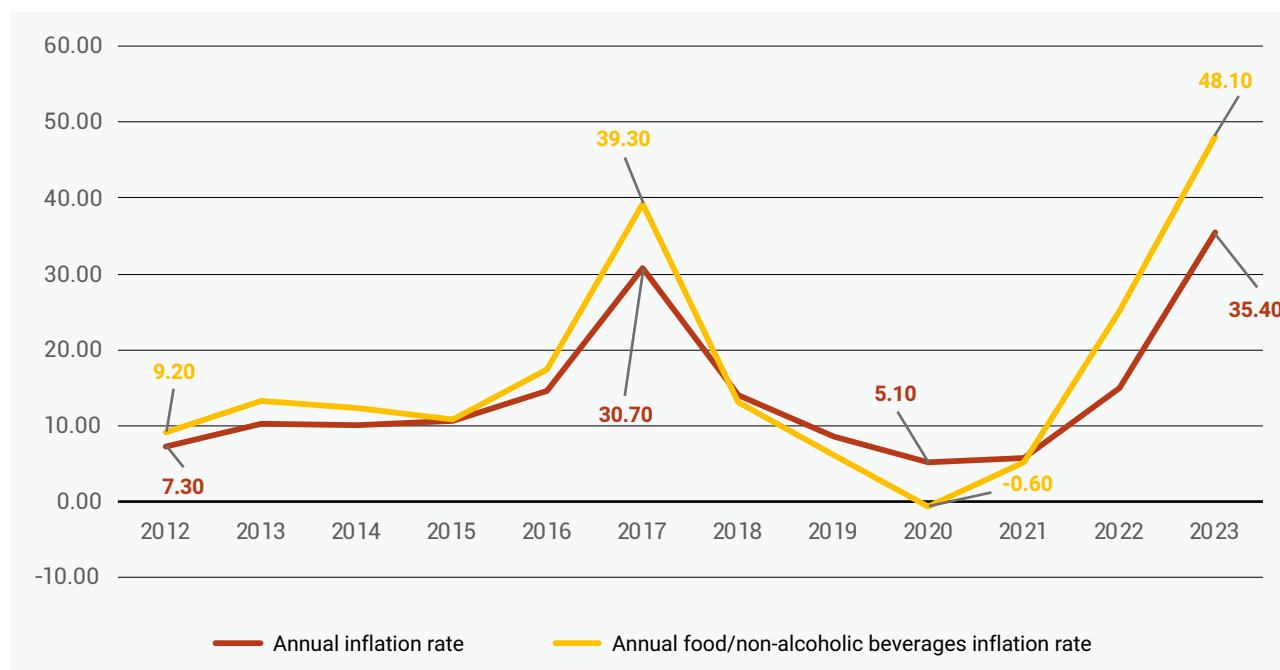
Note: The report utilizes data from the Ministry of Finance and the Ministry of Planning and Economic Development.

Figure 3. Top five economic activities contributing to GDP, 2001–2023 (Percentage)



Source: Authors' elaboration, based on the Ministry of Planning and Economic Development, 2023a.

Figure 4. Annual headline inflation rate, overall and food/non-alcoholic beverages, 2012–2023 (Percentage)



Source: Authors' elaboration, based on the Central Agency for Public Mobilization and Statistics (CAPMAS), 2024.

The contribution of manufacturing and of agriculture, forestry and fishing to GDP declined from 18.5 and 15.4 per cent, respectively, in 2001/2002 to 15.1 and 10.6 per cent in 2022/2023. This shift reflects the natural transition of the economy towards a more urban and service-oriented model, as is the case in many emerging economies. During the same period, there was an increase in the contribution of wholesale and retail trade (from 11.3 to 13.3 per cent), of real estate activities (from 3.7 to 9.7 per cent), and of construction

(from 4.4 to 7.8 per cent) to GDP. This reflects structural changes in the economy, including increased urbanization, service expansion, and real estate development driven by population growth.

Inflation surged to 30.7 per cent in 2017 following economic reforms, including subsidy reductions. Despite dropping to 5.1 per cent in 2020, inflation rebounded to 35.4 per cent in 2023, amidst global food and energy price shocks.

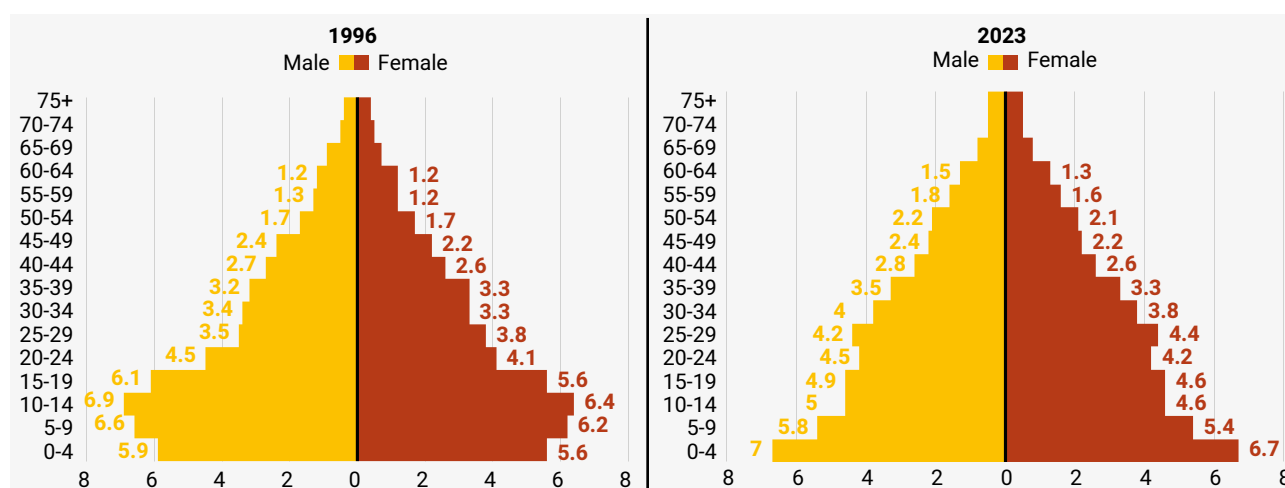
C. Demographic overview

Egypt has the largest population among countries in the Arab region, estimated at 104.4 million in 2023, and a growth rate of 2.56 per cent between the 2006 and 2017 censuses.⁶ From 1986 to 2023, the country's population doubled, increasing the strain on resources, basic services and infrastructure. By 2020, improvements in infant and maternal mortality rates had increased life expectancy to 68 years for males and 73 years for females. The fertility rate declined from 4.5 to 3.0 births per woman between 1988 and 2008, followed by a subsequent rise between 2008 and 2014. The child and older person dependency ratios declined from 1986 to 2006, before increasing again due to higher life expectancy and fertility rates.⁷ The Central Agency for Public Mobilization

(CAPMAS) projects that the population will have increased by 15 per cent by 2030. The Egyptian Government succeeded in establishing effective national programs like "HAYAT KARIMA" to improve living standards in rural areas by expanding water and sanitation networks, schools, and hospitals. It also developed a national strategy to curb population growth and empower families.

While 9.5 million Egyptians live abroad, Egypt hosts around 9 million migrants, including 600,000 refugees and asylum seekers from 62 nationalities, predominantly Sudanese (54 per cent) and Syrian (26 per cent).⁸ Since October 2023, approximately 1.5 million people have sought refuge in Rafah due to the war on Gaza.⁹

Figure 5. Population pyramid by age bracket, 1996 and 2023 (Percentage)



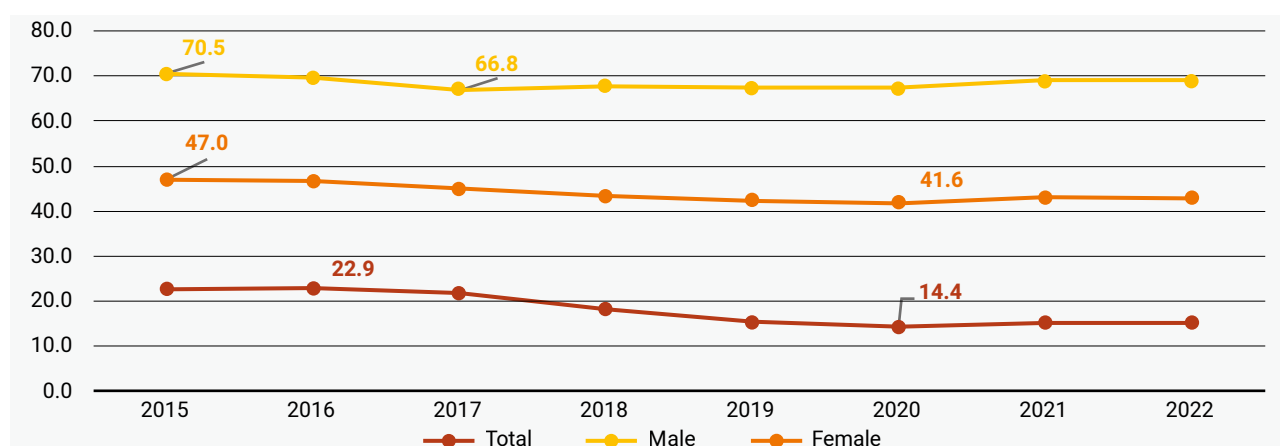
Source: Authors' elaboration, based on data from CAPMAS, 2023a for the 2023 population pyramid, and data from CAPMAS, 2005 for the 1996 population pyramid, relying on the 1996 census data provided therein.

D. Labour market overview

In 2022, the labour force in Egypt stood at 29.653 million, with a 42.9 per cent participation rate and a significant gender disparity: 69 per cent for males versus 15.2 per cent for females.¹⁰ Female participation declined by 7.8 percentage points from 2015 to 2022, owing to reduced public and private sector employment for tertiary graduates.¹¹ Other factors include household responsibilities and unpaid care work, particularly affecting married

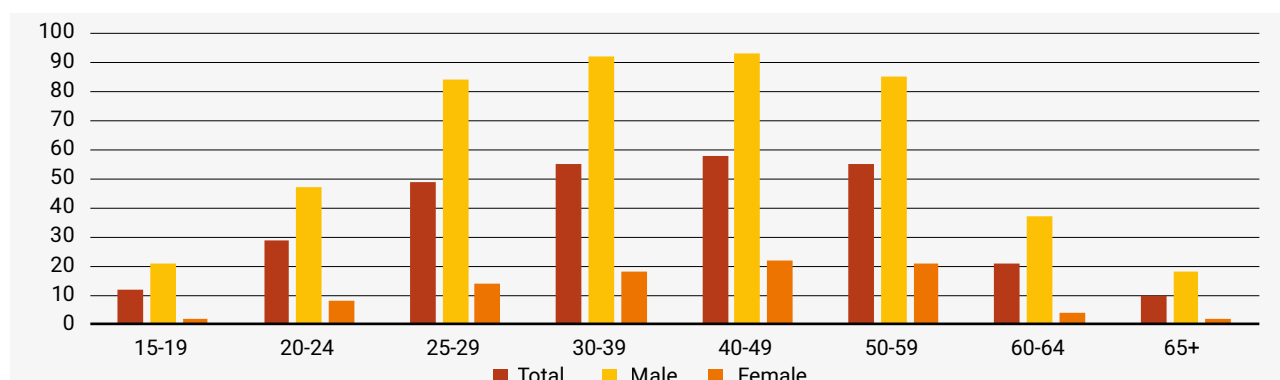
and low-educated women.¹² The decline is also linked to complex cultural and social factors. The government recognizes this challenge and is working to address it through the National Strategy for Women's Empowerment 2030. Moreover, it is supporting for women's entrepreneurship through programmes such as Forsa and Mastoura, and is expanding social protection programmes for female heads of households.

Figure 6. Labour force participation rate, 2015-2022 (Percentage)



Source: Authors' elaboration, based on CAPMAS Annual and Quarterly Bulletin Labour Force Surveys for various years.

Figure 7. Employment rate by age group, 2021 (Percentage)

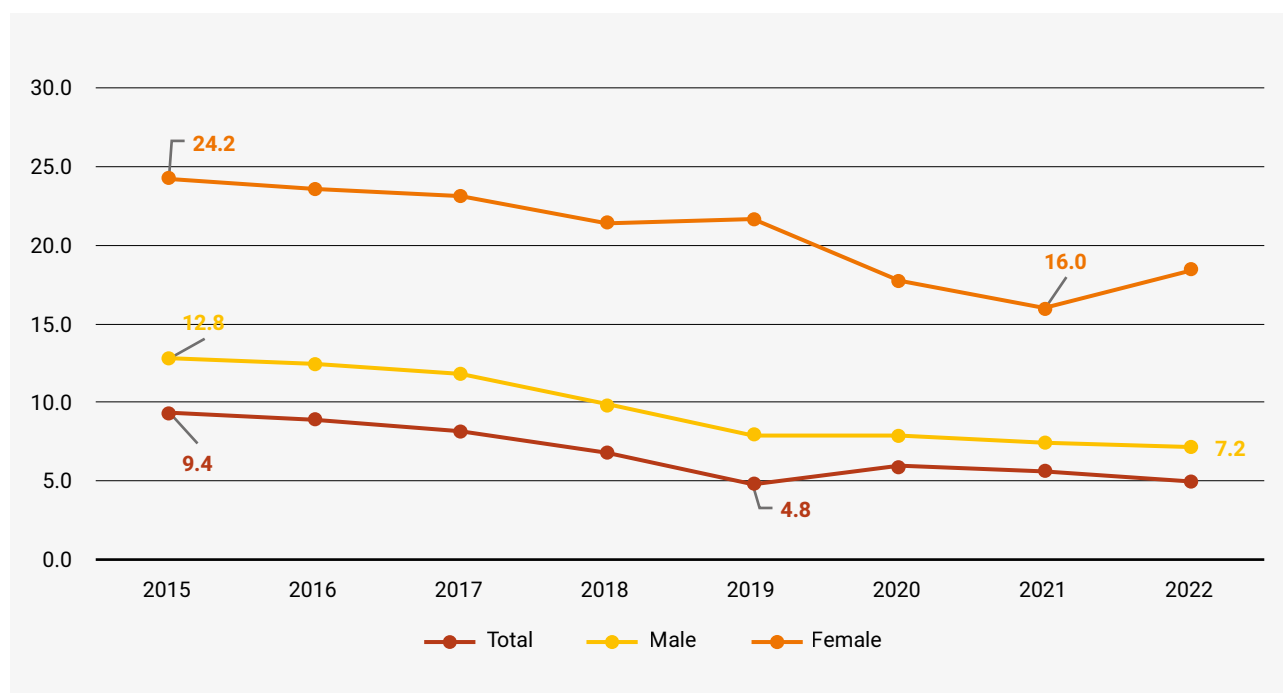


Source: Authors' elaboration, based on CAPMAS, 2022a.

From 2010 to 2022, the employment-to-population ratio declined by 5.4 percentage points,¹³ partially due to internal and external shocks and a private

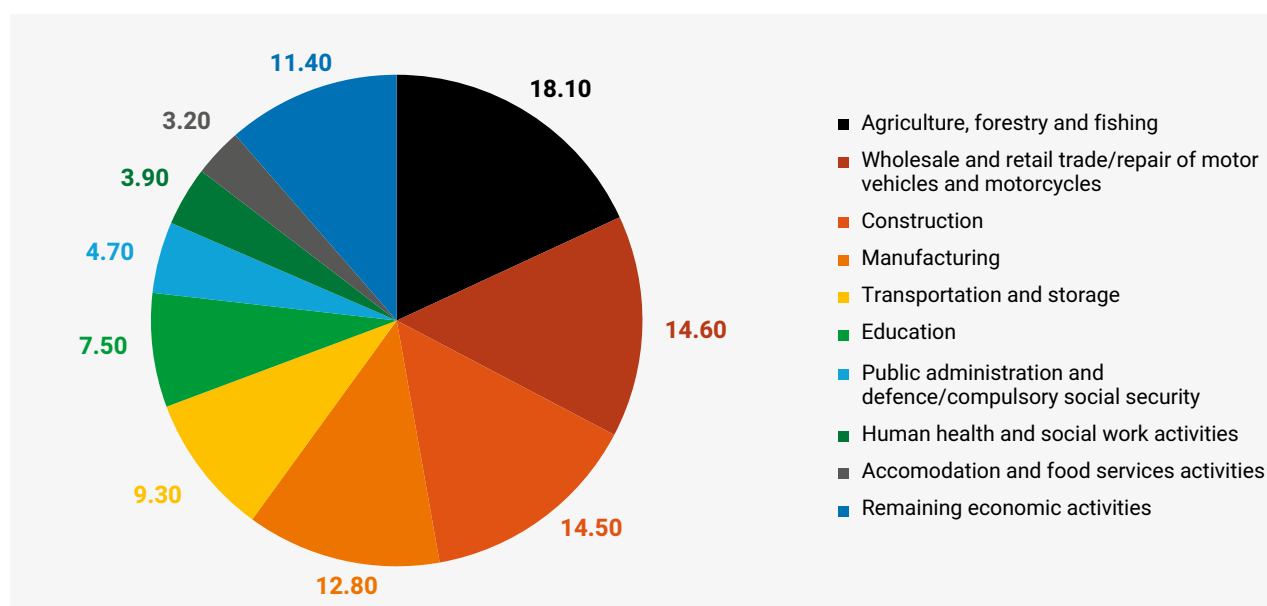
sector struggling to generate quality employment.¹⁴ Men consistently held higher employment rates than women across all age groups.

Figure 8. Unemployment rate, 2015–2022 (Percentage)



Source: Authors' elaboration based on CAPMAS Annual and Quarterly Bulletin Labour Force Surveys for various years.

Figure 9. Employment distribution by economic activity, first quarter of 2023 (Percentage)



Source: Authors' elaboration, based on CAPMAS, 2023b.

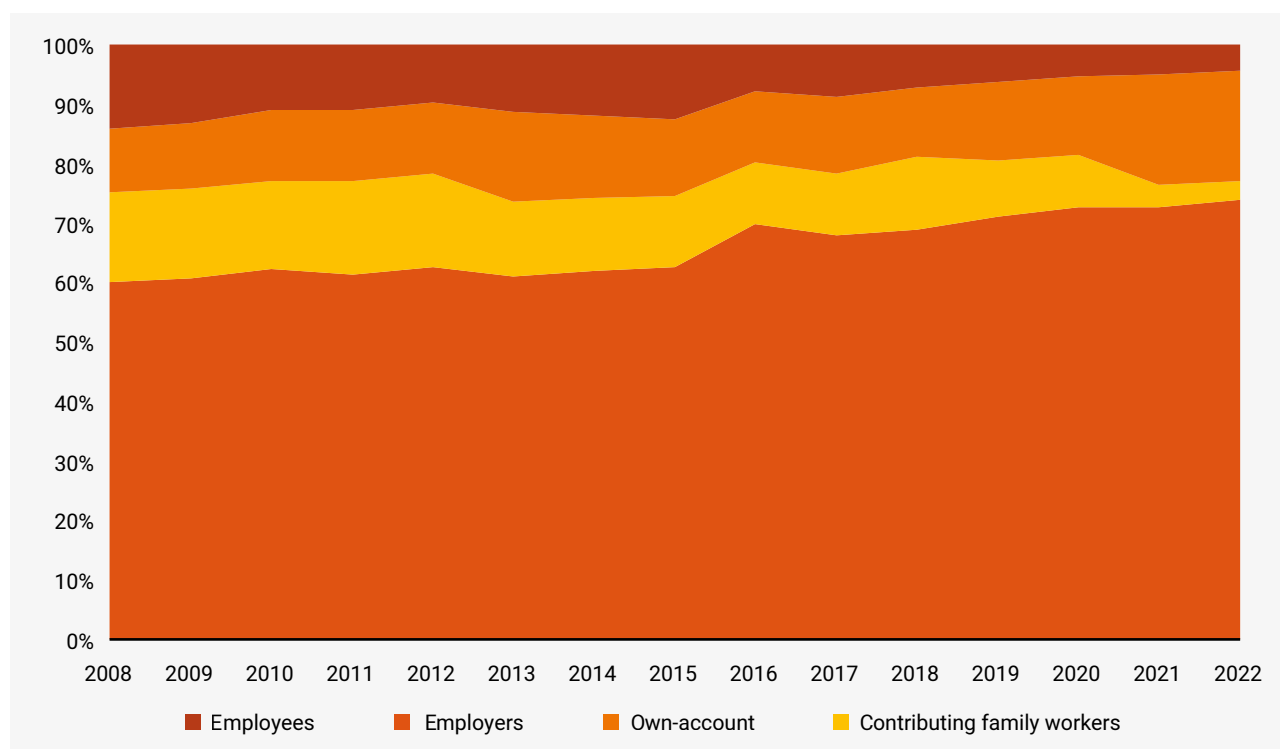
Since 2015, the unemployment rate in Egypt has decreased, influenced by GDP fluctuations and a decline in the labour force participation rate. Despite an 8.2 percentage point decrease from 2015 to 2021, female unemployment in 2022 remained three times higher than male unemployment. The government is aiming to address this by implementing gender-responsive employment strategies, expanding women's access to entrepreneurship programmes, and supporting inclusive labour market policies under the National Women's Empowerment Strategy 2030. In 2022, 62.3 per cent of unemployed individuals were aged 15 to 29 years, and 83.4 per cent held intermediate to postgraduate degrees. Urban and rural unemployment rates were 10.8 per cent and 4.6 per cent respectively, showing significant regional disparities from 3.2 per cent in Qena to 26.8 per cent in South Sinai.¹⁵ In this context, the Government has expanded training and employment

programmes for youth through diverse economic empowerment programmes.

Agriculture is the largest sector in terms of employment in Egypt. It witnessed its share of decline from 31.8 per cent in 2004 to 18.1 per cent in 2023, reflecting the country's structural transition, whereby labour is gradually shifting to more urbanized and service-based sectors. Wholesale and retail trade ranked second, followed by construction. Capital-intensive activities like mining and real estate, while significant for GDP, represented only 0.2 per cent of total employment.

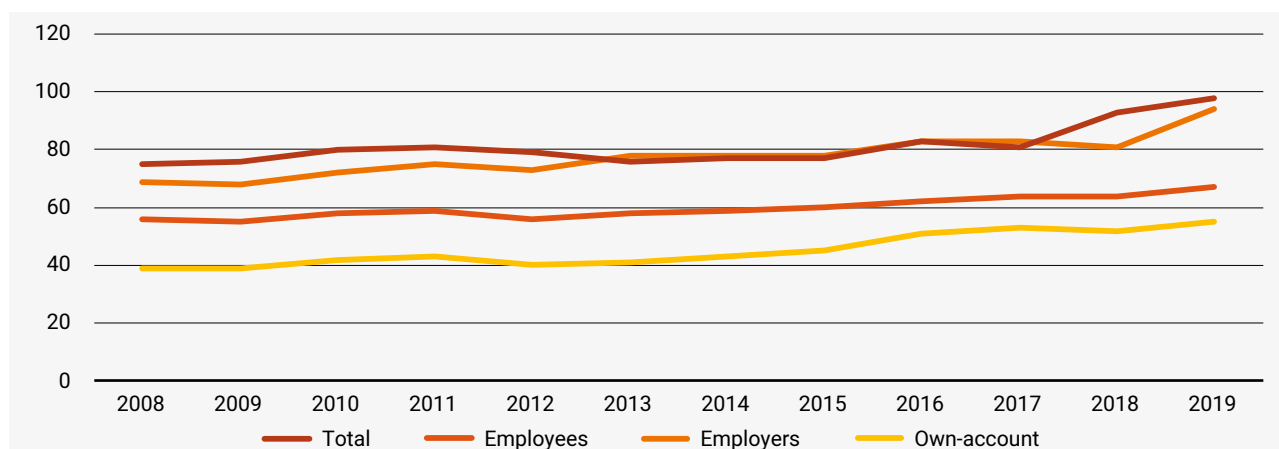
Between 2008 and 2022, the shares of employees and own-account workers grew from 60 to 74 per cent and from 11 to 19 per cent, respectively. Meanwhile, the share of employers dropped from 15 to 3 per cent, and contributing family workers from 14 to 4 per cent.

Figure 10. Employment structure by employment status, 2008–2022 (Percentage)



Source: ILOSTAT, 2025.

Note: Data for 2014 is an estimate by the authors.

Figure 11. Informality rate by employment status, 2008–2019 (Percentage)

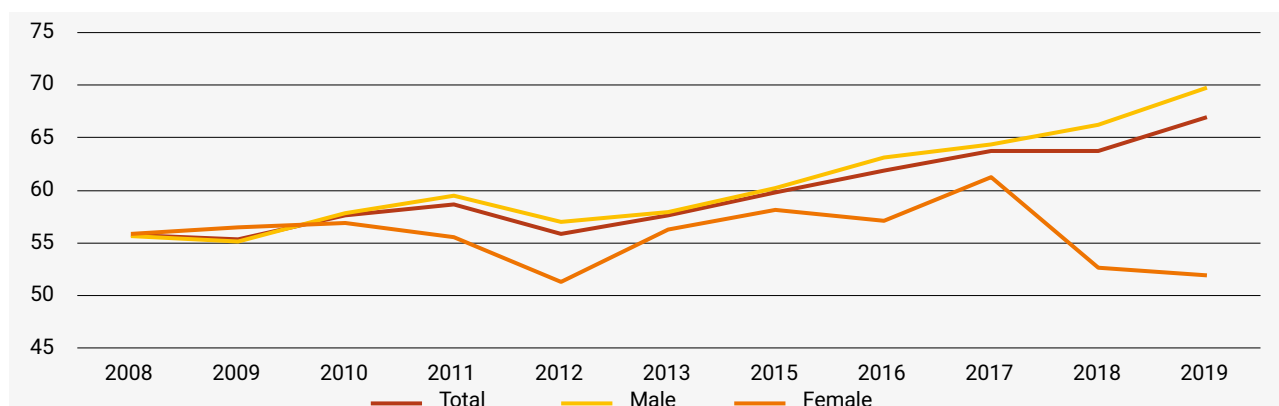
Source: ILOSTAT, 2025.

Note: Data for 2014 is an estimate by the authors.

The informality¹⁶ rate in Egypt rose from 56 to 67 per cent between 2008 and 2019, impacting employees, employers and own-account workers alike. The increasing informality rate among employees was largely due to fewer employment opportunities in the public sector, which accounted for 30 per cent of total employment in 2005 but had declined to 20 per cent by 2022. As the state reduces its direct employment role, the private sector has not yet fully absorbed the labour supply, contributing to informality. However, the

Government has addressed this by actively promoting formalization through:

- Financial inclusion strategies (e.g., expanding access to banking and digital finance),
- National digital payment systems to reduce reliance on cash and improve traceability,
- Simplified business registration for micro and small enterprises to encourage formal economic activity and expand social protection coverage.

Figure 12. Informality rate by gender, 2008–2019 (Percentage)

Source: ILOSTAT, 2025.

Note: Data for 2014 is an estimate by the authors.

Male informality rose from 56 to 70 per cent between 2008 and 2019. This reflects labour market shifts, where men are increasingly engaged in informal sectors such as construction, agriculture, and retail, which typically offer low barriers to entry but limited regulation. Female informality decreased from 56 to 52 per cent, reflecting trends in women's employment. When formal employment opportunities are limited, lower-middle-class women are more likely to engage in non-wage work (which is not captured in informality rate calculations). Many women, especially among lower-middle-income groups, are engaged in unpaid care and household responsibilities, which leads to underreporting in formal labor statistics. In contrast, upper-middle-class women tend to resort to informal employment.¹⁷ In 2019, informality reached 91 per cent among

those aged 15–24. Efforts are underway to integrate young workers into formal economic structures through targeted employment and skills development programmes.

In 2021, employees in the private sector worked an average of 55 hours per week, earning 835 Egyptian pounds (EGP), compared to 51 hours and EGP 1,799 in the public sector. Male workers earned approximately EGP 220 more than female workers in both sectors.¹⁸

To compensate for inflation, the minimum wage has recently been adjusted. The private sector saw an increase from EGP 2,700 in January 2022 to EGP 3,500 in January 2024.¹⁹ The public sector also saw a rise to EGP 3,500 in March 2023 and a further increase to EGP 6000, which took effect in May 2024.²⁰

E. Poverty, inequality and vulnerability

Due to external factors and difficult fiscal adjustments (section 1.B), poverty has increased over the past decade, albeit with year-to-year variations. In 2021, approximately 7.1 per cent of the population lived below the \$4.2 a day threshold (2021 purchasing power parity (2021 PPP)), which is the benchmark for lower middle-income countries. This percentage was significantly below the average for this income group (35.5 per cent) and the global average (21 per cent) and marked a return to the 2015 level following a sharp increase to 13.7 per cent in 2017. However, in the context of high inflation, the poverty level has since increased again. This is likely due to the global inflationary pressures following the COVID-19 pandemic and the war in Ukraine, which have raised food and energy prices worldwide, disproportionately affecting vulnerable populations, and a reflection of short-term impacts of necessary macroeconomic reforms, including subsidy removal and currency devaluation, which initially increased poverty levels.

As for the national poverty line, the Government has used the Cost of Basic Needs (CBN) method since 2002 to establish household-specific and regionally consistent poverty lines. The Food Poverty Line defines poverty based on the calorie requirements calculated from the food consumption patterns of poor households, adjusted for regional price differences. Households below the Food Poverty Line are considered “extremely poor”. The Total Expenditures Poverty Line adds essential non-food expenses to the Food Poverty Line, identifying households below this threshold as “poor”. Last updated in financial year (FY) 2019/2020, the Total Expenditures Poverty Line has increased by EGP 7,200 since FY 2010/2011. As of 2023, households living under EGP 10,300 a year are considered poor. Table 1 provides an overview of poverty rate trends using the Total Expenditures Poverty Line, showing an increase from 27.8 per cent in 2015 to 29.7 per cent in 2019/2020. Preparations for a new household income and expenditure survey are underway to ensure more accurate poverty assessment in the current economic context.

Table 1. Poverty rates, 2005–2020 (Percentage of the population)

Poverty headcount rate (percentage)							
	2004/2005	2008/2009	2010/2011	2012/2013	2015	2017/2018	2019/2020
Urban	10.10	11.00	15.30	17.60	16.70	24.60	22.95
Rural	26.80	28.90	32.30	32.40	36.10	38.40	34.78

Poverty headcount rate (percentage)							
	2004/2005	2008/2009	2010/2011	2012/2013	2015	2017/2018	2019/2020
Total	19.60	21.60	25.20	26.30	27.80	32.50	29.74
Poverty gap (percentage)							
Urban	1.80	2.00	2.90	3.30	3.10	4.90	4.70
Rural	5.00	5.60	6.50	6.50	7.80	7.90	7.00
Total	3.60	4.10	5.00	5.20	5.80	6.60	6.00

Source: Authors' elaboration based on respective Household Income, Expenditure and Consumption Surveys (HIECS) and interviews with MoPED.

Note: In 2015, the HIECS was carried out between January 2015 and December 2015, rather than during the fiscal year period of July–June as was done in other years.

During this period, the poverty gap index, which measures the average consumption shortfall of the poor relative to the poverty line, widened. Urban areas, housing 43 per cent of the population, had lower poverty rates than rural areas, where rates were typically double. The upper rural region remained the poorest throughout the observed period.

Rising poverty has been associated with escalating prices. Between 2015 and 2017, inflation alone contributed to an estimated 5.6 percentage point increase in poverty; however, government efforts mitigated this impact, resulting in an actual estimated increase of 4.6 percentage points. This could be understood within the context of structural economic reforms, particularly the 2016–2017 currency floatation, which, while essential for long-term macroeconomic stability, led to short-term price shocks. Currency floatation in 2017 exacerbated inflation, prompting enhanced

social protection programmes, wage and pension adjustments, and a stimulus package for job creation and price stability. It has been estimated that in the absence of mitigating measures, the poverty rate would by 2022/2023 have been almost 3 per cent higher.²¹

Egypt has maintained its position in the “high human development” group, ranking 100th with a Human Development Index (HDI) of 0.754 in 2023. The Gini-index rose from 28.3 in 2012 to 31.9 in 2019, indicating increasing inequality, but had fallen back to 28.5 by 2021.

Climate change is expected to exacerbate existing vulnerabilities, affecting water resources, increasing heat waves, and accelerating desertification, thereby posing significant risks to biodiversity and food security. The World Bank estimates these impacts could cost Egypt between 2 and 6 per cent of GDP.

2

Social protection system overview and policy context



Key messages

- Over the last decade, the social protection system in Egypt has become more comprehensive. The issuance of Social Insurance Law No. 148/2019 and the new cash assistance (Social Security) law No. 12/2025, aligned contributory and non-contributory social protection schemes with life-cycle risks for the working-age population.
- The Government has placed significant emphasis on social protection in its Sustainable Development Strategy: Egypt Vision 2030 agenda and other national strategies. Developing a national social protection framework is seen as critical to shaping a comprehensive vision for the sector.
- To enhance integration at the institutional level, the Ministerial Committee for Social Justice should be further strengthened.
- While national discourse suggests that the Government has taken an adaptive approach to social protection, recent stimulus measures reflect a reactive approach. Future strategies will consider the shock-responsiveness of the social protection system in Egypt.
- According to the International Labour Organization, only a third of the population in Egypt is covered by at least one social protection benefit, while less than half of the country's economically active population is contributing to a social insurance pension scheme.
- The Government recognises the importance of expanding social protection schemes, having more than doubled the nominal spending on the sector over the last decade. However, in real terms, spending has almost halved between 2013/2014 and 2023/2024.

A. Historical social protection pathways

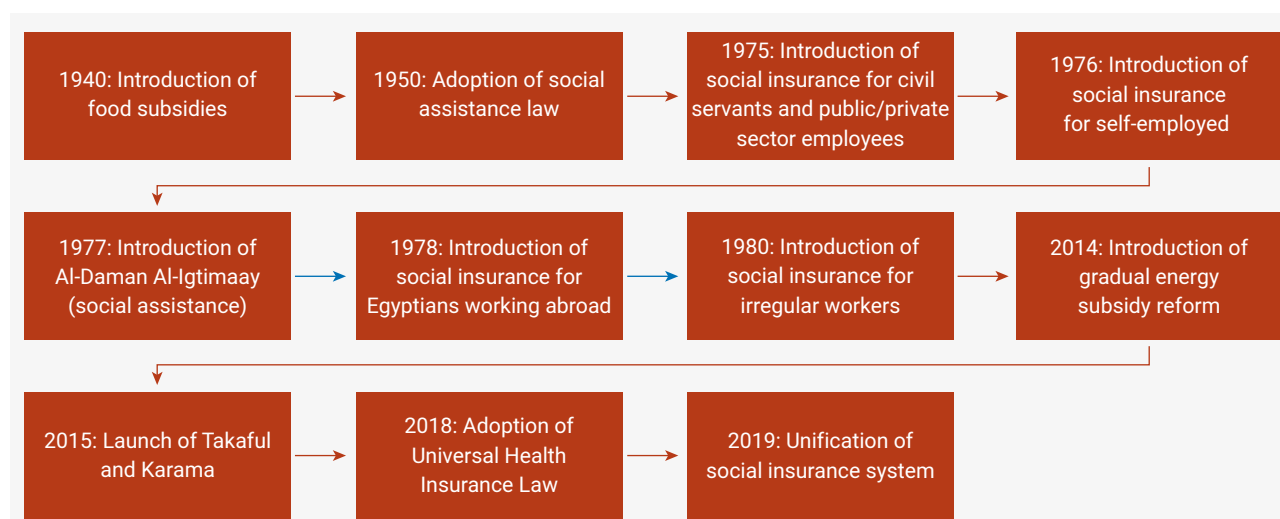
Egypt has a strong history of social protection schemes that support the poor, dating back to informal assistance mechanisms based on the principles of Zakat and Waqf. State support was institutionalized in the 20th century following the introduction of the Ministry of Awqaf in 1938 and the Ministry of Social Affairs in 1939, both of which provided sporadic support to those in need. The Tamween food subsidy programme was launched in 1940.

Modern social protection was formally introduced through the 1950 Social Assistance Law, which laid the groundwork for non-contributory pensions for certain populations and means-tested social assistance for widows with dependents, older persons, orphans and persons with disabilities.²² In 1977, Law No. 30 launched Al-Daman Al-Igtimaay, a non-contributory social assistance programme targeting poor

and vulnerable groups through unconditional monthly cash transfers.

The country's first social insurance pension scheme, initially limited to government employees, was introduced in 1854 and gradually developed over the coming decades. In 1955, the Provident and Insurance Fund laid the groundwork for a broader contributory system. Two decades later, the 1975 Social Insurance Law (Law No. 79) launched a social insurance system for civil servants and both public- and private-sector employees, covering a range of contingencies, including old age, sickness, maternity, unemployment and survivors' benefits.²³ Shortly thereafter, additional regulations were passed to address groups not covered by the law. These included Law No. 108/1976 (for the self-employed), Law No. 50/1978 (for Egyptians working abroad) and Law No. 112/1980 (for workers not covered by other schemes).²⁴

Figure 13. Evolution of social protection programmes in Egypt



Sources: Authors' elaboration.

Between 2014 and 2016, macroeconomic reforms (e.g. the gradual phase-out of energy subsidies) prompted the introduction of new programmes and legislative reforms to lay the foundation for more efficient social protection schemes.

In 2015, Prime Minister Decree No. 15 launched the country's first conditional cash transfer programme, Takaful and Karama, which is a poverty-targeting programme for families with children (Takaful), persons who are 65 or older and are unable to work or have a disability, orphans without family support, widows, deserted or divorced women with no children, and girls who have reached the age of 25 without marriage or work (Karama). The Government also introduced economic empowerment initiatives to complement cash transfers. The Forsa ("Opportunity") pilot programme was launched in 2018 to support the sustainable graduation from poverty. Launched in 2019, the Hayat Karima ("Decent Life") programme aims to holistically develop rural communities. Social housing programmes in support of low-income families are also being provided. Meanwhile, existing programmes (e.g., the Tamween food subsidy programme) have been reformed to tighten eligibility criteria and improve administrative

efficiency.²⁵ Various complementary services, such as exemptions from school fees, provide additional support to beneficiary households.

In 2018, Egypt adopted Law No. 2 on Universal Health Insurance with the aim of achieving universal healthcare coverage by 2032 through contributory and non-contributory approaches. It sought to address shortcomings of the pre-existing health infrastructure by streamlining healthcare delivery, financing and regulation. Notably, the sector is undergoing significant institutional restructuring to establish three independent entities, ultimately separating funding from service delivery.²⁶

In 2019, the Government implemented Social Insurance and Pensions Law No. 148 to consolidate the fragmented social insurance system in Egypt. Prior to the enactment of this law, social insurance schemes for civil servants and private and public sector employees were administered by two separate institutions: the Government Social Insurance Fund (GSIF) and the Public and Private Social Insurance Fund (PSIF). The new law sought to consolidate the administration of social insurance systems into one system managed by the National Organization for Social Insurance (NOSI).²⁷

B. Social protection policy, legal and regulatory frameworks

1. Social protection legal and regulatory frameworks

The Constitution of Egypt enshrines the right to social security, stipulating that “the State shall ensure that social insurance services are provided. All citizens who do not benefit from the social insurance system have the right to social security, in a manner that ensures a decent life in the event of being incapable to provide for themselves and their families, as well as in cases of incapacity to work, old age or unemployment” (article 17).

The Constitution also guarantees the rights to work; health and comprehensive healthcare; education; adequate, safe and healthy housing; and healthy and sufficient food and clean water. It also sets minimum levels of social spending (section E.1).

The State is obligated to provide care to and protection of motherhood and childhood and to guarantee the social, economic and cultural rights of older persons and persons with disabilities, including through social protection. The Constitution also guarantees equal opportunities and gender equality.

Law No. 2/2018 aims to achieve universal healthcare coverage by 2032 through a phased approach. The Government will subsidize the full cost of premiums for poor and vulnerable groups through allocations from the general budget. The law establishes four new agencies with specific mandates to replace existing entities, improves health financing and service delivery, and

incorporates global best practices. In addition to identifying sources of revenue, the law introduces mechanisms to ensure system sustainability, including a mandatory financial review to be conducted at least once every four years.

The Social Insurance and Pensions Law (No. 148/2019) covers employees in the public and private sectors, including civil servants; employers and self-employed workers; Egyptians working abroad (on a voluntary basis); and certain categories of informal workers. The law reduces system fragmentation by repealing the four previously existing legal frameworks governing social insurance and consolidating them into a single set of rules.²⁸ In doing so, it partially addresses the lack of portability across legal frameworks.²⁹ This law also applies to non-nationals, including refugees, provided they fall within the specified targeted groups.

Egypt has a longstanding tradition of anchoring social assistance interventions to regulatory frameworks. Revisions to Social Assistance Law No. 137/2010 (amended by Law No. 15/2015), which guarantees the right to social assistance for poor households, have been under discussion for several years.

In April 2025, Social Security Law No. 12 was passed by the Parliament and formally declared in the Official Gazette, establishing a unified legal framework for the provision of social assistance,

notably through the Takaful and Karama programme. It should be noted, however, that drafting and data collection for the purposes of the present report were carried out prior to the enactment of the new law; accordingly, its provisions are not fully reflected herein.

In terms of coverage, despite the fact that only the Empowering Irregular Workers through Micro and Small Enterprises Programme (section 3.A) explicitly targets informal workers, the remaining social protection programmes, including the flagship Takaful and Karama programme, may apply to informal workers or the households in which they live, provided that

the respective eligibility criteria are met. Access to social protection for non-nationals (including refugees and asylum-seekers) is often hindered by the need to provide certain documents (e.g. a national ID card).

Table 2 provides further insight into coverage as defined by the national legal framework, disaggregated by function. It is sufficient to note here that the risks covered under the Social Insurance and Pensions Law are not uniformly applicable across the four broad worker categories (e.g., unemployment insurance does not apply to informal workers), as discussed in greater depth in section 3.A.4.

Table 2. Functions explicitly covered by the national social protection legal framework

Function	Is the social protection function explicitly mentioned?		Relevant legal instrument and article	Is the entitlement a policy principle or an enforceable right?
	Yes	No		
Old age	X		Constitution: Article 17 guarantees access to the social security system for persons unable to support themselves or their families in the event of old age. It also mentions pensions for small farmers, agricultural workers, fishermen and informal labourers.	Enforceable right
			Constitution: Article 27 states that the economic system shall adhere to a minimum wage and pension to ensure a decent life for Egyptians.	Policy principle
			Social Insurance and Pensions Law (No. 148/2019): articles 19–27.	Enforceable right
Disability	X		Constitution: Article 17 guarantees access to the social security system for persons unable to support themselves or their families in the event of disability.	Enforceable right
			Social Insurance and Pensions Law (No. 148/2019): articles 19–27.	Enforceable right
			Act on the Rights of Persons with Disabilities (No. 10/2018).	Policy principle

Function	Is the social protection function explicitly mentioned?		Relevant legal instrument and article	Is the entitlement a policy principle or an enforceable right?
	Yes	No		
Survivors	X		Social Insurance and Pensions Law (No. 148/2019): Articles 19–27, 98–108.	Enforceable right
Sickness	X		Social Insurance and Pensions Law (No. 148/2019): Articles 70–84.	Enforceable right
Maternity/paternity	X		Labour Law (No. 12/2003): Articles 91–95 state that pregnant women who have worked in an organization for ten months have the right to take maternity leave for 90 days and receive full financial compensation. The law does not provide for paternity leave. Ministry of Labour Decree No. 121 of 2003 addresses the provision of nurseries for the children of female workers.	Enforceable right
Child and family benefits	X		Constitution: Article 11 mentions care and protection for motherhood and childhood. Presidential Decree No. 15 of 2015 (on targeted social assistance).	Policy principle Policy principle
Unemployment	X		Constitution: Article 17 guarantees access to the social security system for persons unable to support themselves or their families in the event of unemployment. Social Insurance and Pensions Law (No. 148/2019): articles 85–93.	Enforceable right Enforceable right
Employment injury	X		Constitution: Article 13 specifies that the State should protect workers against the risks of work and ensure that conditions for professional security, safety and health are met. Social Insurance and Pensions Law (No. 148/2019): articles 45–69.	Policy principle Enforceable right

Function	Is the social protection function explicitly mentioned?		Relevant legal instrument and article	Is the entitlement a policy principle or an enforceable right?
	Yes	No		
Labour market programmes	X		Prime Minister Decree No. 947 of 2017 (amended by Resolution No. 2370 of 2018) established the Micro, Small and Medium Enterprises Development Agency (MSMEDA), one of the most important government agencies for active labour market programmes. It is the successor of the Social Fund for Development.	
Healthcare	X		Constitution: Article 18 articulates the State's commitment to allocate no less than 3 per cent of the gross national product (GNP) to health and to establish a comprehensive healthcare system for all Egyptians covering all diseases.	Enforceable right
			Universal Health Insurance (No. 2/2018).	In pilot stage
			Act No. 23 of 2012 regulates health insurance for working women.	Enforceable right
Housing	X		Constitution: Article 78 mentions that "the State shall ensure the citizens' right to adequate, safe and healthy housing in a manner which preserves human dignity and achieves social justice". Social Housing Act No. 33 of 2014.	Enforceable right Policy principle
Poverty and social inclusion	X		Presidential Decree No. 15 of 2015 (on targeted social assistance).	Policy principle

Sources: The Constitution of Egypt and relevant laws.

2. Social protection vision

Approaching the release of a full social protection framework, the Ministry of Social Solidarity actively coordinated with other government bodies and development partners to ensure alignment with national priorities and international standards.³⁰ The framework stimulates a cross-sectoral approach to social protection, thereby contributing to unification within the sector.

The most comprehensive strategic guidance on the country's national commitments to poverty

reduction and the role of social protection is provided in the National Framework for Sustainable Development: Egypt Vision 2030. It recognises the importance of strengthening the social protection system through integrated legal and policy frameworks and stronger partnerships among the State, the private sector and civil society. It further recognises social protection as a key instrument for promoting social cohesion.³¹ Table 3 summarizes the role of social protection, as outlined in the Egypt Vision 2030.

Table 3. Summary of social protection strategies in Egypt Vision 2030

Provision	Is it well-established?			Relevant extract/observation
	No	Partially	Yes	
Definition of social protection	X			N/A
Goals			X	Egypt Vision 2030 aims to expand the scope and coverage of social protection networks, enhance the benefits received by individuals, and improve targeting mechanisms and institutional arrangements to maximize their effectiveness.
Objectives			X	- Justice and social security. - Inclusion and equal opportunities. - Reduction in monetary and multidimensional poverty.
Targets			X	Below are examples of indicators relevant to social protection from various strategy goals: - Percentage of population living in extreme poverty (\$1.90 per day) (2.3 per cent by 2030). - Percentage of population living below the national poverty line in Egypt (EGP 857 per month per capita) (21.9 per cent by 2030). - Percentage of annual spending on housing and its essentials for the lowest expenditure segment (less than 10 per cent) (15 per cent by 2030).

Provision	Is it well-established?			Relevant extract/observation
	No	Partially	Yes	
				- Subsidies, grants, and social benefits as a percentage of GDP (N/A). - Percentage of households covered by ration cards (52 per cent by 2030). - Percentage of working population covered by social insurance (N/A). - Average annual household income in rural areas to urban areas (85 per cent by 2030).
Action plans			X	An action plan has been submitted to the parliament in July 2024.
Responsible actors			X	There are several responsible entities, such as the Ministry of Social Solidarity, the Ministry of Housing, Utilities and Urban Communities, and the Ministry of Planning and Economic Development.
Timeline			X	The strategy was launched in 2016 and is valid through 2030. It was updated by the Government in 2023.
Financial requirements	X			There is no reference to financial requirements in relation to social protection. However, “financing” is listed as a key enabler for the overall achievement of Egypt Vision 2030.
Monitoring and evaluation arrangements		X		While not specific to social protection, the strategy provides a high-level description of how the implementation of policies, programmes and related results of the strategy will be monitored.

Source: Authors' elaboration.

The importance of social protection is also recognised in the National Human Rights Strategy of Egypt (2021–2026), which enshrines social protection as a human right.³² The National Strategy for the Empowerment of Egyptian Women 2030 also highlights social protection and economic empowerment as key priorities of the State.³³ The role of social protection is reflected at the sectoral level. For example, the Education Sector Plan of Egypt 2023–2027 recognises the need for non-contributory social protection interventions to ensure that poverty does not become a barrier to education.³⁴

Recent stimulus measures reflect a relatively reactive, rather than fully proactive, approach to social protection. It is therefore essential for any development strategy to consider the shock-responsiveness of the social protection system of Egypt. Government stakeholders recognise the importance of responding to shocks and economic spillover effects, while simultaneously enhancing household resilience against such shocks through coordinated interventions across the social protection, health and education sectors.³⁵

C. Monitoring and evaluation system framework

As part of recent administrative reforms, Egypt established a monitoring and evaluation unit to monitor the performance of all State agencies in terms of their alignment with the objectives of Egypt Vision 2030. Performance is evaluated by input, output and impact. Each ministry writes quarterly reports assessing its progress against key performance indicators (KPIs). Executive reports consolidated by the monitoring and evaluation unit are first presented to the Cabinet and Parliament before being submitted to the President.

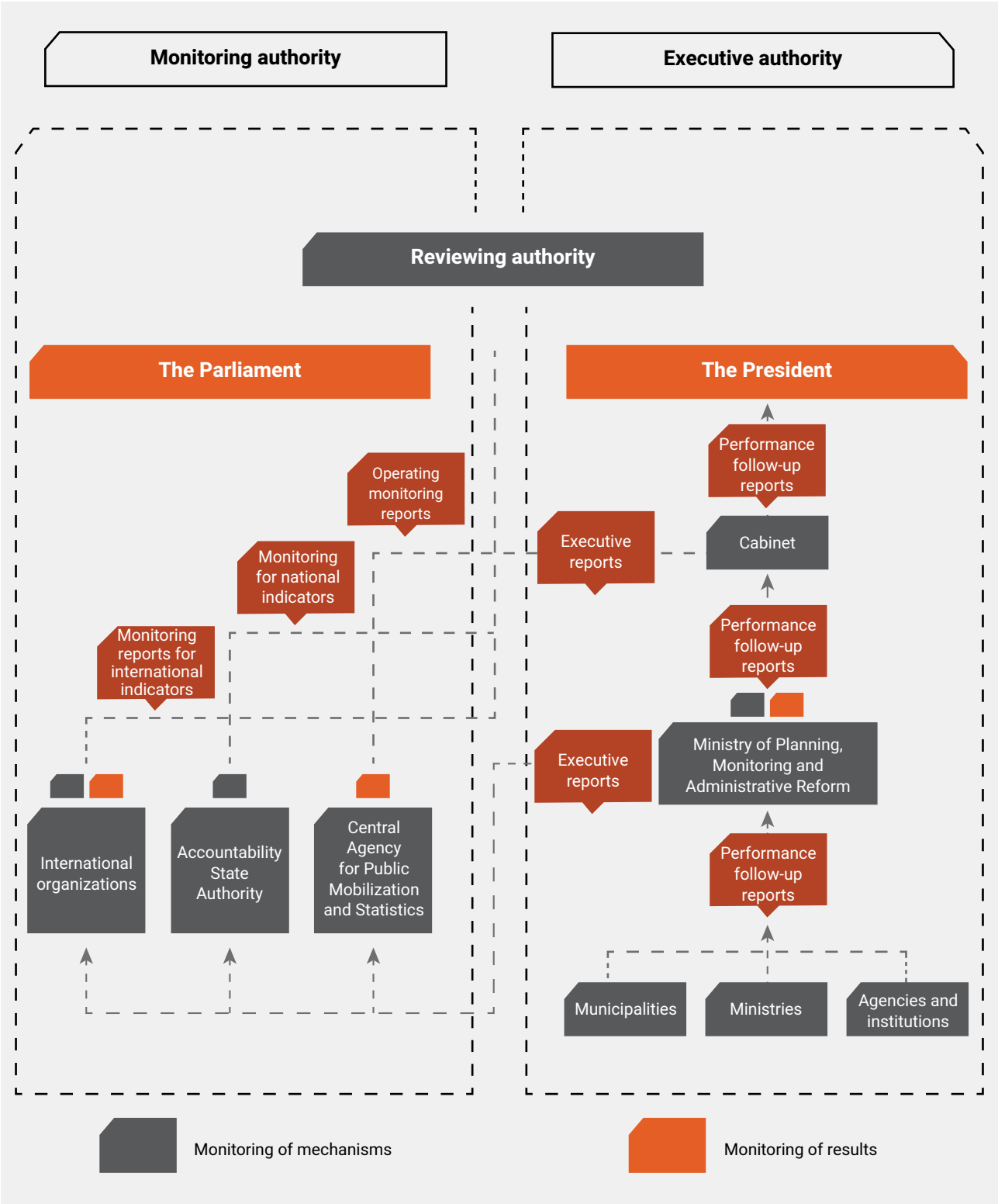
The Government has also established the Integrated System for Investment Plan Preparation and Monitoring (ISIPPM),³⁶ which allows the Egyptian Ministry of Planning and Economic Development to review development plan proposals, manage and monitor public projects, link public projects with national goals and record progress against the Sustainable Development Goals (SDGs).³⁷

The Economic Justice Unit at the Ministry of Finance also monitors and evaluates the performance and impact of social protection programmes and provides different actors with technical support in this area. It evaluates the financial burden of implementing social protection programmes and their effect on the public treasury.³⁸

There is a critical need for an overarching monitoring and evaluation framework for social protection, which has been recognised

by the Government.³⁹ The Ministry of Social Solidarity is actively addressing this gap by developing a draft social protection strategy framework (section 2.B.2). Meanwhile, monitoring and evaluation is undertaken by ministries and programme officials regarding their specific practices. For example, the new organizational structure of the Ministry of Social Solidarity includes a special department for internal audit and governance, responsible for following up on all programmes implemented by the ministry. Programme monitoring entails quarterly monitoring reports, including indicators and outcomes. A similar plan for programme evaluation is also under consideration at the ministry.⁴⁰ The ministry regularly conducts independent evaluations to inform improvements in targeting accuracy, procedural efficiency, and the measurement of programme outcome indicators, as well as short- and long-term impacts on households.⁴¹ The Ministry of Social Solidarity, in collaboration with the company Data for All, has attempted to develop an interface that covers all of its programmes and sub-programmes and their corresponding activities, outputs and indicators in a digitized monitoring and evaluation framework. The ministry is training its staff to use the new system, with the goal of enabling fully automated report generation.⁴² The National Organization for Social Insurance has also established an internal governance committee that is currently issuing and approving governance guidelines.⁴³

Figure 14. National monitoring and evaluation process



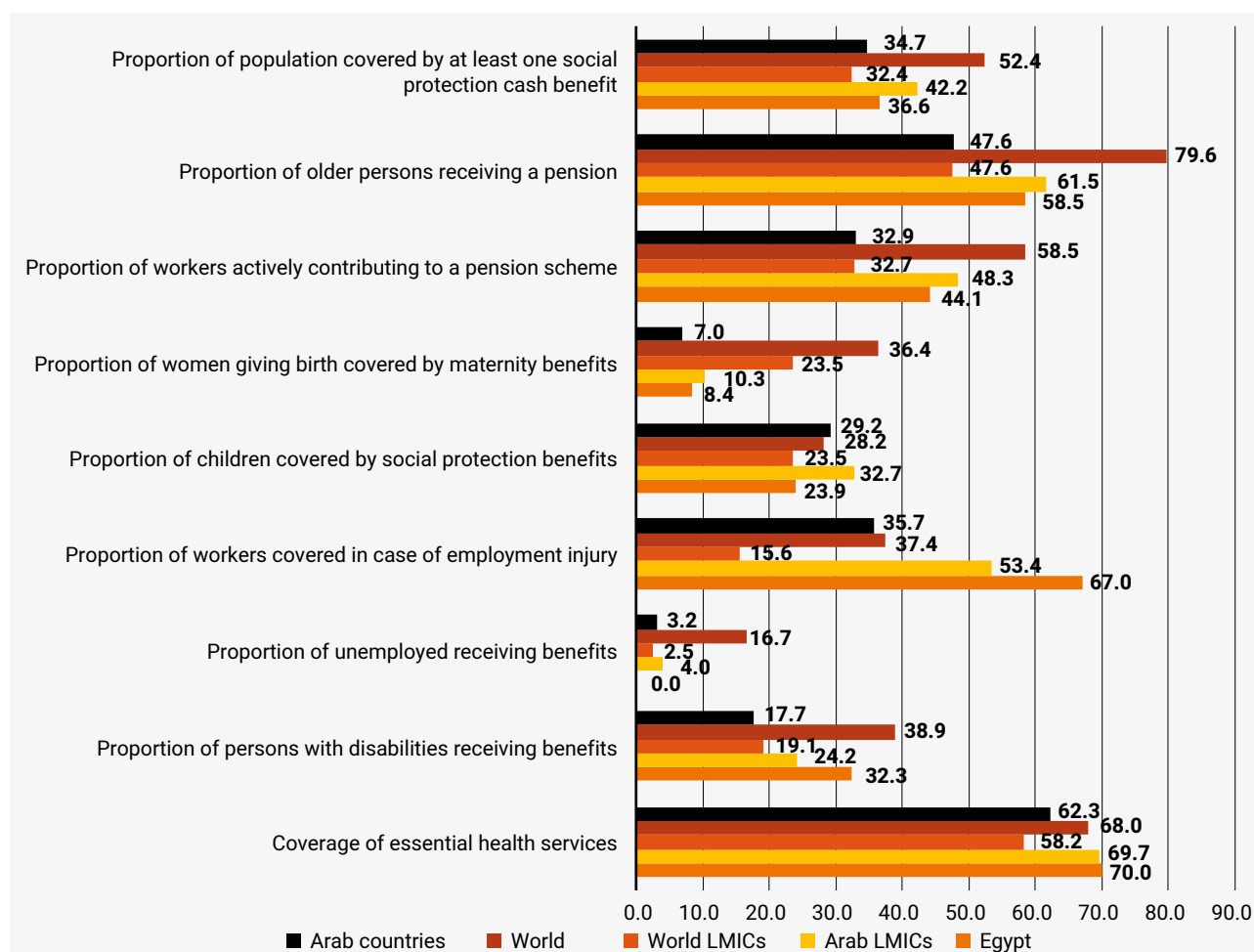
Source: Government of Egypt, 2016.

D. Coverage by social protection function

Figure 15 illustrates coverage provided by the main social protection functions in Egypt and other Arab countries compared to global, regional and GDP-income group averages. The data, covering 2022 or earlier, were obtained from the International Labour Organization (ILO)⁴⁴ and calculated using administrative data from the ILO Social Security

Inquiry database, along with legal coverage information reported in the International Social Security Association country profiles. Divergences may partly reflect differences in data availability. It should also be noted that the data for Egypt predate coverage expansion of some programmes, particularly the Takaful and Karama programme.

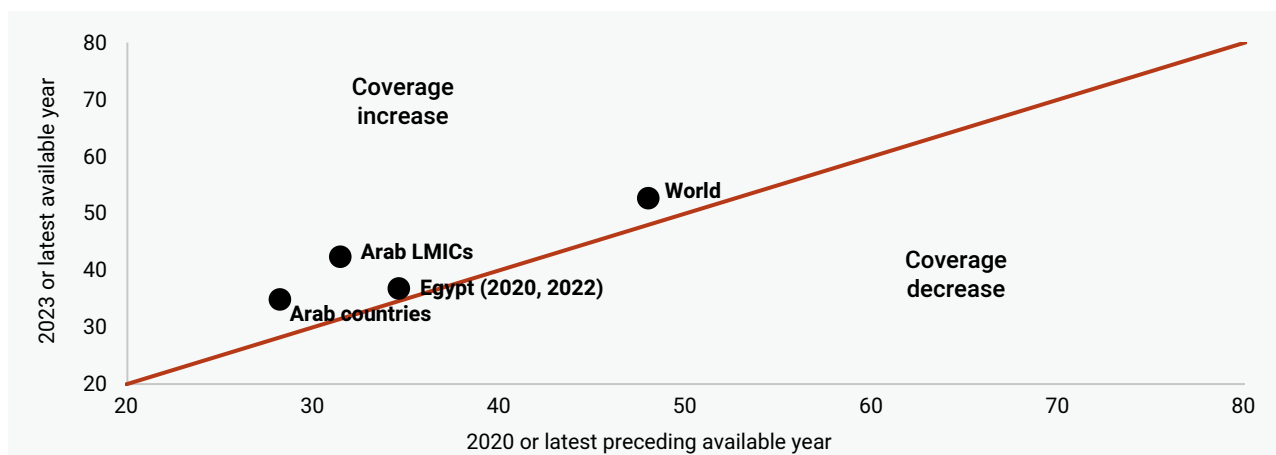
Figure 15. Proportion of the population receiving at least one social protection cash benefit, latest available years (Percentage)



Source: Coverage data from ILOSTAT and ILO, 2024. Weighted averages for the Arab countries were calculated by using population data from the United Nations Department of Economic and Social Affairs (UNDESA) and labour market data from ILOSTAT.

According to the ILO data, the proportion of the population covered by at least one cash benefit increased slightly from 34.7 per cent in 2020 to 36.6 per cent in 2022.

Figure 16. Proportion of population covered by at least one social protection cash benefit, evolution between 2020 or latest preceding year and 2023 or latest available year



Source: Coverage data from ILOSTAT and ILO, 2024. Weighted averages for the Arab countries were calculated by using population data from UNDESA.

E. Public financing and expenditure

1. Budget planning and responding to shocks

The budget of Egypt is governed by constitutional provisions and budget legislation. The Constitution defines the role of the Parliament in the review and approval of the budget, as well as the responsibility of the Central Auditing Organization for accounting and compliance checks. It also establishes minimum budget allocations for several social sectors, such as health and education, which are required to increase steadily.⁴⁵ There is currently no minimum spending requirement for social protection (table 4), which stakeholders have identified as a constraint to scaling up social protection in a volatile economy. However, the government has been prioritizing social protection in its annual budget allocations, particularly during times of crisis, and by scaling up targeted programmes such as Takaful and Karama, exceptional cash transfers, and food subsidy support during inflation spikes. Furthermore, the development

of a dedicated social protection framework should pave the way for more predictable and institutionalized financing benchmarks in the future.

The Unified Public Finance Law No. 6 of 2022 and its 2024 executive regulations sought to streamline the budget process by merging two previous laws into one. The law delineates the functions and resources of the State's general budget, sets out the rules for budget implementation, establishes provisions for disbursement and collection of revenues, and outlines the financial and internal controls and regulations.

In response to macroeconomic shocks in recent years, Egypt prioritized medium-term fiscal consolidation and debt sustainability. The Government is also prioritizing adequate social spending to mitigate the impact of

Table 4. Minimum budget expenditure by sector as a percentage of GDP

Sector	Minimum expenditure (percentage of GDP)
Health	3
Education	4
University education	2
Scientific research	1

Source : UNICEF, 2019; Egypt 20194 Constitution.

macroeconomic developments and the rapid devaluation of the national currency on the most vulnerable populations.

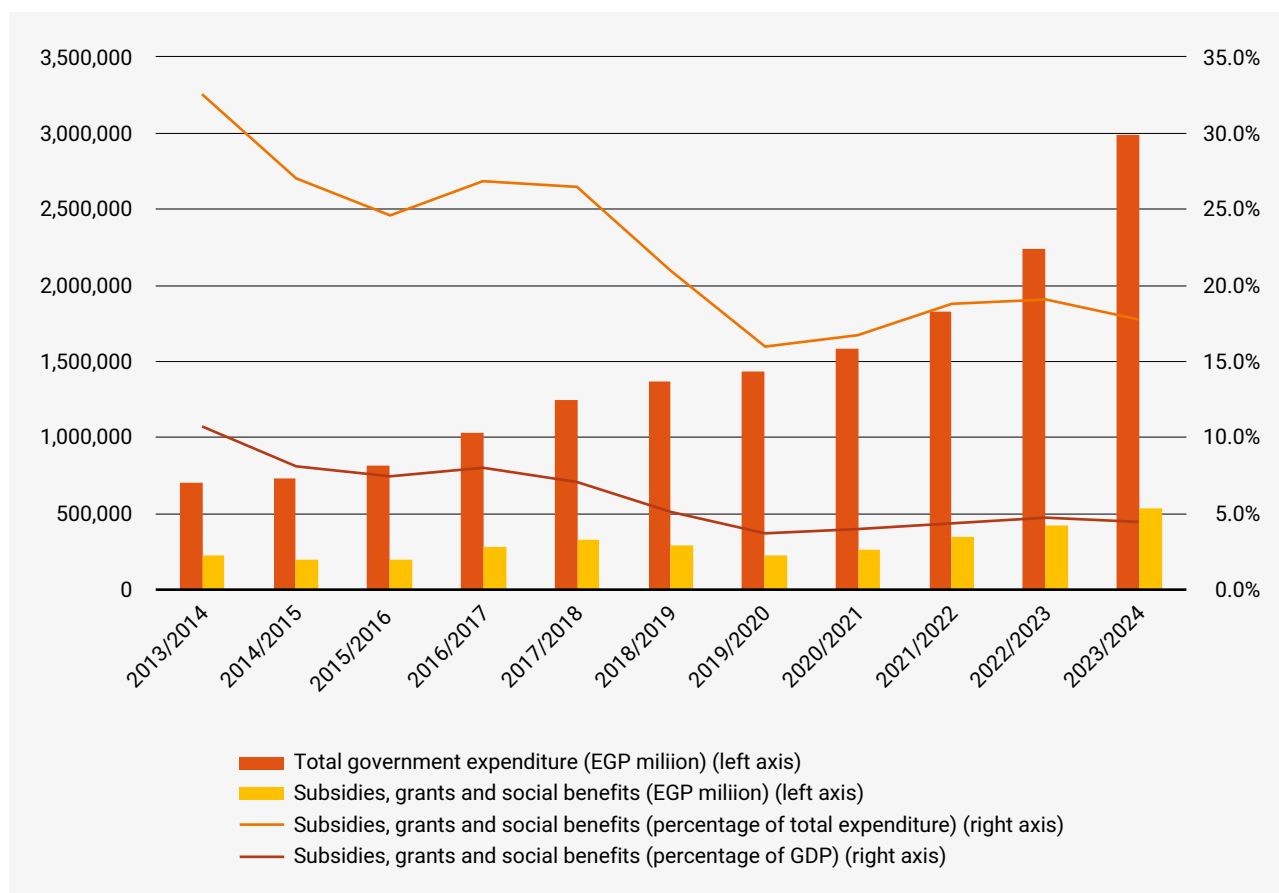
A review of the State budget over the last decade according to economic classification shows that, in nominal terms, expenditure on the budget chapter “subsidies, grants and social benefits” increased by over 130 per cent from EGP 228.6 billion in 2013/2014 to EGP 529.7 billion in 2023/2024 (figure 17).⁴⁶ As a proportion of total expenditure, however, such expenditure has nearly halved, going from 32.6 per cent in 2013/2014 to 17.7 per cent in 2023/2024 due to the reduction of energy subsidies.

Similarly, as a percentage of GDP, spending has declined from 10.7 per cent in 2013/2014

to 4.5 per cent in 2023/2024. A comparison of the 2023/2024 budget with FY 2022/2023 also shows a decline in the share of “subsidies, grants and social benefits” as a percentage of total expenditure, from 19.1 per cent to 17.7 per cent. Overall, as a percentage of GDP, expenditure has declined from 4.7 per cent in 2022/2023 to 4.5 per cent in 2023/2024. This should be seen within the broader context of macroeconomic adjustment and public finance reform aimed at improving fiscal sustainability and reducing inefficient spending (section 1.B), as well as efforts to enhance the targeting and efficiency of social spending.

A review of the last decade shows that the composition of “subsidies and social benefits” within the budget has changed significantly, especially since the phase-out of energy

Figure 17. Evolution of expenditure on subsidies, grants and social benefits



Source: Authors' calculations based on multiple editions of the Ministry of Finance State budget.

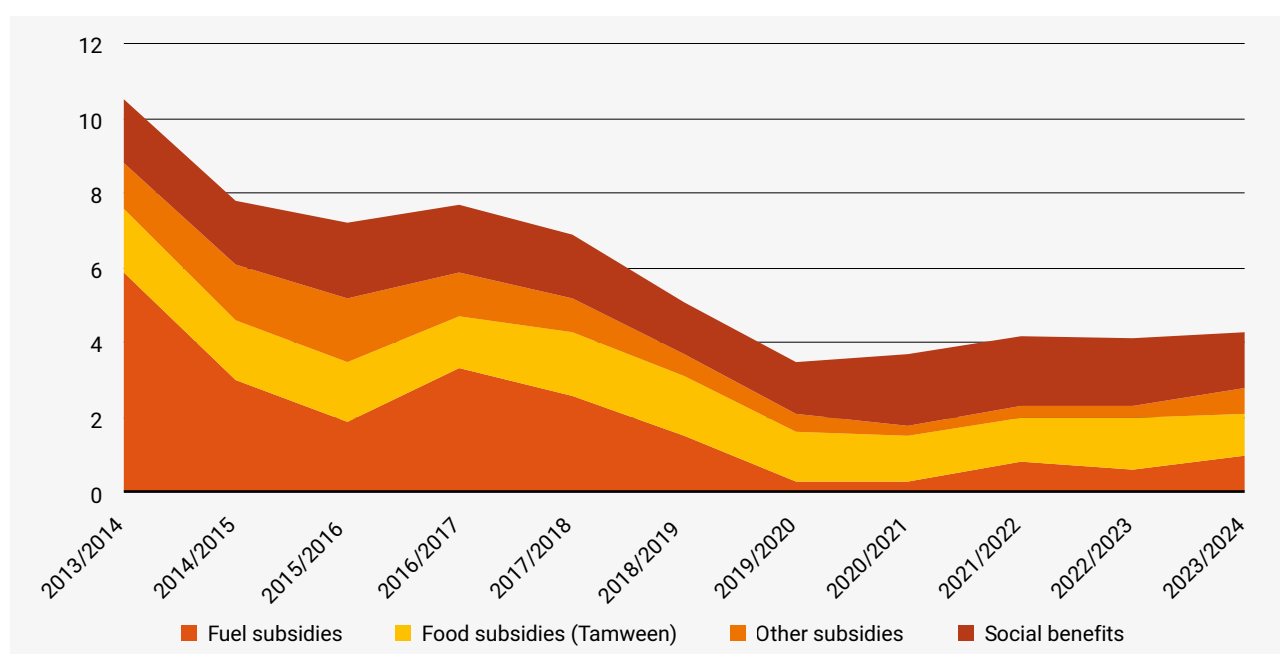
subsidies began in 2014 (figure 18). Spending on fuel subsidies has seen the largest decline over the last decade, from 5.9 per cent of GDP in 2013/2014 to 1.0 per cent in 2023/2024, with the Government planning to fully halt such spending by 2025.⁴⁷ Spending on food subsidies (Tamween) has also declined, though less sharply, from 1.7 per cent of GDP in 2013/2014 to 1.1 per cent in 2023/2024.

Due to the imperative of fiscal consolidation, the reduction in spending on untargeted subsidies (as a percentage of GDP) has not resulted in a significant real increase in spending on social benefits (including social insurance and social assistance), which increased only slightly from 1.7 per cent of GDP in 2013/2014 to 1.8 per cent in 2022/2023 and later declined to 1.5 per cent in 2023/2024, which shows the country's commitment to fiscal consolidation amid high debt servicing costs, global economic volatility, and inflationary pressures, all of which have limited fiscal space for rapid increases in social spending.

Figure 19 breaks down spending on "social benefits". In 2023/2024, "social insurance" expenditure stood at 1.1 per cent of GDP, down from 1.4 in 2013/2014, while expenditure on "social assistance" represented 0.3 per cent of GDP, up from 0.2 per cent in 2013/2014. It should be noted, however, that a considerable reprioritization has taken place during the period, especially through the introduction and expansion of Takaful and Karama. Recent increases in coverage and benefits may not be reflected in the budget figures.

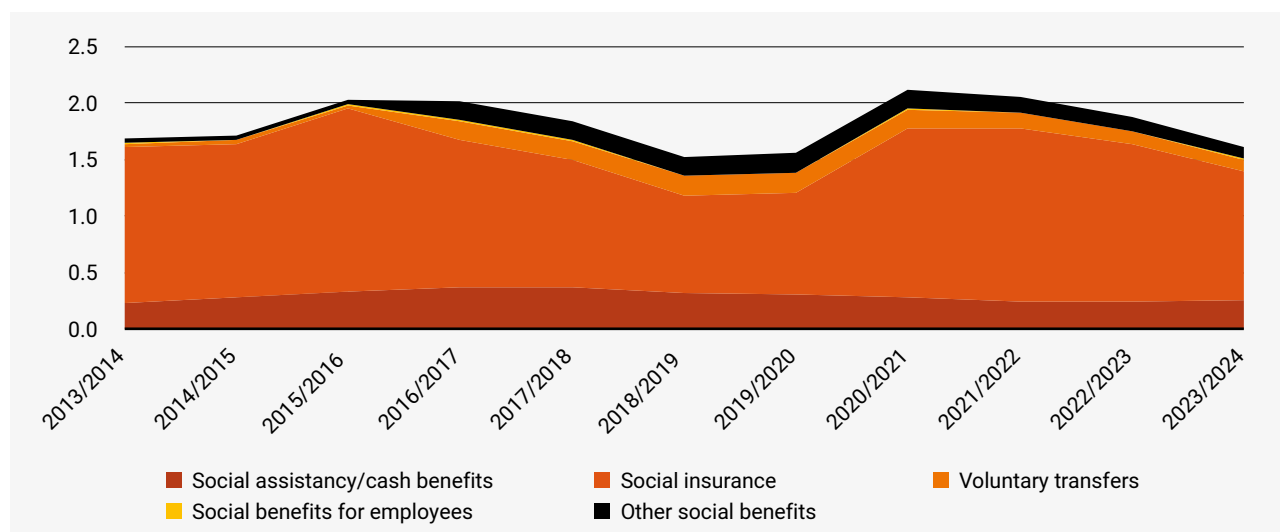
Figure 20 shows the overall composition of spending on "subsidies, grants and social benefits" in the 2023/2024 budget (including the residual components not shown in figure 18 and figure 19). Social insurance accounted for the largest share of total spending, at 25.4 per cent, followed by food subsidies at 24.1 per cent, fuel subsidies at 22.5 per cent and other subsidies at 15.2 per cent. Spending on social assistance (cash transfers) accounted for 5.9 per cent.

Figure 18. Evolution of the composition of subsidies and social benefits (Percentage of GDP)

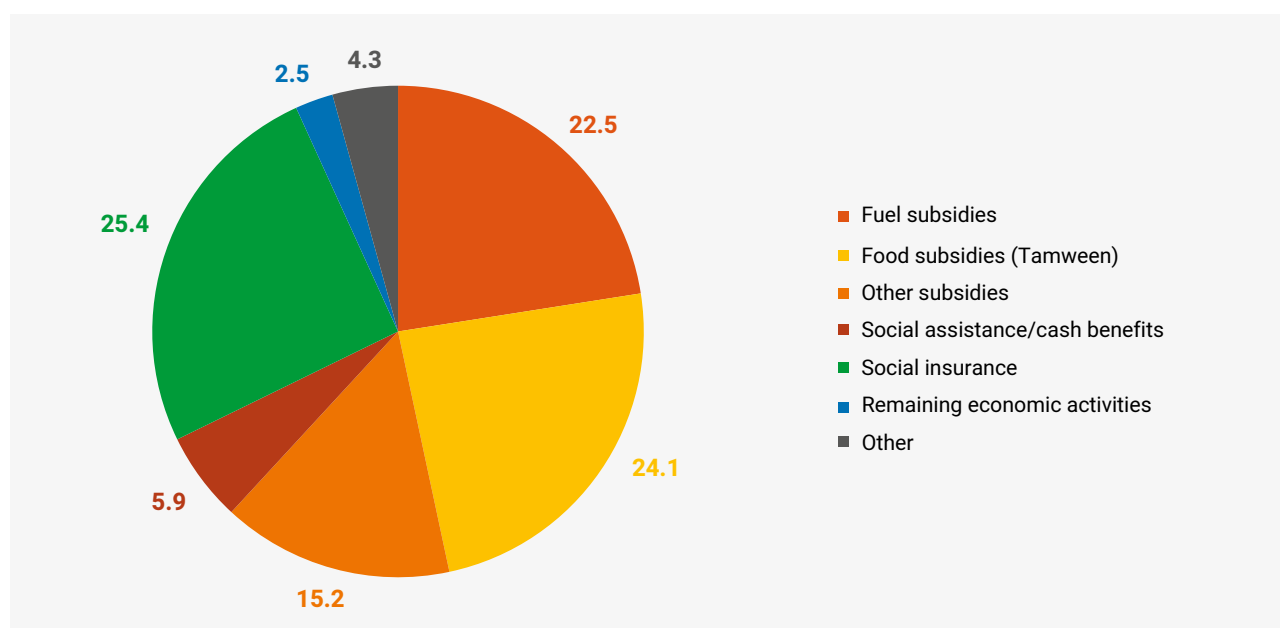


Source: Authors' calculations based on multiple editions of the Ministry of Finance State budget.

Note: Some categories have been removed from the calculations, including (i) "grants", which, per the Ministry of Finance Analytical Statement of the State Budget, includes grants to foreign governments and grants to general government units; and (ii) "other subsidies, grants and social benefits", which includes items such as subsidies to financial public corporations.

Figure 19. Evolution of government expenditure on social benefits (Percentage of GDP)

Source: Authors' calculations based on multiple editions of the Ministry of Finance State budget.

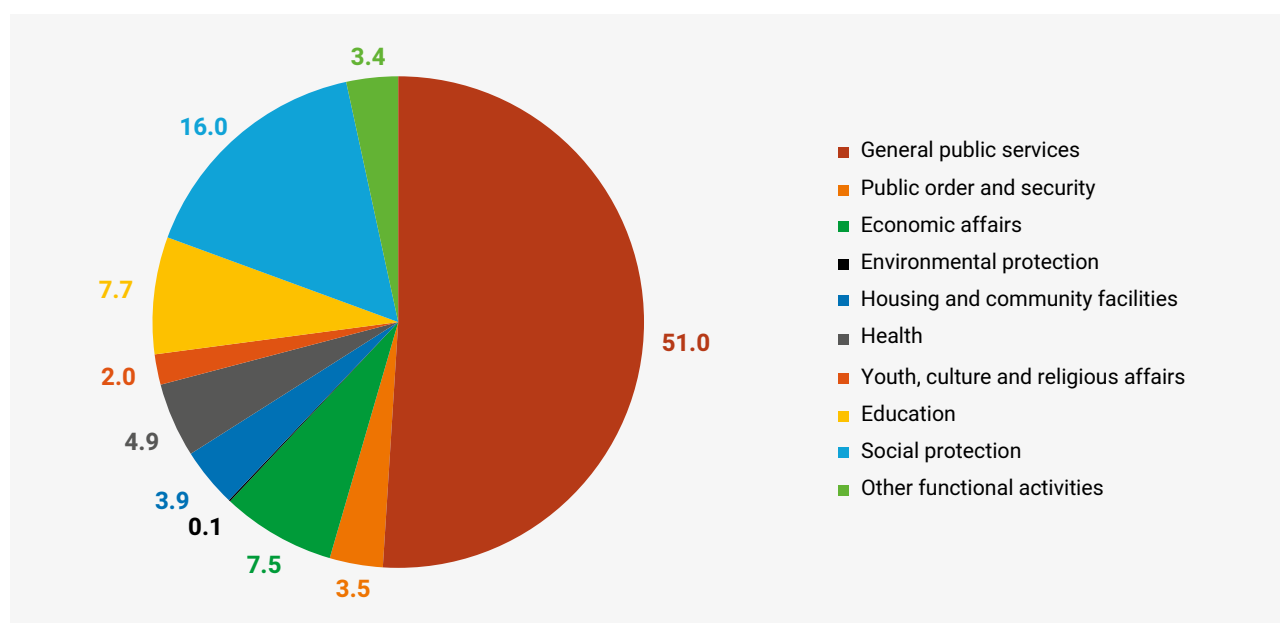
Figure 20. Composition of “subsidies, grants and social benefits”, 2023/2024 (Percentage)

Source: Ministry of Finance, Financial Statement on the State Budget 2023/2024.

Note: The “other” category includes budget items, such as voluntary transfers, social benefits for employees and support, total grants and general reserves.

At a more detailed level, the “subsidies, grants and social benefits” category comprises a range of smaller items (such as “health insurance and medication” and “social housing support”), which are classified under “other subsidies” (figure 20).

Another category, “general reserves for support and grants”, is included under “other” (figure 20), and amounts to approximately EGP 10 billion⁴⁸ allocated by the Government for emergency purposes. For instance, these funds are used

Figure 21. Share of the budget by functional classification, FY 2023–2024 (Percentage)

Source: Ministry of Finance, Financial Statement on the State Budget 2023–2024. Note: The “other” category includes budget items, such as voluntary transfers, social benefits for employees and support, total grants and general reserves.

when the President decides to increase financial support for Takaful and Karama programme beneficiaries, expand the number of beneficiaries or raise food subsidy allocations.⁴⁹ This enables the Government to respond promptly to shocks through both horizontal and vertical expansions of social protection schemes.

The functional classification used in the budget provides a narrower definition of social protection.⁵⁰ Based on the functional criteria, the total social protection expenditure stands at EGP 477.4 billion in 2023/2024 and accounts for 16.0 per cent of total expenditure (figure 21).⁵¹

2. Sources of revenue

The sustainability of social protection systems is contingent upon the Government’s capacity to mobilize resources. The equitability of social protection does not only depend on how benefits are distributed, but also on how they are funded. Non-contributory social assistance is financed out of general government revenue from taxation and other sources. Meanwhile, contributory social protection is mainly financed from contributions (chapter 3).

In FY 2023/2024, total government revenue as a percentage of GDP stood at 18.1 per cent,

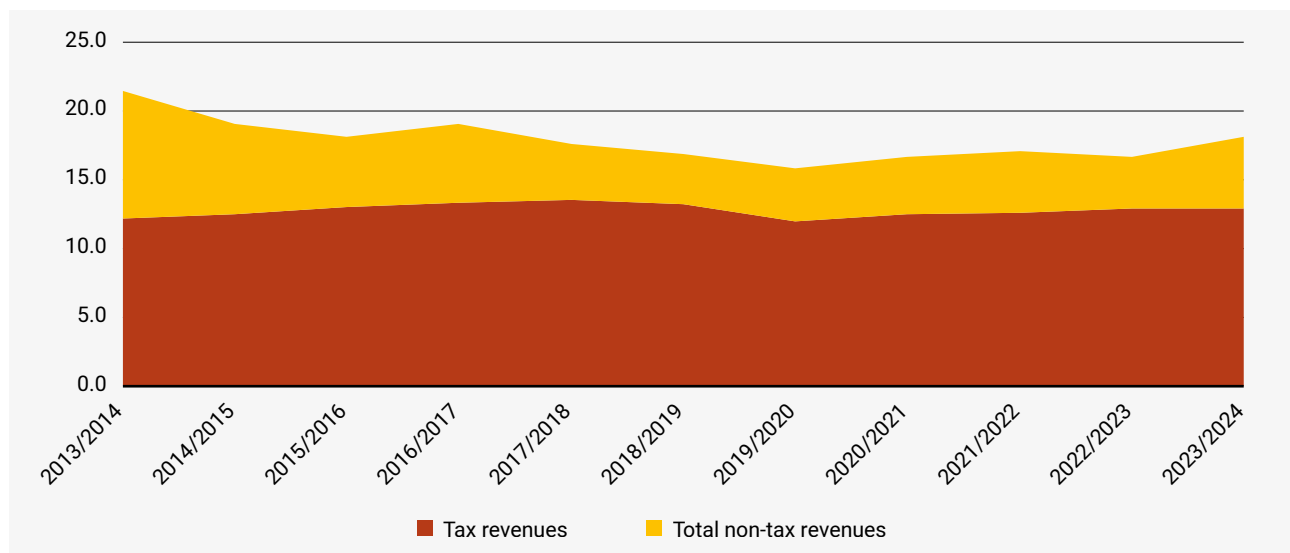
marking a decline from the 21.4 per cent figure in FY 2013/2014. Tax revenue accounted for the larger share of government revenue at 12.9 per cent, having remained largely unchanged over the last decade (12.2 per cent in FY 2013/2014), while non-tax revenue saw a significant drop from 9.2 per cent of GDP in 2013/2014 to 5.2 per cent in 2023/2024. This drop is largely attributable to a decline in property income, including dividends from the Suez Canal, due to events such as COVID-19, the war in Ukraine, and disruptions to international trade, which have impacted major

non-tax revenue sources such as property income and canal-related earnings.

In 2023/2024, there was a nearly even distribution between direct (6.5 per cent of GDP) and indirect (6.4 per cent of GDP) taxation. In FY 2013/2014, direct taxation accounted for 6.6 per cent of the GDP and indirect taxation for 5.7 per cent. Although the composition of taxes has remained largely consistent over

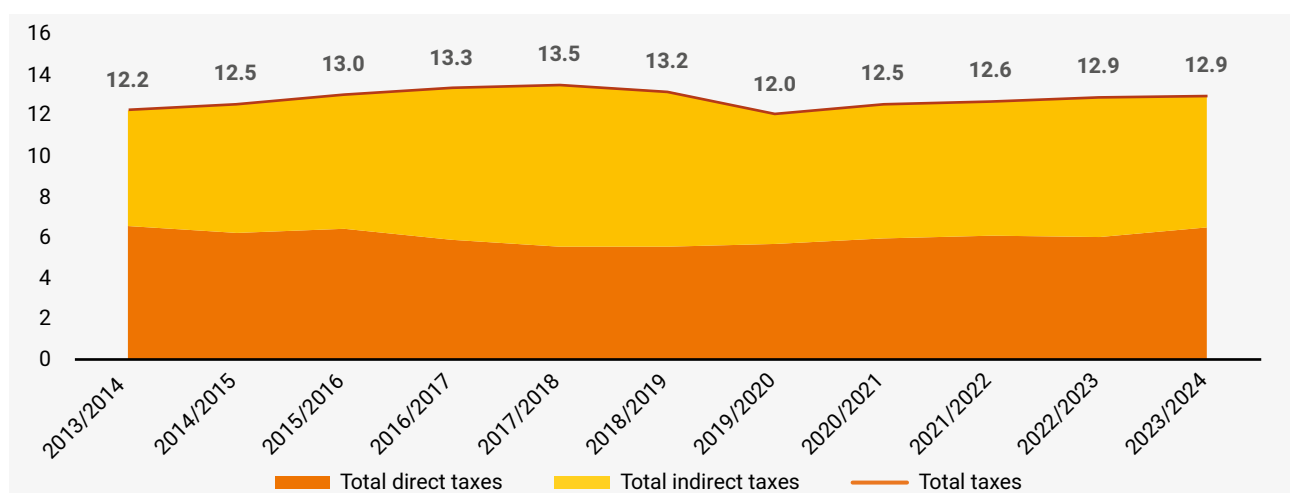
the past decade, there has been a decline in corporate and capital gains taxes and an increase in taxes on goods and services. This shift may be attributed to the reduction in government corporate tax rates from 25 per cent to 22.5 per cent in 2015, along with the introduction of multiple exemptions aimed at attracting investment. Value-added tax (VAT) also saw an increase from 10 per cent in 2014 to 14 per cent in 2017.⁵²

Figure 22. Total government revenue (Percentage of GDP)



Source: Authors' calculations based on multiple editions of the Ministry of Finance State budget.

Figure 23. Total tax revenue (Percentage of GDP)



Source: Authors' calculations based on multiple editions of the Ministry of Finance State budget.

F. Institutional structure

1. Roles and responsibilities of key actors

There are various governmental and non-governmental actors involved in the social protection sector in Egypt. Their roles and responsibilities are mandated by law and vary between policy design and formulation, implementation, and/or monitoring and

evaluation. The development of an overall sector strategy could promote effective coordination structures and reduce ambiguity regarding the delineation of responsibilities among the various entities. Table 5 provides an overview of the key actors.

Table 5. National actors in the social protection sector and their roles and responsibilities

Level			
Actors	Policy	Programme and administrative	Main roles and responsibilities
Ministries			
Ministry of Planning and Economic Development	X	X	- Propose economic policies and laws to achieve the economic development objectives of National Vision 2030.^a - Collaborate on performance monitoring and human resource management systems for all government institutions, including those for social protection.^b
Ministry of Finance	X	X	Develop financial policies and plans, coordinate budgets, rationalize and control government spending, and develop tax revenues.^c

Level			
Actors	Policy	Programme and administrative	Main roles and responsibilities
Ministries			
Ministry of Social Solidarity	X	X	• Deliver social protection, integrated care, and economic empowerment for those in need, without discrimination. • Coordinate efforts with the civil and private sectors and the media to develop human capital and society. • Regulate the work of non-governmental organizations (NGOs) in Egypt, including the legislation governing their operations.
			• Provide social safety nets to vulnerable citizens: support and protect poor families, care for low-income households, raise living standards, and improve the level of service provision. • Provide social safety nets to vulnerable groups, including women, children, orphans, persons with disabilities, older persons, the unemployed looking for suitable jobs, and informal workers. • Collaborate with partners to ensure access to essential social services such as healthcare, education, clean water, sanitation, food security, and housing.^d
Ministry of Supply and Internal Trade	X	X	• Regulate and implement the Tamween Food Subsidy System.^e
Ministry of Education and Technical Education	X	X	• Formulate and implement policies and procedures for the National School Feeding Programme.^f • Deliver financial assistance and social subsidies to students who cannot afford education fees. • Monitor compliance with education conditionalities associated with the Takaful Programme through regular reporting mechanisms.^g

Actors	Level		Main roles and responsibilities
	Policy	Programme and administrative	
Ministries			
Ministry of Health and Population	X	X	• Monitor compliance with health conditionalities associated with the Takaful Programme through regular reporting mechanisms.^h • Act as the regulator of the Universal Health Insurance Scheme and remain the constitutionally responsible party for public health.ⁱ • Run the Health Care Programme for the Poor to offer free medical services to beneficiaries of cash support programmes (Daman, Takaful, Karama).^j
Ministry of Housing, Utilities and Urban Communities	X	X	• Provide different housing programme models for different income brackets to limit unplanned urban growth and meet increased demand for rural and urban construction. • Implement legislative reforms in housing, construction and real estate registration, and organize drinking water and sanitation facilities.^k
Ministry of Labour	X	X	• Act as the primary public employment agency. • Oversee labour policies, enhance employability, and manage labour market demands.^l
Government authorities			
National Organization for Social Insurance	X	X	• Develop social insurance policies and administer the national social insurance system.^m • Collect social insurance contributions paid by employees and employers.ⁿ
Universal Health Insurance Agency under the Ministry of Health and Population		X	• Manage and finance the health insurance system, including funding investment.^o
General Authority of Healthcare under the Ministry of Health and Population		X	• Oversee the provision of health insurance services.^p

Actors	Level		Main roles and responsibilities
	Policy	Programme and administrative	
Government authorities			
General Authority for Healthcare Accreditation and Regulation under the Ministry of Health and Population	X	X	• Ensure accreditation and regulation of health insurance based on set standards.^q
Egyptian Authority for Standard Procurement and Medical Technology Management under the Ministry of Health and Population		X	• Act as central supply procurer for health insurance.^r
Social Housing and Mortgage Finance Fund under the Ministry of Housing, Utilities and Urban Communities		X	• Design and coordinate the Social Housing Programme.^s
Urban Communities Authority under the Ministry of Housing, Utilities and Urban Communities		X	• Propose, plan and supervise social housing implementation.^t
Micro, Small and Medium Enterprises Development Agency under the Prime Minister	X	X	• Support micro, small and medium-sized enterprises (MSMEs) financially, non-financially and technically. • Foster a favourable climate for these businesses and motivate Egyptians to enter the labour market. • Be involved with all active labour market programmes.^u • Law No. 152/2020 includes provisions that incentivize the formalization of MSMEs and facilitate access to social insurance, granting the Agency a key role in this regard.

Actors	Level		Main roles and responsibilities
	Policy	Programme and administrative	
Government authorities			
Central Bank of Egypt	X	X	- Lead financial inclusion initiatives, including the formulation of legislation and the provision of small loans and microfinance. - Provide social housing programmes. The Central Bank of Egypt has launched several mortgage finance initiatives.^v
Nasser Social Bank		X	Support social development, financial inclusion, and various community projects to enhance the well-being of individuals and families in need.
Other State institutions			
Egypt Post		X	Act as a financial institution for social assistance payments.^w
Long Live Egypt Fund (Tahya Misr)		X	Support community projects to enhance social welfare, urban development, healthcare, education, and economic empowerment, focusing on young people and children.^x
Non-governmental organizations ^y			
Egyptian Food Bank		X	Address hunger by providing healthy meals funded by Zakat funds and donations.^z
Misr El-Kheir Foundation		X	Work on human development in social solidarity, education, health, and integrated development.^{aa}
Al Orman Association		X	- Provide seasonal in-cash and in-kind assistance to the poor and vulnerable. - Provide microloans to support individuals, especially women and orphans.^{bb}

Actors	Level		
	Policy	Programme and administrative	Main roles and responsibilities
Non-governmental organizations^y			
Sawiris Foundation		X	Collaborate with governmental entities to align projects with national priorities, particularly social protection, employment, and family planning.^{cc}
Zakat and Charities Fund		X	Provide cash assistance to poor and vulnerable individuals who are unable to meet their basic needs, with the aim of promoting social justice and ensuring decent living standards.^{dd}

^a <https://statics.teams.cdn.office.net/evergreen-assets/safelinks/2/atp-safelinks.html>.

^b Kassem, 2020.

^c <https://mof.gov.eg/en/About/5fbd28790f63030007fec9bb/5fdb20af7452020007052b5e>.

^d <https://www.moss.gov.eg/ar-eg/Pages/strategic-plan.aspx>.

^e Kassem, 2020; Law No. 95 on Tamween, 1945.

^f World Bank Group, 2022a.

^g World Bank, 2015.

^h Ibid.

ⁱ World Bank, 2020b.

^j Information provided by the Ministry of Social Solidarity.

^k <https://www.presidency.eg/en/مركز-معلومات-أساسية/>.

^l Kassem, 2020.

^m <https://www.nosi.gov.eg/ar/about/Pages/AboutNOSI.aspx>.

ⁿ Ibid.

^o UNDP, 2021.

^p ILO, 2022b; World Bank Group, 2022a; World Bank, 2020b.

^q ILO, 2022b; World Bank Group, 2022a; World Bank, 2020b.

^r World Bank, 2020b; World Bank Group, 2022a.

^s World Bank Group, 2022a.

^t World Bank Group, 2022a.

^u UNDP, 2021.

^v UNDP, 2021.

^w World Bank, 2015.

^x <https://beta.sis.gov.eg/en/projects-initiatives/initiatives/tahya-misr-fund/>.

^y The NGOs listed in the table are an example of some of the larger NGOs operating in the field of social protection. However, Egypt has over 35,000 registered NGOs, many of which operate as key partners for the Ministry of Social Solidarity in programme delivery across the country.

^z <https://efb.eg/>.

^{aa} <https://mekeg.org/ar/about>.

^{bb} <https://www.dar-alorman.com/Home/About>.

^{cc} <https://www.sawirisfoundation.org/en/about-us>.

^{dd} <https://baitzakat.org.eg/en/about/>.

Under Prime Ministerial Decree No. 193 of 2020, the Ministry of Planning and Economic Development plays a leading role in formulating economic development policies and in monitoring and evaluating government performance in relation to sustainable development. Key functions of the ministry also include formulating sustainable development plans and ensuring their alignment with Egypt Vision 2030.⁵³ Its strategic mandate covers all government institutions and social protection programmes.

The Ministry of Finance has a vast mandate that consists of political, supervisory, legislative and executive roles. It proposes and develops overall fiscal policy, develops financial legislation, supervises national budget implementation, and manages the public treasury. The Ministry of Finance works collaboratively with the Ministry of Planning and Economic Development to fund social and economic development programmes and the State's general resources.⁵⁴ As noted in section D.1, the Ministry of Finance allocates a portion of the budget to social protection programmes, including social assistance, social insurance and food subsidies.

The Ministry of Social Solidarity is a key entity responsible for policymaking related to social assistance and insurance programmes.⁵⁵ It is also a key participant in several committees established to ensure coordination among social protection actors (section 2.E.2). At the programme and administrative level, the ministry oversees some of the largest social assistance programmes, such as the Takaful and Karama programme.

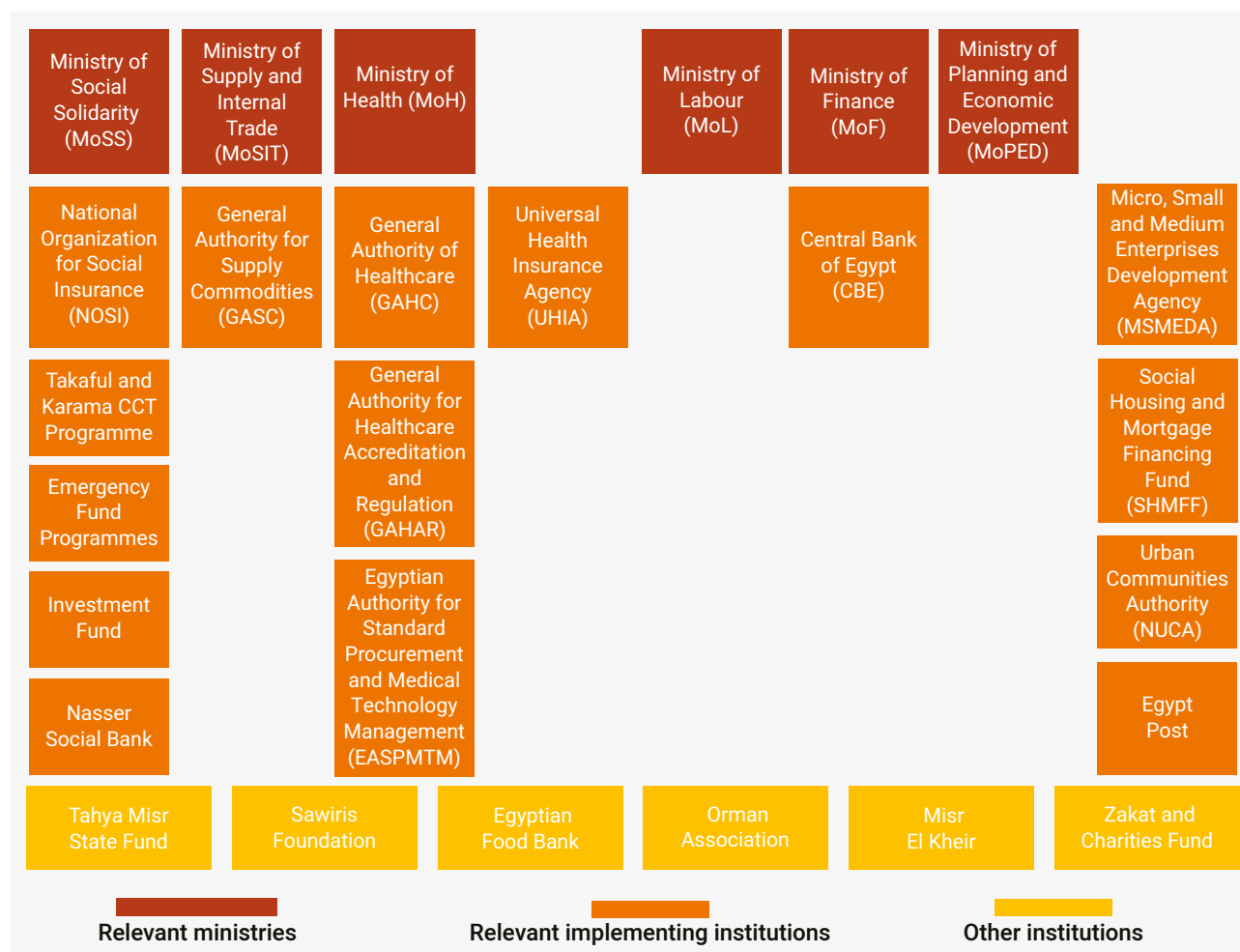
The National Organization for Social Insurance is responsible for developing social insurance policies and acting as an implementing agency for social insurance-related schemes. While the organization reports to the Ministry of Social Solidarity, it has a legal personality and an independent budget. Hence, it has technical, financial and administrative independence.⁵⁶ The Investment Fund, which is a specialized

investment management entity, has been launched in parallel.⁵⁷

The Ministry of Supply and Internal Trade is responsible for regulating and implementing the Tamween Food Subsidy Programme. It collaborates closely on this matter with the General Authority for Supply Commodities, the economic entity responsible for procuring supply commodities for the State. The Authority's functions include providing basic commodities as decreed by the Ministry of Supply and Internal Trade through subsidies via the Ministry of Finance.⁵⁸

Structural and functional changes in healthcare financing, service delivery and regulation were introduced under the new Universal Health Insurance Scheme, leading to the establishment of four independent agencies responsible for its implementation. These include the Universal Health Insurance Agency, the General Authority of Healthcare, the General Authority for Healthcare Accreditation and Regulation, and the Egyptian Authority for Standard Procurement and Medical Technology Management.⁵⁹ The Universal Health Insurance Agency pays the health insurance, the General Authority of Healthcare manages current health facilities under the Ministry of Health and Population, the Egyptian Authority for Standard Procurement and Medical Technology Management negotiates and manages effective value-based supply chains for medical facilities, and the General Authority for Healthcare Accreditation and Regulation supervises quality assurance and accreditation. Generally, the Ministry of Health and Population remains in charge of overall public health policy.⁶⁰

The Ministry of Labour, the Central Bank of Egypt, and the Micro, Small and Medium Enterprises Development Agency are the principal government authorities responsible for active labour market programmes, operating at the policy, programme and administrative levels. The Central Bank of Egypt also plays a key role in developing financial inclusion policies and oversees the formulation of related legislation.

Figure 24. Organogram of key national actors involved in social protection (selection)

Source: Authors' elaboration.

Several non-governmental actors participate at the programme level in implementing social protection interventions. The organogram in figure 24 illustrates the chain

of social protection policy formulation, implementation and delivery, as well as the actors responsible for each category of tasks.

2. Coordination structures and practices

The Ministerial Committee for Social Justice and the Economic Justice Unit at the Ministry of Finance in Egypt are responsible for facilitating coordination among relevant authorities to ensure the comprehensiveness and efficiency of all social protection programmes.

The Ministerial Committee for Social Justice was established in 2014 by Prime Ministerial Decision No. 1940. The Committee is chaired by the Prime Minister and includes representatives from 13 ministries, with the Ministry of Social Solidarity serving as its primary rapporteur.⁶¹ The Committee is responsible for formulating

and coordinating policies among ministries to turn social policies and programmes into actionable decisions that proactively address social inequality, in addition to reviewing existing programmes, approving new ones, and developing action plans and budgets that align with the country's five-year development objectives.⁶²

The Committee is comprised of senior-level representatives and convenes sporadically, mainly to address urgent matters. Its vision, goals and objectives, as well as the roles assigned to the technical secretariat and the meeting procedures and reporting requirements, could benefit from further clarity.

The Economic Justice Unit is responsible for designing and proposing policies and programmes aimed at maximizing the social and economic returns of social protection initiatives, ensuring that spending and various forms of direct and indirect subsidies reach the intended beneficiaries. As noted in

section 2.F.3, the unit is also mandated to assist ministries in thoroughly monitoring and assessing the impact of their social protection interventions.⁶³

In July 2024, the Ministry of Social Solidarity issued a ministerial decision to form a Committee of Business Coordination and Data Integration between the Ministry of Social Solidarity and the National Organization for Social Insurance. The committee is chaired by the organization's chairman and includes representatives from the ministry and the organization. Its responsibilities include integrating data systems between both entities, conducting a comprehensive analytical study to review databases that host data of beneficiaries of the Takaful and Karama programme and other ministry programmes, and developing a vision to ensure health insurance coverage for all eligible beneficiary categories.⁶⁴ Table 6 provides further insights into the various coordination structures.

Table 6. Summary of coordination structures and practices

Coordination structure or practice	Actors involved	Vertical or horizontal	Level of cooperation
Ministerial Committee of Social Justice	Prime Minister and 13 ministries ^a	Horizontal	Cooperation Cooperation occurs at the senior-most levels of Government, and resources such as the Unified National Registry database are shared
Economic Justice Unit	Ministry of Finance, in coordination with other relevant entities working in the field of social protection	Horizontal	Cooperation Mandated with monitoring and evaluation at the level of the social protection sector across various entities

Coordination structure or practice	Actors involved	Vertical or horizontal	Level of cooperation
Committee of Business Coordination and Data Integration between the Ministry of Social Solidarity and the National Organization for Social Insurance ^b	Ministry of Social Solidarity and National Organization for Social Insurance	Horizontal	Collaboration Coordination to achieve integration between social protection programmes and link automated systems between the Ministry of Social Solidarity and the National Organization for Social Insurance
Ministerial Committee for the Protection and Empowerment of Irregular Workers	Headed by the Ministry of Social Solidarity and The Ministry of Labor Includes various other entities, such as the Ministries of Labour, Finance, Health, Population, and Culture; the Administrative Control Authority; and the National Insurance Authority	Horizontal	Collaboration Mandated to assess the informal sector and develop integration mechanisms to support economic growth, as well as to identify mechanisms for incorporating irregular workers into social protection ^{c,d}
National Committee of School Feeding	Ministry of Education and Technical Education and 11 other ministries and entities ^e	Vertical	Collaboration Tasked with coordinating legal and policy frameworks, as well as providing strategic oversight and conducting reviews of programme implementation
National Council for Childhood and Motherhood	Headed by a president Works in collaboration with various non-governmental organizations at the governorate and local levels	Vertical	Coordination Mandated to formulate policies, oversee their implementation and coordinate efforts at the national and local levels ^f

Coordination structure or practice	Actors involved	Vertical or horizontal	Level of cooperation
National Council for Disability Affairs	Headed by a governing council chaired by the Prime Minister Has 19 members, including six ministers, ^g representatives from civil society organizations, and experts	Vertical	Coordination Mandate to formulate policies, manage databases, and coordinate with all ministries on the implementation of disability conventions ^h
National Council for Women	Headed by a president Comprises 27 members and works with several NGOs Directly reports to the President	Vertical	Coordination Mandated to undertake policy formulation and legislative reform ⁱ

^a Ministry of Social Solidarity, Ministry of Health and Population, Ministry of Finance, Ministry of Education and Technical Education, Ministry of Supply and Internal Trade, Ministry of Planning and Economic Development, Ministry of Labour, Ministry of Petroleum and Mineral Resources, Ministry of Higher Education and Scientific Research, Ministry of Local Development.

^b Kassem, 2020.

^c Key informant interview with the Ministry of Social Solidarity, 19 February 2024/ (Ref: <A-13>); Key informant interview with the National Organization for Social Insurance, 02 January 2024/ (Ref: <A-08>).

^d The Committee announced in March 2024, the completion of a draft law for the creation of an emergency relief fund for irregular workers.

^e Ministry of Social Solidarity, Ministry of Health and Population, Ministry of Supply and Internal Trade, Ministry of Finance, Ministry of Agriculture and Land Reclamation, Ministry of Local Development, Ministry of Industry and Foreign Trade, National Nutrition Institute, Representative of Al-Azhari of Education, Scientific Advisory Committee on Nutrition, Childhood and Education, Supreme Council of Media Regulation.

^f <https://hrightsstudies.sis.gov.eg/en/bodies/councils/local/the-national-council-for-childhood-and-motherhood/>.

^g Ministers of Health, Education, Social Solidarity, Housing, Planning, and Administrative Reform and Manpower.

^h <https://hrightsstudies.sis.gov.eg/en/bodies/councils/local/national-council-for-persons-with-disabilities/>.

ⁱ <https://ncw.gov.eg/Page/10/%D8%A7%D9%84%D8%B1%D8%A4%D9%8A%D8%A9>.

3. Control and accountability mechanisms

According to the 2014 Constitution, the Committee on Social Solidarity, the Family and Persons with Disabilities in the Egyptian House of Representatives is mandated with the control and accountability of all policies or programmes related to social justice, social solidarity and social security. The committee's mandate also encompasses legislation related to social solidarity, the family, persons with disabilities, and other matters within the jurisdiction of relevant ministries and agencies.⁶⁵ General mechanisms have been put in place to hold

government entities accountable (table 7).

The Administrative Control Authority, established in 1964, is the country's "independent general oversight body that exercises administrative, financial and criminal control over the public bodies". Its key achievements include co-forming and implementing the National Anti-Corruption Strategies for 2014–2018 and 2019–2022 in collaboration with other relevant government agencies.⁶⁶

Table 7. Summary of control and accountability mechanisms

Mechanism	Function or observation	Legal or regulatory instrument and/or relevant extract
Administrative Control Authority ^a	• Detect violations and investigate complaints submitted by citizens and the media concerning violations, negligence or exploitation by public employees. • Detect administrative, technical and financial system flaws hindering public agencies' performance, and propose ways to avoid them. • Coordinate and exchange expertise and information on combating corruption with the State's regulatory bodies and other global anti-corruption agencies. • Raise community awareness on combating corruption in collaboration with governmental bodies and civil society organizations.	Law No. 54 of 1964, amended by Law No. 207 of 2017
Public Prosecution Office	Undertake criminal investigations based on complaints filed by citizens or government officials, as well as information in news reports.	Article 189 of the 2014 Constitution
Unified Government Complaints System	Receive, examine and direct all complaints submitted by citizens and respond to them electronically.	Presidential Decree No. 314 of 2017

Sources: Administrative Control Authority, n.d.; Egypt Justice, n.d.; Shakwa, n.d.

^a This table does not fully capture the Administrative Control Authority's mandate but only mentions its functions relevant to the purpose of the report.

The Public Prosecution Office, headed by the Public Prosecutor, is an independent arm of the judicial branch of the Government and is mandated to conduct "neutral and unbiased investigation into criminal complaints". The Public Prosecutor's written report is credible and admissible in court as substantive evidence without supporting live testimony.⁶⁷

The Unified Government Complaints System, which includes an electronic portal,

a hotline, a smartphone application, and a WhatsApp number, serves as an official "two-way communication channel between the citizens and the Government with its various agencies".⁶⁸ Its mandate extends to all public offices to ensure that all government agencies and bodies have citizen service departments and offices. In September 2023, the Government received almost 126,000 complaints, of which 98,000 were referred to the relevant agencies.⁶⁹

4. Human resources and institutional capacity

In 2023, the social protection workforce of the Ministry of Social Solidarity comprised 15,000 social workers (distributed among 2,650 social units, 320 districts, and 27 muddireya offices) and 15,000 rural pioneers (distributed nationwide).⁷⁰ Social workers are also involved in recurring beneficiary operations. Thus, the ministry aims to increase this workforce to 20,000 individuals. A case in point is the Takaful and Karama programme, which reached 4.5 million households in 2023/2024. With an estimated 15,000 social workers and rural pioneers, each is responsible for an average caseload of approximately 200 households.

A moratorium on public sector hiring has resulted in limited recruitment of administrative staff, with implications on the effectiveness of the remaining workforce. Additionally, The Ministry of Social Solidarity relies on approximately 8,000 public service employees nationwide, who contribute to carrying out daily assignments across all specialties and work offices while accumulating knowledge and experience in line with the mandate of national public service. The Ministry of Social Solidarity

also occasionally relies on short-term contract consultants

Various administrations have undertaken hiring efforts at the National Organization for Social Insurance. The reform process requires increased focus on training, coaching and investment in human resource management.⁷¹ The World Bank found that the National Organization for Social Insurance, operating solely as a contributory pension programme without any short-term benefits, requires approximately 22,000 employees to meet its staffing needs. However, when accounting for the management of various short-term benefits, the organization's projected staffing requirement increases to over 30,000 employees. This figure more closely aligns with the combined staffing levels of the two funds merged under the organization. In 2021/2022, the workforce of the National Organization for Social Insurance comprised around 22,724 employees, a "sub-optimal" number of staff members. The agency is going through a digital transition from "high staff/low technology" to "reduced staff/high technology utilization" to improve staffing and overall administration.

3

Social protection programme mapping, design, implementation and organizational set-up



Key messages

- Egypt has built a broad social protection architecture, encompassing cash transfers, social insurance, and labour market interventions, each targeting different dimensions of vulnerability. The system operates through multiple parallel programmes and institutions, with evolving coordination among them.
 - The Takaful and Karama programme has reached large segments of the poor and remains central to poverty alleviation efforts in Egypt.
 - Government efforts to adjust cash transfer values in recent years highlight the importance of protecting vulnerable groups in the face of covariate shocks. Continued economic empowerment programmes implemented by the Ministry of Social Solidarity, like Forsa Program and other complementing human capital investment programmes, aim to economically empower Takaful and Karama programme beneficiaries by facilitating employment and self-employment opportunities.
- However, its impact has been limited due to low uptake. More effective outreach and clearer messaging are needed.
- Egypt has undertaken important reforms to enhance the effectiveness of the social insurance system, with the ongoing objective to keep extending adequate coverage, particularly for informal workers and Egyptians working abroad. Tailored policies and simplified processes are needed to encourage participation and extend coverage to underserved groups.
 - As enhancements to the Unified National Registry progress, there is a significant opportunity to improve the sharing of beneficiary information across social protection programmes, particularly between ministries.
 - The new cash assistance (Social Security) law No. 12 of 2025 ensures the sustainability of social protection programmes, particularly those reliant on external loans and donor funding.

A. Social protection programmes: inventory, coverage, expenditure and integration across programmes

1. Programme inventory

The Egyptian social protection landscape comprises non-contributory programmes (including social assistance, housing and subsidies), contributory programmes (including

social and health insurance) and labour market programmes (especially those focused on economic empowerment). Table 8 delineates the programmes that are currently active.

Table 8. Social assistance, social insurance and labour market programmes in Egypt

Social protection programme summary table	Social protection functions	Overall benefit category	Main objectives	Implementing agency	Target population	Beneficiaries		Effective coverage rate			Annual expenditure (% of GDP)
						Beneficiary type	Number	Total (% of target population or target households)	Male (% of male target population or male-headed households)	Female (% of female target population or female-headed households)	
Takaful	Poverty and social exclusion, family and children	Non-con-tributory social assistance	Poverty alleviation	Ministry of Social Solidarity	Poor (means-tested)	Household	2,646,866 (2025)	12.05% (2021/2022)	N/A	N/A	0.12% (2023/2024)
Karama	Poverty and social exclusion, old age, disability, others	Non-con-tributory social assistance	Poverty alleviation; income support (old age, disability, survivors)	Ministry of Social Solidarity	Poor (means-tested), wid-ows, orphans, persons with disabilities	Household	2,029,915 (2025)	7.04% (2021/2022)	N/A	N/A	0.08% (2023/2024)

Social protection programme summary table	Social protection functions	Overall benefit category	Main objectives	Implementing agency	Target population	Beneficiaries		Effective coverage rate			Annual expenditure (% of GDP)
						Beneficiary type	Number	Total (% of target population or target households)	Male (% of male target population or male-headed households)	Female (% of female target population or female-headed households)	
Decent Housing	Housing	Non-contributory social assistance	Poverty alleviation, community development	Ministry of Social Solidarity, in partnership with several ministries	Extremely poor (means-tested) 5 governorates	N/A	N/A	N/A	N/A	N/A	N/A
Social Housing	Housing	Non-contributory social assistance	Poverty alleviation, community development	Ministry of Social Solidarity, via the Ministry of Housing	Poor (means-tested)	N/A	N/A	N/A	N/A	N/A	N/A
Food Subsidies	Food and nutrition, poverty and social exclusion, family and children	Non-contributory social assistance	Increase food security, improve nutrition, poverty alleviation	Ministry of Supply and Internal Trade	Poor (means-tested)	Individual	61,561,264 (2023/2024)	86.01% (2021/2022)	N/A	N/A	1.08% (2023/2024)
School Feeding	Food and nutrition	Non-contributory social assistance	Increase food security, improve nutrition, promote school attendance/enrolment	Ministry of Education and Technical Education	Children	Individual	16,600,000 (2020/2021)	N/A	N/A	N/A	N/A
Emergency Cash Assistance	Survivorship	Non-contributory social assistance	Income support (old age, disability, survivors)	Ministry of Social Solidarity	Poor (means-tested)	Individual	N/A	N/A	N/A	N/A	N/A
Family Support Fund	Family and children	Non-contributory social assistance	Self-employment, community development	Ministry of Social Solidarity and Nasser Bank	Widows and abandoned women	Individual	138,872 (2023/2024) ^a	N/A	N/A	N/A	N/A
FORSA	Labour market programmes	Labour market programmes	Income support (old age, disability, survivors), self-employment, poverty alleviation, enhanced skills/employability	Ministry of Social Solidarity	Working-age population	Household	20,150 (2023/2024)	0.46% (2023/2024) of TKP beneficiaries	N/A	N/A	0.004% (2023/2024)

Social protection programme summary table											Annual expenditure (% of GDP)
	Beneficiaries						Effective coverage rate				
	Social protection functions	Overall benefit category	Main objectives	Implementing agency	Target population	Beneficiary type	Number	Total (% of target population or target households)	Male (% of male target population or male-headed households)	Female (% of female target population or female-headed households)	
Irregular Workers	Labour market pro-grammes	Labour market pro-grammes	Enhanced skills/em-employability	Ministry of Social Solidarity	Working-age population	Individual	N/A	N/A	N/A	N/A	N/A
Women Development Programme	Labour market pro-grammes	Labour market pro-grammes	Enhanced skills/em-employability, self-em-employment	Ministry of Social Solidarity	Working-age women	Individual	198,420 (2023/2024)	N/A	N/A	N/A	N/A
Rural and Environmental Industries Support and Rural Revitalisation Fund	Labour market pro-grammes	Labour market pro-grammes	Self-em-ploy-ment	Ministry of Social Solidarity	Working-age population	Individual	N/A	N/A	N/A	N/A	N/A
Promoting Access to Educational Opportunities and Combatting Child Labour	Family and children, labour market pro-grammes	Labour market pro-grammes	Community develop-ment	Ministry of Social Solidarity	N/A	Household	5,507,277 (2023/2024) ^b	N/A	N/A	N/A	N/A
Improving Livelihoods and Economic Empow-erment of Women	Labour market pro-grammes	Labour market pro-grammes	Self-em-ploy-ment	Ministry of Social Solidarity	Working-age women	Individual	N/A	N/A	N/A	N/A	N/A
Project for Development of the Egyptian Family – Economic Empow-erment Component	Family and children, labour market pro-grammes	Labour market pro-grammes	Self-em-ploy-ment	Ministry of Social Solidarity	Working-age population	Household	N/A	N/A	N/A	N/A	N/A
Mastoura (Satisfied Needs)	Others	Labour market pro-grammes	Self-em-ploy-ment	Nasser Bank	Working-age women	Individual	N/A	N/A	N/A	N/A	N/A

Social protection programme summary table	Social protection functions	Overall benefit category	Main objectives	Implementing agency	Target population	Beneficiaries		Effective coverage rate			Annual expenditure (% of GDP)
						Beneficiary type	Number	Total (% of target population or target households)	Male (% of male target population or male-headed households)	Female (% of female target population or female-headed households)	
Working Women Service Centres	Paid services for working women to help with domestic responsibilities	Labour market programmes	Employment promotion for women	Ministry of Social Solidarity	Working-age women	Individual	N/A	N/A	N/A	N/A	N/A
Social Insurance	Old age, maternity, sickness, unemployment, employment injury	Contributory social insurance	Income support (old age, disability, survivors), income compensation (work injury, unemployment), maternal protection	National Organization for Social Insurance	Wage workers in formal employment; registered self-employed Wage workers in informal employment, Egyptians working abroad	Individual	11,032,721 (2022/2023)	44.04% (2022/2023)	N/A	N/A	3.77% (2022/2023)
Universal Health Insurance (UHI)	Social health protection	Contributory social insurance	Increased access to medical care	Universal Health Insurance Authority	Egyptian population	Individual	4,900,000 (2023/2024)	N/A	N/A	N/A	0.09% (2022/2023)
Housing for All	Housing	N/A	Poverty alleviation, community development	Social Housing and Mortgage Finance Fund (implementing agency in charge of designing and coordinating the programme)	People aged 21–51, retirees up to 75	Household	N/A	N/A	N/A	N/A	0.09% (2023/2024)
Energy Subsidies	Others	Universal subsidies	Others	Ministry of Finance	Egyptian population	Individual	N/A	N/A	N/A	N/A	1.01% (2023/2024)

^a This represents 3.1 per cent of TKP beneficiaries.

^b Children are targeted by TKP education conditionality, 83 per cent of them comply with attending school by at least 80 per cent of school days.

(a) Non-contributory programmes

The Ministry of Social Solidarity leads and manages several social assistance programmes aimed at tackling poverty, including the Takaful and Karama programme. Since 1977, the ministry ran a programme called **Daman**, which targeted poor and vulnerable groups using unconditional monthly cash transfers. Daman

was gradually merged into the Takaful and Karama programme to have all beneficiaries integrated under one unified cash-transfer umbrella. The ministry also manages Emergency Cash Assistance schemes,⁷² supporting families subjected to emergency conditions.⁷³ In partnership with other ministries, the Ministry of Social Solidarity offers housing support through social housing and the Sakan Karim programme.

Table 9. Complementary programmes

Programme	Programme initiation year	Programme objective	Beneficiaries	Interventions
Haya Karima (Decent Life)	2019	Poverty alleviation, basic service provision Local and economic development	<i>Total targeted beneficiaries:</i> villages across 175 rural districts <i>Phase 1 targeted beneficiaries:</i> poorest 1,413 villages across 51 districts	Infrastructural interventions include building housing complexes and providing utility connections Medical interventions include building hospitals and health units and providing medical machinery and staff Educational interventions include building well-equipped schools and nurseries and providing educational services, including literacy classes ^a
Sakan Karim (Decent Housing)	2017 ^b	Improving living conditions, (including housing and infrastructure), job creation	<i>Phase 1 targeted beneficiaries:</i> the poor across five governorates	Building houses and home renovations, including roof construction, and setting up drinking water and sewage connections ^c
Two is Enough	2020 ^d	Reproductive health support	Families with two children	Subsidized access to birth control and awareness campaigns ^e
The First 1,000 Days	2017	Addressing the well-being of children and eliminating stunting and wasting in newborns	45k HH children	Provision of nutritious food baskets, pre- and post-natal care, nutrition education and community awareness ^f
Positive Parenting	2021	Improving nutrition and immunization, child protection	Takaful and Karama Programme families with children aged 0–5, 6–12 and 13–18 years	Capacity-building among frontline workers at nurseries, family counsellors, social workers in alternative care, the social service workforce and religious scholars

Programme	Programme initiation year	Programme objective	Beneficiaries	Interventions
No Illiteracy with Takaful	2022 ^g	Literacy support	The 64 per cent of Takaful mothers who cannot read and write ^h	Literacy classes
Waaï (Awareness) ⁱ	2020	Changing attitudes and behaviour		Community awareness and mobilization campaigns for social protection services, advocacy for policies and programmes that promote social protection and inclusion, capacity-building among community members and local organizations to deliver social protection services

a UNDP, 2021.

b Ministry of Planning, Monitoring and Administrative Reform, 2018.

c UNDP, 2021.

d State Information Service, 2023a.

e World Bank Group, 2022a.

f World Bank, 2018.

g The Egyptian Gazette, 2023.

h World Bank Group, 2022a.

i UNDP, 2021.

The Ministry of Supply and Internal Trade has run a school feeding programme since 1942, providing subsidized meals to children at public primary schools and community schools.

Tamween food subsidy, established in the 1940s, remains one of the largest social programmes in Egypt. It provides beneficiaries with a combination of food rations and bread allowances using two smart cards: one for the food ration and one for the baladi bread allowance. The former is loaded with EGP 50 monthly per person and can be used in specified Tamween shops. The beneficiary pays a 5–10 per cent transaction fee. The baladi bread card grants beneficiaries access to five loaves per person per day at EGP 0.2 per loaf. Though increased from EGP 0.05 in June 2024, this still amounts to a subsidy of almost 90 per cent.⁷⁴ Those who do not wish to buy subsidized bread

can opt for a flour warehouse subsidy for 10 kilograms of flour per person per month.

The Ministry of Finance has provided universal energy subsidies (fuel and electricity) since the 1950s. As mentioned in section 2.D.1, expenditure on energy subsidies has declined significantly over the years.

(b) Contributory programmes

With the aim of consolidating its previously fragmented social insurance systems, Egypt launched a new integrated Social Insurance System in 2019. In 2018, the Government also launched its Universal Health Insurance Scheme programme (Law No. 2/2018) to provide all Egyptians with health insurance based on family affiliation (the family is considered the main coverage unit rather than

Table 10. Employee and employer contributions under the Universal Health Insurance Scheme

Programme	Employer contribution	Employee contribution
Medical insurance	3 per cent of employee wage	For self: 1 per cent of employee wage
Occupational disease and work injury	1 per cent of employee wage	For dependants: 3 per cent of employee wage for housewives 1 per cent of employee wage per dependant for other dependants

Source: Authors’ elaboration based on Elsayed, 2023.

the individual). The Government plans to roll out the Universal Health Insurance Scheme across six phases with nationwide rollout set for 2032. As of 2023, the programme had been piloted in the Governorates of Port Said, Ismailia, Suez, South Sinai, Luxor and Aswan.⁷⁵

The Universal Health Insurance Scheme relies on various public funding sources, including citizen contributions, the national budget and subscription fees paid by hospitals, pharmaceutical companies and pharmacies, among other relevant organizations. Table 10 presents employee and employer contributions under this system. The Government covers the treatment costs for individuals who are unable to pay their share, as determined by the Ministry of Social Solidarity in accordance with Prime Minister Decree No. 1948/2019.⁷⁶

(c) Labour market programmes

The Forsa grant scheme is an economic inclusion programme launched in 2015, as an extension of the Takaful and Karama programme until the end of year 2023, and was later continued in 2024 under a new component currently being launched, focusing on microcredit through the Rural Fund, chaired by the Minister of Social Solidarity. This programme aims to reach 30,000 beneficiaries by 2026. More recently, the Ministry of Social Solidarity has been implementing the Bab Amal programme in cooperation with the Sawiris Foundation and ESCWA, with the aim of covering 100,000 beneficiaries by 2028.⁷⁷ Mastoura is another entrepreneurship programme launched in 2017, specifically targeting women.⁷⁸

2. Programme-specific coverage

According to the Ministry of Social Solidarity, 4.6 million households received cash assistance through the Takaful and Karama programme in 2023/2024, benefiting around 17 million individuals. The Ministry of Supply and Internal

Trade reported that the Tamween food subsidy reached 61.5 million ration cardholders in 2023/2024. Based on the 2021/2022 Household Income, Expenditure and Consumption Survey (HIECS), the programme covered 86 per cent of the

total population.⁷⁹ A breakdown by poverty status reveals that the programme covered 94 per cent of the poor. The distribution of beneficiaries is nearly proportional to population size in terms of poverty status and area of residence. Based on calculations from HIECS 2021/2022, an estimated three quarters of beneficiaries were classified as income-poor, while close to one fifth were identified as near-poor. A small share fell within the non-poor category.

In 2022/2023, 13.7 million individuals were contributing to the social insurance scheme,

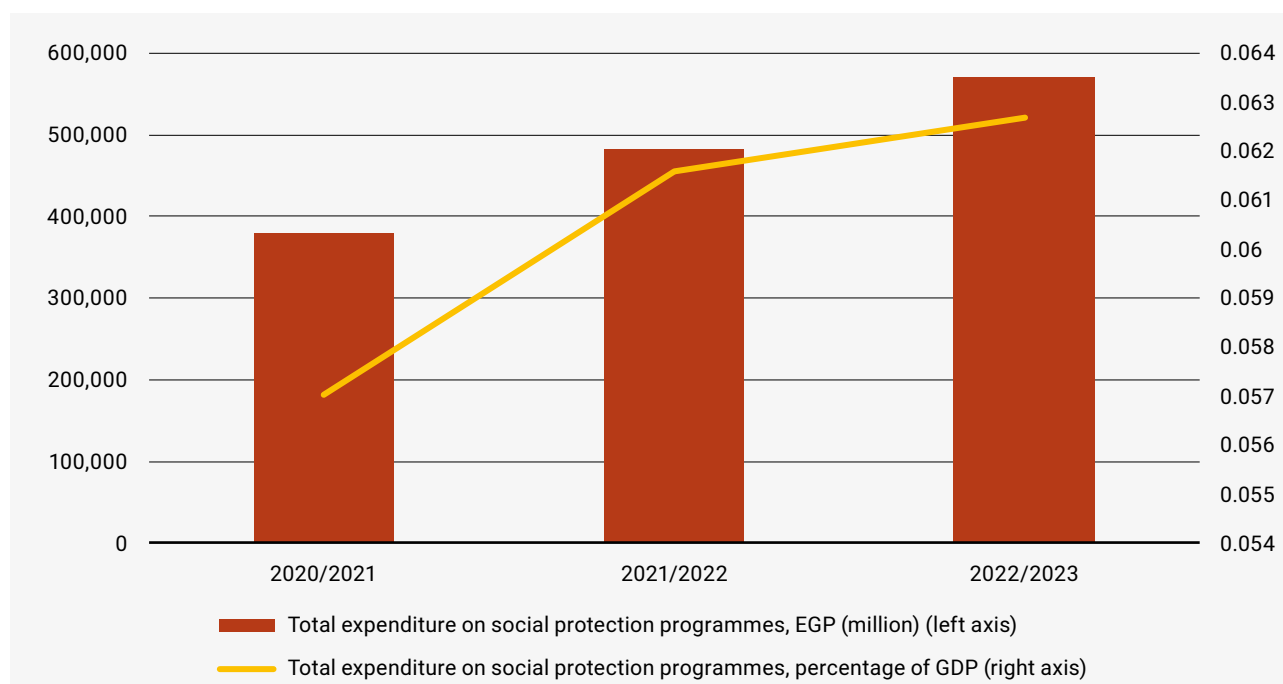
accounting for 44 per cent of the labour force. This figure is lower than the 48 per cent recorded in 2018/2019,⁸⁰ reflecting the impact of demographic expansion, labour market shifts and informal employment (chapter 1). The Universal Health Insurance Scheme aims to achieve universal health coverage by 2032. As of FY 2023/2024, over 4.9 million individuals have joined the programme, receiving around 14.7 million primary care services and 14.2 million medical examination services across the six governorates where the pilot has been implemented.⁸¹

3. Expenditure

The programme data collected for the purpose of this report suggest that total expenditures (figure 25) increased significantly over the past years, from EGP 380 billion in 2020/2021

to EGP 569.8 billion in 2022/2023.^{82,83} As a proportion of GDP, this represented an increase from 5.7 per cent to 6.3 per cent. It may be noted that these figures are higher than

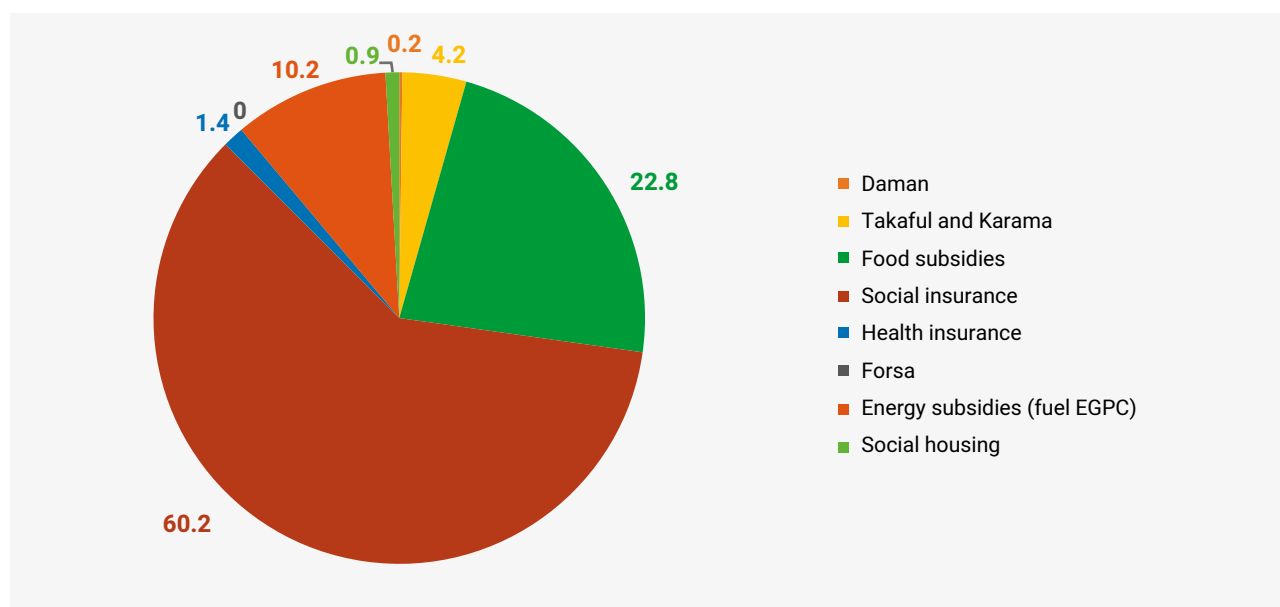
Figure 25. Total expenditures on recorded social protection programmes 2020/2021–2022/2023



Source: Authors' elaboration.

Data sources: Ministry of Social Solidarity, Ministry of Finance and the National Organization for Social Insurance.

Figure 26. Breakdown of expenditure of recorded social protection programmes, 2022/2023 (Percentage)



Source: Authors' elaboration.

Data sources: Ministry of Social Solidarity, Ministry of Finance and the National Organization for Social Insurance.

Note: EGPC refers to the Egyptian General Petroleum Corporation.

those presented in section 2.E.1, presumably reflecting the fact that not all the recorded social protection programmes are (entirely) financed out of the Government budget.

Figure 26 presents total FY 2022/2023 expenditures disaggregated by programme. The most substantial expenditures were on social and health insurance, which, combined, accounted for 61.6 per cent of total expenditures, followed by food subsidies (22.8 per cent) and energy subsidies

(10.2 per cent), reflecting the increase in global food and energy prices due to geopolitical events. Expenditure on social assistance programmes amounted to 5.1 per cent of overall spending, whereby the Takaful and Karama programme accounted for 4.2 per cent, while social housing accounted for 0.9 per cent. This distribution differs from the one in section 2.E.1, since some programmes and schemes – notably the social insurance schemes – are only partially funded by the State budget.

4. Integration across programmes

(a) Integration across delivery systems

Delivery systems for social protection programmes in Egypt vary depending on the implementing agency. However, within individual agencies, there has been a notable

shift towards enhancing coherence and promoting integration among programmes. The Ministry of Social Solidarity collaborates and coordinates with other ministries and institutions when mandated or warranted. Under the Takaful and Karama programme,

the Ministry of Social Solidarity collaborates with the Ministry of Education and Technical Education and the Ministry of Health and Population to monitor the implementation of education and health conditionalities. Haya Karima is similarly characterized by a collaborative design that engages various State ministries, government institutions, non-governmental organizations and private-sector actors. Sakan Karim follows a similar approach, particularly regarding collaboration in financing and implementation.⁸⁴

Several programmes under the Ministry of Social Solidarity target the same geographical areas and beneficiary profiles, creating a link between social assistance and economic empowerment. Through the Takaful and Karama programme, the Government has facilitated the implementation of several “complementary” programmes, which serve as model cases to further integrate the social protection system. Forsa and Sakan Karim target the same geographical areas as the Takaful and Karama programme and select their beneficiaries from its Management Information System. Waai programme beneficiaries are all beneficiary families under the social protection programmes of the Ministry of Social Solidarity. Evidently, any improvements to the Takaful and Karama programme automatically benefit the other programmes. For instance, Takaful regularly reviews eligibility criteria for its beneficiaries through community accountability committees.⁸⁵ Consequently, the other programmes have seen improvements in targeting accuracy.

The automation of social assistance programme delivery mechanisms has used recent poverty-targeting mechanisms and improved selection governance and service delivery efficiency at higher levels unwitnessed during the past tens of years by introducing more transparent practices than those found in traditional systems. eFinance is the financial network’s digital and informational technology arm. It plays a critical role in digitizing

government-to-person payment systems in Egypt. Its mandate includes issuing cards as well as processing and managing payments to social assistance and social insurance beneficiaries. A beneficiary may hold up to four smart cards: one for food rations, one for baladi bread, one for Takaful, and one for Karama.⁸⁶

To date, a total of 450,000 debit cards has been issued to facilitate the transfer of social assistance and subsidy programme benefits. eFinance has partnered with Visa and Meeza card networks to broaden its services and coverage and facilitate withdrawal of benefits from ATMs. The Government is also advancing the integration of food subsidy benefits within a unified digital payment infrastructure, while simultaneously exploring mobile payment methods.⁸⁷ Digitizing social protection information can reduce fragmentation and connect recipients to additional services, while making sure no unauthorized overlap applies and only deserving beneficiaries are the ones receiving services.

According to the Ministry of Social Solidarity, there is significant potential for enhanced cooperation with the National Organization for Social Insurance within the framework of economic empowerment programmes. This includes microcredit programmes, technical training through productive family centres, financial inclusion initiatives with the Central Bank, and employment forums to raise awareness about the social insurance system.⁸⁸

(b) Data and information management systems

The digitized Management Information System of the Takaful and Karama programme contains socioeconomic records and welfare assessments of around 45 million citizens. These include the programme’s beneficiaries as well as individuals who met the demographic eligibility criteria but were excluded based on the proxy means test criteria.⁸⁹

The Management Information System constitutes the country’s flagship platform for

managing beneficiaries of social assistance. It has the potential to expand further and be used by multiple social assistance programmes. Its extensive registry is already being used to identify potential beneficiaries for other social assistance programmes in the country. As noted earlier, Takaful and Karama complementary programmes specifically target the programme's beneficiaries. Programmes like Forsa and microcredit also use the Management Information System to select and target beneficiaries.⁹⁰ The inclusion of data on unsuccessful applicants in the Management Information System strengthens its role as a foundational step towards establishing a single registry. The presence of non-Takaful and Karama beneficiaries in the system, even though it only covers those who applied, also reduces overlap in beneficiary selection across programmes, thereby improving coverage of different vulnerable groups.

The Government, led by the Administrative Control Authority, has developed the Unified National Registry, an integrated database of citizen information. The registry supports the consolidation of social protection programmes and facilitates coordinated and enhanced targeting of beneficiaries to reduce targeting errors. In December 2016, the first version of the Unified National Registry system was created, featuring connections to five databases, namely the food subsidy system, the Takaful and Karama programme, social pensions, pensions and the Ministry of Education and Technical Education.

The Unified National Registry is linked to the national ID system and contains data on citizens. It is interoperable with more than 50 other national databases, including civil administration, communications, taxation, pension and electricity records. According to the World Bank, the registry covered approximately 25 million households (115 million records) as of 2022.⁹¹ The registry's household classification criteria, unlike those of the Takaful

and Karama programme, which are based on a proxy means test, divide the population into six categories: upper class, upper-middle class, middle class, lower-middle class, vulnerable, and poor.

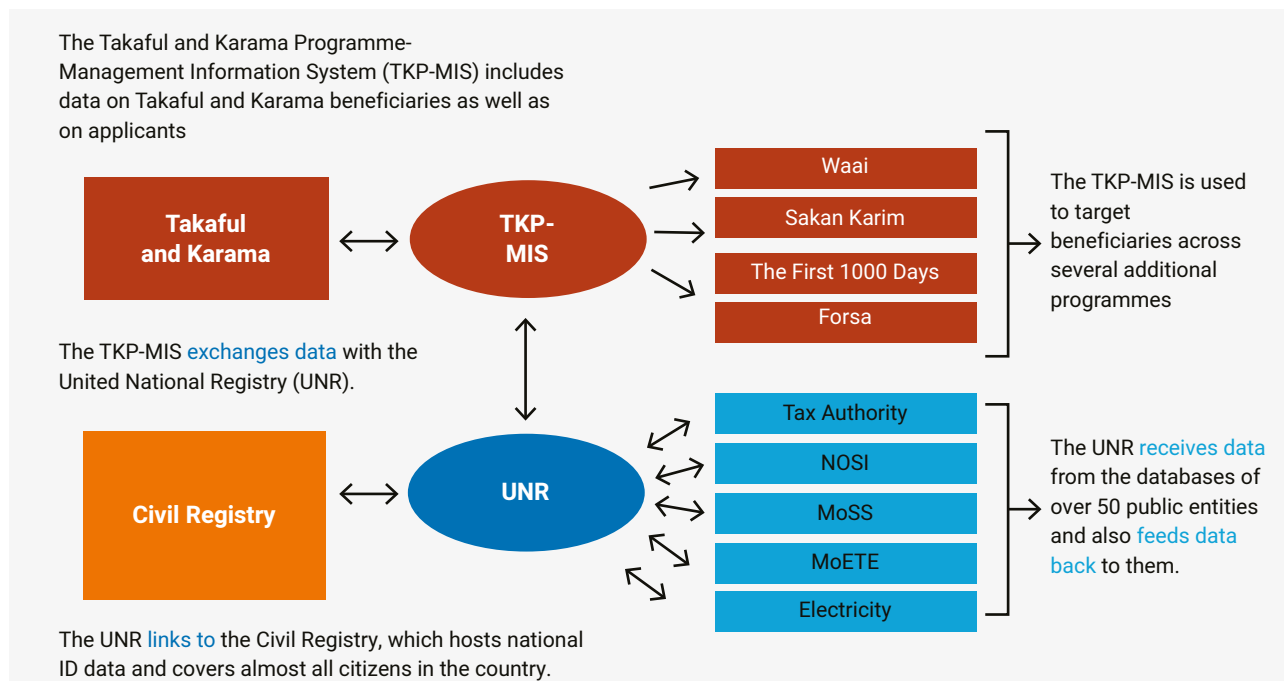
It is relatively easy to find data on the richest 40 per cent of the population using the Unified National Registry. Meanwhile, the poorest 30 per cent, who are likely to have applied to or to be enrolled in the Takaful and Karama programme, can be found in its Management Information System database. Government efforts to address the data gap include:

- Strengthening linkages between the Unified National Registry and the Management Information System of the Ministry of Social Solidarity,
- Connecting to additional sectoral databases (e.g. education, health, electricity and tax),
- Using advanced data analytics and AI-driven tools to improve classification and fill data gaps,
- And preparing for greater registry interoperability as part of the social protection framework.

As the Unified National Registry continues to be developed, the Ministry of Social Solidarity is able to use its data in real time to cross-check self-reported data by Takaful and Karama applicants against the information recorded in administrative databases.⁹² Figure 27 presents an overview of this dynamic.

Beyond being crucial for reducing error, fraud and corruption, data coordination also enhances programme complementarity.⁹³ In particular, the Unified National Registry lays the foundation for the Government to respond promptly to shocks, as it can easily identify beneficiaries for vertical and horizontal programme expansion.

Figure 27. Functionality of the Management Information System of the Takaful and Karama programme and the Unified National Registry



Source: Authors' elaboration based on various sources.

Note: TKP refers to Takaful and Karama programme; MIS refers to Management Information System; UNR refers to Unified National Registry; NOSI refers to the National Organization for Social Insurance; MoSS refers to the Ministry of Social Solidarity; MoETE refers to the Ministry of Education and Technical Education.

B. Design and delivery mechanisms of the main social protection programmes

1. Takaful and Karama

(a) Design

(i) Eligibility criteria and targeting

The programme began in 2015, with a focus on the poorest districts in rural Upper Egypt, and was later expanded to cover urban areas. It now covers all 27 governorates and uses a combination of geographical and categorical targeting, and a proxy means test (PMT) to identify eligible poor households.^{94,95}

To be eligible to apply for Takaful, a household must meet the following criteria:⁹⁶

- The household must not have a fixed income (the individual, the spouse or any older person cannot be employed in the government, public or private sectors with an insurance coverage of more than 1700 pounds).
- The household must not receive any social assistance benefits or insurance pension of more than 1700 pounds.
- The household must have children aged 0–18, with those aged 6–18 enrolled in education.
- The head of the household must have Egyptian nationality.
- The household must not own any assets.

To be eligible to apply for Karama, an applicant must meet the following criteria:⁹⁷

- Applicants for Karama old age benefit must be 65 years or older.
- People with disabilities or chronic diseases that prevent them from working must have proof of medical examination. The medical commission at the Ministry of Health and Population determines the disability level and issues an official certificate.⁹⁸
- Orphans who receive care from second-degree (or further) relatives can also apply.
- 50-year-old girls who receive Karama must be unmarried or unemployed.
- Widowed, divorced or deserted women must be without children.
- Applicants must not have a fixed income.
- Applicants must not benefit from any social insurance pension.
- Applicants must not own any assets.

Households that meet these requirements must also have a PMT score lower than the

predetermined threshold.⁹⁹ This is based on the poverty line, as derived from the HIECS. The PMT formula for this threshold was initially developed using the poverty predictors from the 2012/2013 HIECS and was later revised based on the 2014/2015 HIECS and the 2019/2020 HIECS.¹⁰⁰

Households are scored using a formula that assigns a weight to the following criteria: (1) personal characteristics of the head of the household (e.g., gender, marital status, age, education, work status); (2) nature of the household (e.g., number of dependents, dependents' educational status, dependents' employment situation); (3) money transfers received by the household (e.g., pensions, remittances, allowances); (4) nature of the housing unit (e.g., unit type, ownership, ceiling, flooring, water connection); and (5) ownership of assets (e.g., private cars, internet connections, refrigerators).¹⁰¹

To calculate the PMT, a regression analysis is conducted with the algorithm of annual expenditure per capita as the dependent variable, adjusted for regional differences, price variations and age differences among household members. PMT formulas vary by geographical region: urban Upper Egypt, rural Upper Egypt, urban Lower Egypt, rural Lower Egypt, Metropolitan and Frontier – though the PMT eligibility threshold remains consistent across all regions.¹⁰² Still, the Government has had to adjust the PMT threshold over time due to budget constraints and an ever-increasing number of eligible applicants. The relative importance of variables in the formula was also adjusted over time.¹⁰³

A Takaful and Karama beneficiary can remain enrolled in the programme for three years, if they continue to meet the eligibility criteria and pass monitoring visits conducted by the relevant Ministry of Social Solidarity department. After three years, they must apply for re-certification to continue receiving

benefits (assuming they are still eligible). There is no limit to the number of times that beneficiaries can apply for re-certification, except in cases where they have been removed or disqualified from the programme.¹⁰⁴ Notably, the Ministry of Social Solidarity can grant exceptions when it comes to certain conditions. For instance, casual workers (e.g., fishermen) are exempted from the social insurance eligibility criteria.

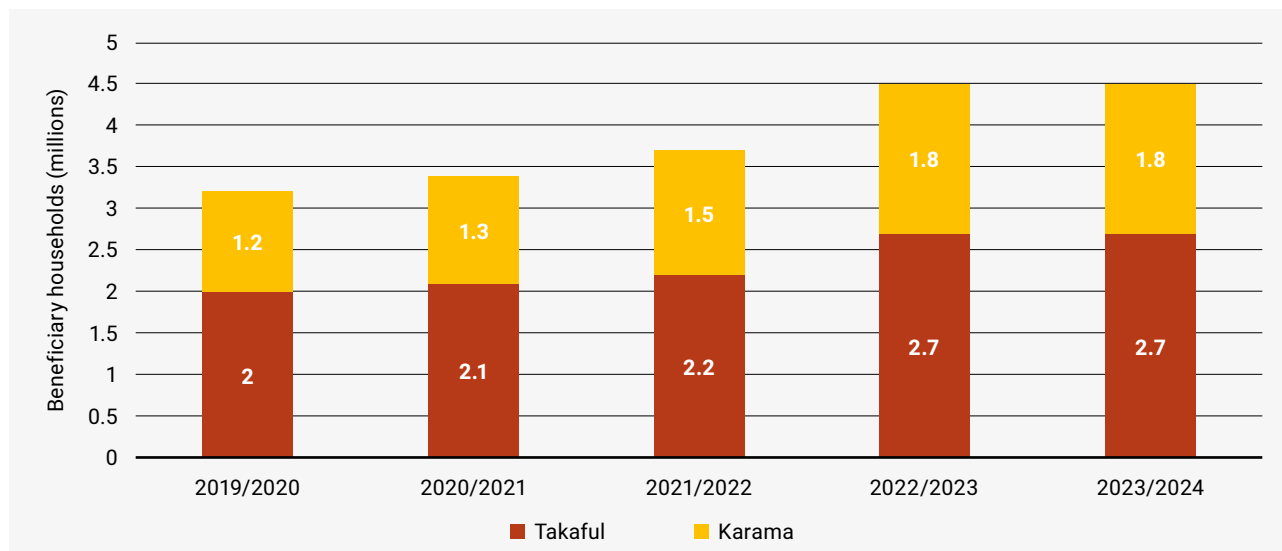
Eligibility criteria for beneficiaries are also regularly reviewed by community accountability committees established under Decree No. 794/2018. This decree outlines the various roles and responsibilities of the community accountability committees, including: (a) ensuring that only eligible beneficiaries receive cash transfers while excluding those with unregistered or hidden assets; (b) promoting the programme to the community; and (c) assisting community members who wish to apply for the programme.¹⁰⁵ Each of these committees consists of members from diverse backgrounds.¹⁰⁶

(ii) Coverage and expenditure

According to the 2021/2022 HIECS, the Takaful and Karama programme covered roughly 13 per cent of all households with children, older persons or persons with disabilities in Egypt. The Takaful programme reached 12 per cent of all households with children in Egypt. The Karama programme covered 7 per cent of all households with older persons or persons with disabilities in the country.

As figure 28 illustrates, the programme's coverage has expanded over time, from 3.2 million households in 2019/2020 to 4.5 million in 2023/2024, with nearly 17 million individual beneficiaries.^{107,108} In 2020/2021, the Ministry of Social Solidarity added 411,000 households to mitigate the impact of the COVID-19 pandemic.¹⁰⁹ Between 2022/2023 and 2023/2024, the programme saw only a marginal increase in coverage.

Figure 28. Coverage of Takaful and Karama programme beneficiary households, 2019/2020–2023/2024

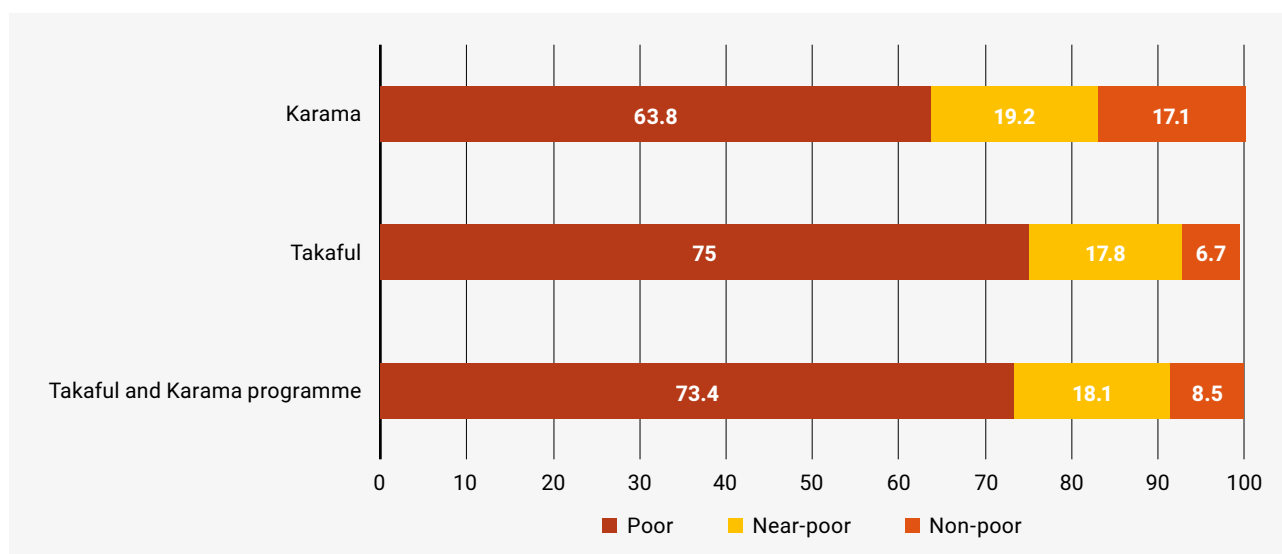


Source: Ministry of Social Solidarity programme data.

Figure 29 illustrates the distribution of beneficiary households by poverty status based on the 2021/2022 HIECS. Of all the beneficiary households, 73.4 per cent were poor, 18.1 per cent were near-poor and 8.5 per cent were non-poor. Notably, a larger proportion of the beneficiary

households in the Takaful programme belong to the “poor” category than in the Karama programme, for which a much higher share falls in the “non-poor” category. With enhancements in targeting poor households, estimates by the Ministry of Social Solidarity indicate a significant

Figure 29. Distribution of Takaful and Karama programme beneficiary households by poverty status, 2021/2022 (Percentage)



Source: Authors' calculations based on HIECS 2021/2022.

decrease (around 4.8 per cent as per the proxy mean data calculations) in the proportion of enrolled non-poor households since 2021/2022.¹¹⁰

An estimate conducted by the Ministry of Social Solidarity, using data for the year 2021/2022, suggests that among households with children, older persons, or persons with disabilities, the absence of Takaful and Karama transfers results in a poverty rate that is 3 per cent higher (and 11.5 per cent higher among Takaful and Karama beneficiaries), and a poverty gap that is 8 per cent wider (and 23.5 per cent wider among Takaful and Karama beneficiaries).¹¹¹

(iii) Benefits and services

All Takaful and Karama programme beneficiaries receive monthly payments, provided to the female head of the household. The benefit amounts have changed on several occasions. In July 2017, when children under six and orphans became entitled to the monthly allowance, the Government adjusted the benefits for children of other ages. It also increased the benefits for older people and persons with disabilities. Another 15 per cent increase was later announced in February 2024. Table 11 details the evolution of Takaful and Karama programme benefits.

Table 11. Takaful and Karama programme benefits over time (Nominal, as of April 2024)

	Takaful (EGP)					Karama (EGP)			
	2015	2017	2023	2024		2015	2017	2023	2024
Basic transfer amount	325	325			Old persons (aged 65+)	350	450	615	707.3
Basic transfer amount: families with three children or more			406	466.9	Persons with disabilities	350	450	615	707.3
Basic transfer amount: families with two children or fewer			450	517.5	Orphans (until age 26)	-	350	490	563.5
Child of divorced women/widows/ wives of inmates at correctional and rehabilitation centres (aged 18–26)	-	-	450	517.5	Children of families abandoned by the breadwinner (until age 26)	-	-	490	563.5
Child aged 0–6	-	60	75	86.3	Divorced women/ widows/ abandoned women/ wives of inmates at correctional and rehabilitation centres (without children)	-	-	490	563.5

Primary school child	60	80	100	115	Never-married women (aged 50+)	-	-	490	563.5
Secondary school child	80	100	125	143.8					
Middle school child	100	140	175	210.3					
University-attending child	N/A	N/A	200	230					

Source: Data provided by the Ministry of Social Solidarity based on an ad hoc request by the Research Team in 2024.

Note: University-attending children's benefits have yet to be implemented.

Under Takaful, the benefit amount starts with a basic transfer per household per month plus a top-up amount for each child. A household can receive top-ups for a maximum of two children, with benefit levels increasing according to the education level. The Ministry of Social Solidarity sets lower basic transfer values for households with more than two children, reflecting the Government's intent to balance support with sustainability, ensuring that benefits do not unintentionally incentivize larger household sizes and that limited resources are distributed more equitably across households.

To ensure benefit adequacy for all households, while encouraging sustainable family sizes, the Government is:

- Providing education-based top-ups that reward school attendance and achievement – benefiting all children, especially those in poorer households,
- Ensuring that even households with more than two children receive a baseline support amount, thereby avoiding exclusion,
- And supplementing with complementary programmes (e.g., Waai, Forsa) that address multidimensional vulnerabilities beyond cash transfers.

This structure reflects a targeted, pro-developmental approach that encourages responsible family planning and education.

Table 12. Annual expenditure per beneficiary household, 2019/2020–2021/2022

	2019/2020	2021/2022	2023/2024
National poverty line	10,279	13,258	22,259
Programme spending per beneficiary	5,850	5,524	7,434
Programme spending per beneficiary (percentage of national poverty line)	56.9 per cent	41.7 per cent	33.4 per cent

Source: The national poverty lines for 2019/2020 and 2021/2022 are derived from the HIECSs. Programme spending was provided by the Ministry of Social Solidarity. Data on yearly inflation was obtained from CAPMAS.

Note: The poverty line for FY 2023/2024 is an ESCWA estimate for the purpose of establishing the estimated adequacy of average benefits in FY 2023/2024. This assumes that the 2021/2022 poverty line increases in line with overall inflation (as reported by CAPMAS). It is not the official poverty line of the Government of Egypt.

A household may receive both Takaful and Karama benefits. The benefit limit per household is capped at seven cases (household head, 3 elderly and disabled, and 3 orphans). The participation of their household in Takaful does not prevent individuals who meet Karama's eligibility conditions from benefitting from it.¹¹²

Using average programme spending per beneficiary, based on expenditure data from the Ministry of Social Solidarity, as a proxy indicator suggests that, on average, beneficiary households received benefits equivalent to approximately 56.9 per cent of the poverty line in 2019/2020. In 2021/2022, average spending per beneficiary household dropped to 41.7 per cent of the 2021/2022 national poverty line. Assuming that the poverty line increases in line with inflation, average spending per beneficiary as of 2023/2024 amounted to 33.4 per cent (table 12).

(iv) Incentives and conditionalities

While Karama provides beneficiaries with unconditional cash transfers, Takaful has conditions related to health and education. These are expected to encourage investment in children and young people to improve health and education uptake (both of which remain low among poor households despite free access to healthcare),¹¹³ improve health and education outcomes and overcome the vicious cycle of poverty, while also tackling associated social issues, such as child marriage.¹¹⁴

According to the programme design, if conditions are not met, Takaful benefits should be suspended for one quarter. If the violation is repeated at any point by the beneficiary, the benefit amount should be reduced in the following quarter. In cases of repeated failure to conform with the conditionalities, the beneficiary should lose access to the programme.¹¹⁵ However, considering the various economic challenges that beneficiaries face, the Ministry of Social Solidarity has generally been wary of imposing the available penalties. In fact, consultations with the ministry have revealed

that a new penalty formula is currently under consideration. This new approach would align beneficiary penalties with the country's current economic circumstances, while combining incentives and penalties to effectively and fairly enforce the conditionalities.¹¹⁶

(v) Exit rules

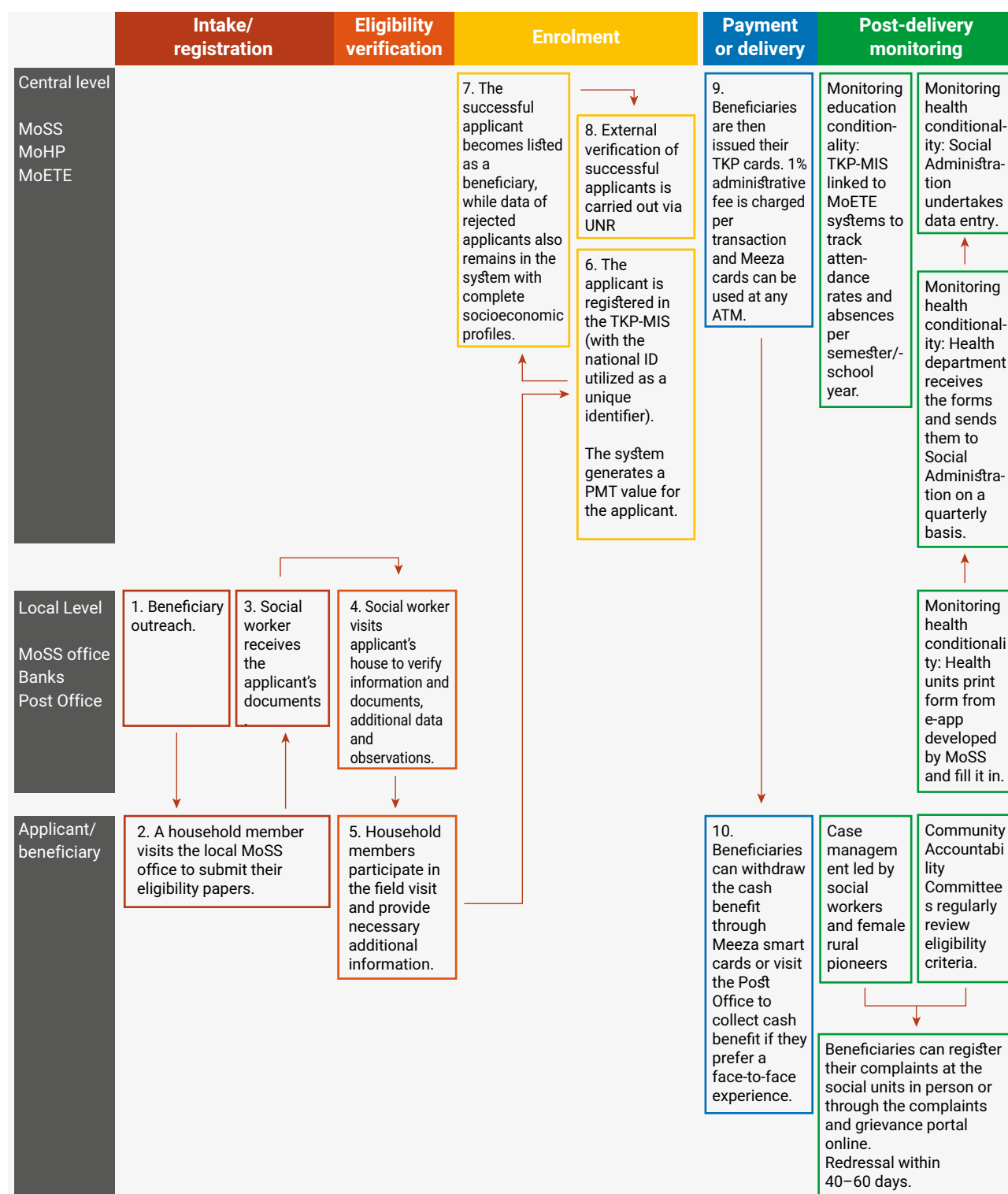
The Takaful and Karama programme, in line with its motto "from protection to production",¹¹⁷ focuses on helping people to graduate from poverty. Thus, households are only eligible for the programme if they meet the demographic and economic eligibility criteria. As per the programme design, non-compliance with the conditions may also result in an exit from the programme. However, as noted earlier, the Government has adopted a "soft conditionality" approach, with plans to shift towards full conditionality, particularly following the enactment of the new cash assistance (Social Security) law No. 12 for of 2025, which entails stricter application of conditionalities while allowing for exceptions under certain circumstances.

(b) Delivery process

Figure 30 shows all the steps of programme implementation and all relevant actors with their roles and responsibilities across each phase of the delivery chain.

(i) Outreach, information dissemination and awareness-raising

The Ministry of Social Solidarity has a three-pronged communication strategy built into its programme design: (a) political/policy-level communication; (b) public information dissemination through mass media; and (c) targeted beneficiary outreach.¹¹⁸ The Waai programme, implemented in all 27 governorates, effectively constitutes the Takaful and Karama programme's awareness axis.¹¹⁹ The programme design includes a "local communities" component that engages the local community through social units and female rural pioneers specifically trained to raise awareness of programme conditions among the beneficiaries.¹²⁰

Figure 30. Process mapping of the Takaful and Karama programme

Abbreviations: MoSS is the Ministry of Social Solidarity; MoHP is the Ministry of Health and Population; MoETE is the Ministry of Education and Technical Education; TKP-MIS is the Takaful and Karama Programme-Management Information System; UNR is the Unified National Registry.

Source: Data provided by the Ministry of Social Solidarity based on an ad hoc request by the Research Team in 2023; World Bank, 2022b.

(ii) Intake and registration

Prospective beneficiaries who meet the demographic eligibility criteria must visit a local government office to submit all documents – covering 85 distinct variables – required to calculate a PMT score and register for the programme.^{121,122} Takaful and Karama share a single registration application. Applicants cannot choose to apply for one or the other; instead, the system assigns them to one or to both.¹²³

The social workers of the Ministry of Social Solidarity have tablets that give them the option of online or offline registration, which is helpful in the event of connectivity or other digital issues. Online registration is more common, as it enables social workers to directly save applicants' data in the system's main database. In offline registration, social workers save input data on the tablet's local database. They can later upload this information to the main database using the upload function.¹²⁴

(iii) Eligibility verification

The programme has a two-step verification process in place. The first step is conducted soon after the applicant submits their eligibility papers. The social worker visits the applicant's house to verify the self-reported assets and income and, in turn, reduce the incidence of fraud and inclusion errors. They fill in the relevant form based on their observations and any additional data provided. Once an applicant is confirmed to meet the PMT criteria, the second verification step is implemented. External verification is done through bodies like the Administrative Control Authority and the National Organization for Social Insurance, which investigate other income sources and confirm final eligibility.¹²⁵ Eligibility is also regularly checked by the community accountability committees.

(iv) Enrolment

Programme staff at the Ministry of Social Solidarity register households using their national

ID, regardless of eligibility status, as one of the core objectives of the database is to build a comprehensive civil registry hub that records social data on as many Egyptian households as possible. The system generates a PMT value for applicants, and those who meet the eligibility criteria are registered as beneficiaries. Applicants who do not meet the criteria remain in the database as registrants, with system-generated socioeconomic profiles.¹²⁶ According to staff, households identified as the most vulnerable based on PMT scores are enrolled in the programme. The entire process from registration to enrolment takes approximately 45 days.

Short message services (SMS) notify applicants about their enrolment in the programme using the numbers provided in their applications. Successful applicants receive a text message with information about their results, the Takaful and Karama card delivery date and the post office assigned to them for payment collection. The results are reported to the social units through all available channels at the district and governorate levels. For applicants who do not qualify, the message contains information about their results and gives them the option to apply to their social units within 21 days to request a review of the decision.¹²⁷

(v) Benefit payment and service delivery

eFinance is a State-owned enterprise serving as the digital and information technology arm and operating company of the financial network of the Egyptian Government. It is responsible for disbursing Takaful and Karama payments via smart cards and has collaborated with Visa and Meeza to grant beneficiaries access to their benefits through ATMs and enable them to make e-purchases. eFinance implements the central government's payment transactions, and a one per cent administrative fee¹²⁸ is deducted from the beneficiaries' allowances with each transaction. A floating interest rate system is in place to partially cover the benefit-payment costs. The benefit amount is initially transferred to the postal agency two weeks in advance to enable it to earn interest prior to its

subsequent transfer.¹²⁹ All Takaful and Karama beneficiaries receive Meeza debit cards, allowing them to make digital payments or withdraw their benefits through ATMs and other outlets rather than having to visit a post office, as was previously required.¹³⁰

(vi) Monitoring, evaluation and data and information management

As noted in chapter 2, the Ministry of Social Solidarity regularly monitors its programmes and has performed several in-depth evaluations to inform programme delivery and enhancement.

The Takaful and Karama programme has a well-developed and automated monitoring and evaluation (M&E) system to facilitate beneficiary management and cash delivery. Its Management Information System forms the foundation of the programme. It contains the socioeconomic records and welfare assessments of all applicants dating back to the start of the programme regardless of their enrolment status. The database has records on around 12.5 million households (45 million individuals).¹³¹

(vii) Recurring beneficiary operations

The Ministry of Social Solidarity collaborates with partner institutions to monitor compliance with the conditions associated with the Takaful component. For education-related conditions, the Ministry of Education and Technical Education verifies students' enrolment and attendance rates for each semester and school year through its systems. Regarding health-related conditions, the Ministry of Social Solidarity engages two independent partner entities to obtain health compliance data in all 27 governorates, namely the Ministry of Health and Population and the Universal Health Insurance Authority, using an in-house developed digital application to print paper forms and file them at health units. The health department collects these forms and sends them to the ministry for quarterly data entry by

trained staff. A performance-based incentive system exists for social units to issue relevant indicators. To encourage compliance with the conditionalities, the Ministry of Social Solidarity conducts intensive follow-up with non-compliant households through SMS messages and field visits. It also engages communities by selecting a sample from beneficiary households to advocate for conditionality.¹³²

In relation to case management, the Ministry of Social Solidarity engages with several national and local entities across Egypt. These include the Central Administration for Family Development, the General Administration of Women's Affairs, issue-specific hotlines and rehabilitation offices. For assistance with health and education matters, the Takaful and Karama programme directs its beneficiaries to a dedicated programme within the ministry. Its Social Care Department also handles social issues, including but not limited to, domestic violence, abuse, bullying, disability-based psychological issues and health issues. For in-kind support, the Ministry of Social Solidarity directs beneficiaries to the General Administration of non-cash assistance, which addresses their concerns with the support of civil society organizations and other ministries, such as the Ministry of Supply and Internal Trade for food assistance or the Ministry of Education and Technical Education for school fees exemption.¹³³ Complementary initiatives include the EFB (Egyptian Food Bank) food parcels to incentivize female beneficiaries to comply with health conditions, along with the WFP (World Food Program) First 100 Days programme.¹³⁴ Moreover, the Waai programme provides in-kind assistance to households that meet certain conditions.¹³⁵

The Takaful and Karama programme has strong mechanisms for beneficiary outreach and grievance redressal across all governorates as well as strong means of monitoring feedback on service quality¹³⁶ via a complaint and grievance portal.¹³⁷ Beneficiaries can file their complaints and grievances either directly online or through social units. The redressal process

takes approximately 40–60 days. Until 2018, beneficiaries were required to file complaints and grievances in person through paper-based procedures, resulting in an average redressal time of two to three months, or alternatively through the hotline.¹³⁸ From 2015 to December 2024, the grievance redressal mechanism captured 6 million grievances, with a resolution rate of 98 percent.¹³⁹

According to the Ministry of Social Solidarity, grievances are submitted by individuals who have been suspended from the programme or who were not accepted due to not meeting the eligibility criteria or not passing external verification. Individuals may also file a complaint or a grievance if they believe any Takaful and Karama recipient should not be receiving payments.¹⁴⁰

The process begins with the individual submitting a complaint. To ensure neutrality, the complaint is reviewed by a committee at the Social Administration level, as suspension decisions fall under the jurisdiction of the social unit. If the exclusion is based on eligibility criteria, the individual is required to submit a re-registration request. Subsequently, the standard application process takes place. However, if the exclusion was based on failure to pass external verification, the complainant must submit documents proving their status and make a case against the reasons for their exclusion. These are then reviewed and examined by the Social Administration, followed by the community accountability committee at each unit level. The committee then assesses the validity of the exclusion reasons, following which the grievance committee issues the final decision.¹⁴¹

(c) Financing sources

The programme is largely funded by the Ministry of finance. The World Bank has supported the programme under loan agreements with two loans to date, the first (2015–2019) for \$400 million (with additional funding of \$500 million in 2019–2022, extended with no extra cost till the end of 2023), and

the second for \$500 million (2024–2026), all totalling 1,4 billion \$USD. Additionally, the programme has received around \$3 million from the United Kingdom Trust Fund over the years, and the Nordic Trust Fund has also made a small contribution (specifically for disability assessments).¹⁴² To ensure the financial sustainability of the Takaful and Karama programme, the Government has relied on reallocating savings generated from the gradual reduction of universal subsidies to support the programme.¹⁴³ The budget department at the Ministry of Finance holds monthly budget reviews and annual budget discussions to cater to the programme's evolving financial needs.¹⁴⁴

(d) Organizational setup

At the policy level, the Takaful and Karama programme operates under the Ministerial Committee for Social Justice, chaired by the Prime Minister (section 2.E). At the institutional level, the Ministry of Social Solidarity leads the programme within its existing structure through its offices at the governorate, district and village levels (3 thousand offices distributed nationwide). It requires an elaborate implementation and institutional setup within the ministry, with the involvement of various ministries and agencies.¹⁴⁵

Since 2018, the Ministry of Social Solidarity has maintained a memorandum of understanding with the Ministry of Education and Technical Education and the Ministry of Health and Population to oversee health- and education-related conditions under the Takaful component. The Ministry of Social Solidarity is working in parallel with the Ministry of Health and Population and United Nations agencies such as the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) to improve the health sector's capacities in terms of services and system readiness to respond to the conditionality needs of programme beneficiaries.¹⁴⁶ The Ministry of Social Solidarity has developed a certain level of coordination with relevant ministries and entities. It has also occasionally provided critical supplies to health units and tablets to schools to facilitate data collection.¹⁴⁷

2. Economic Empowerment/Forsa

(a) Design

(i) Eligibility criteria and targeting

Under the Forsa economic empowerment programme implemented until the end of 2023, the Ministry of Social Solidarity pre-identified geographic locations based on poverty rates, employment patterns and other factors. To determine the range of services that would be offered and develop suitable economic inclusion models within these locations, the ministry contracted consultants to conduct

rapid assessments and identify local business opportunities, map out service providers, understand demand-side constraints, and assess labour market opportunities and demand for wage employment.

Forsa beneficiaries are households enrolled in the Takaful and Karama programme or households that applied to the programme but marginally missed its eligibility threshold. Forsa uses a set of criteria to determine eligibility, as shown in table 13.

Table 13. Forsa inclusion and exclusion criteria

Inclusion criteria	- Households benefiting from the Takaful and Karama programme entering their second year, prior to recertification or enrolment for a new period (representing 70 per cent of the total). - Households rejected due to PMT scores marginally above the poverty threshold cutoff point, ranging between 4.5 and 5.5 (up to 30 per cent of the total). - Presence of at least one unemployed adult household member of working age (19–55), who is physically and mentally capable of work or managing a productive asset. - Neither the male head of the household nor the spouse is engaged in formal employment. - Maximum land ownership of an area of up to 5 qerats, used for agricultural purposes.
Exclusion criteria	- Received a loan or a productive asset from any other support programme, whether through the Ministry of Social Solidarity or a non-governmental organization. - Ownership of four medium-sized livestock (goat, sheep) or one large animal (cow/buffalo). - Ownership of any productive asset. - Ownership of a house with multiple floors. - A family member working abroad.

Source: Ministry of Social Solidarity, 2020, p. 34.

Table 14. Forsa beneficiaries, 2020–2023

Track type	2020	2021	2022	2023
Self-employment	2,424	2,000	3,644	5,836
Wage-employment	N/A	N/A	N/A	14,314 9,161 females 5,153 males
Total	N/A	N/A	N/A	20,150

Source: Authors' elaboration. Data provided by the Ministry of Social Solidarity.

(ii) Coverage and expenditure

As of 2023, Forsa was being trialled in 161 villages across 28 districts in eight Upper and Lower Egyptian Governorates: Fayum, Beni Suef, Asyut, Sohag, Luxor, Minya, Sharqiyah and Qalyubia.¹⁴⁸ According to the International Food Policy Research Institute (IFPRI) baseline, just under 2 per cent of the targeted villages are classified as urban, whereas around 98 per cent are listed as rural.¹⁴⁹

The programme aims to reach 50,000 beneficiaries with a focus on young people (50 per cent) and female-headed households (30 per cent). Takaful beneficiaries constitute 70 per cent of the targeted participants (35,000 individuals). The remaining 30 per cent are Takaful applicants rejected on account of being marginally above the eligibility cut-off. Table 14 presents data from the Ministry of Social Solidarity on the number of individual beneficiaries reached across both programme modalities.

a. Beneficiary preferences

Wage-employment track: 28 per cent of the beneficiaries chose this track.

Self-employment track: 72 per cent of the beneficiaries chose this track, which was preferred by women in rural areas as it allows for home-based income generation.¹⁵⁰

b. Coverage targets

As of 2023, approximately 50 per cent of target coverage had been achieved. Implementation challenges included external factors, such as the COVID-19 pandemic, as well as internal delays in NGO payments resulting from rejections by the financial controller of the Ministry of Finance.

In terms of expenditure, EGP 584.5 million had been spent on the programme up until FY 2023/2024 (excluding operational expenditure, which accounts for approximately 5 per cent of overall spending). Table 15 provides details on the current (2023/2024) and previous (2022/2023) fiscal years and shows that the self-employment component accounts for the highest expenditure – nearly 90 per cent of the total.¹⁵¹

While a total budget of EGP 855 million was originally allocated to the programme through a World Bank loan, implementation-related delays led to a budget execution rate of 68 per cent.^{152,153}

Table 15. Forsa programme expenditure

Expenditure	2022/2023	2023/2024
Self-employment, total (EGP)	89,166,716	424,505,302
Wage employment, total (EGP)	12,291,101	58,515,530
Total programme expenditure	101,457,817	483,020,832
Operational expenses ^a	11,549,566	15,413,944
Total expenditure	113,007,383	498,434,776

Source: Ministry of Social Solidarity data.

^a Operational costs include technical assistance, equipment, etc.

In terms of cost per beneficiary, the International Food Policy Research Institute estimates in its baseline evaluation report that the self-employment track costs around \$1,000 per beneficiary, while the estimated cost for the wage-employment track is around \$500 per beneficiary (including the financial benefit package for the employer).¹⁵⁴ The Ministry of Social Solidarity has confirmed these figures. However, officials have noted that, on account of significant currency devaluation, the programme's cost per beneficiary has nearly doubled in the local currency.¹⁵⁵

(iii) Benefits and services

The programme has two modalities: the self-employment track and the wage-employment track.

a. Self-employment track

The self-employment track involves the transfer of a productive asset, under the supervision of Ministry of Social Solidarity personnel. Assets have been grouped into four economic areas, as outlined in table 16.

The Ministry of Social Solidarity collaborates through contracted NGOs to determine which assets are transferred to beneficiaries. Considered factors include the beneficiary's characteristics, work experience, local business opportunities and community context. Beneficiaries in the self-employment track receive technical training related to the asset. These trainings cover financial management, business development and entrepreneurial skills. Regular coaching is also provided.

Table 16. Assets provided in Forsa self-employment track

Economic area	Possible economic activities	Target groups and governorates
Animal husbandry and poultry	Table egg production; chicken, duck, sheep, goat and large-animal calf fattening; sheep or goat breeding	Women between 21 and 55 years of age All governorates

Economic area	Possible economic activities	Target groups and governorates
Horticulture and horticultural value chains	Vegetable, fruit and medicinal and aromatic plant farming; crop processing and post-harvest value-adding	Males between 21 and 55 years of age living near agricultural land All governorates
Crafts and small industries	Clothes tailoring and repairing; handcrafts; manufacturing workshops for knitted items, linens and ready-made garments	Females and males between 21 and 55 years of age All governorates
Trade and retail	Establishment of retail stores and service centres; provision of motor tricycles for distribution and delivery services	Males between 21 and 40 years of age (previous business experience required for retail stores) All governorates

Source: Authors' elaboration based on El-Enbaby and others, 2022 and the Ministry of Social Solidarity, 2020.

b. Wage-employment track

The wage-employment track includes several distinct components and sub-components, as shown in table 17.

Both the wage-employment and self-employment tracks are one-off benefits.

However, a beneficiary can receive further assistance under wage employment if their matched job is lost or terminated. As with Takaful benefits for those eligible, direct Forsa benefits and services are time-bound, ranging between 12 and 18 months. Table 17 presents the expected duration of each activity/intervention.

Table 17. Wage-employment track components

Component 1: Support the employment of eligible beneficiaries in factories		
Sub-component	Package	Target group and governorates
Employment opportunities for unskilled labour in the garment, food-processing and electrical engineering sectors	Training for unskilled labour highly demanded in these sectors (three months of training from service providers and one week of training from employers) Supervisor-training package Financed life insurance certificates Health insurance, social insurance, annual leave and sick leave (employer)	Beneficiaries between 19 and 40 years of age Qalyubia, Sharqia, Minya and Fayum Governorates

Component 1: Support the employment of eligible beneficiaries in factories

Sub-component	Package	Target group and governorates
Employment opportunities for semi-skilled and skilled labour through employment training	Training package for semi-skilled and skilled labour in high demand in large and medium-sized factories Supervisor training package Financed life insurance certificates Partial wage subsidy for employer contributions (6 months) Health insurance, social insurance, annual leave and sick leave (employer)	Beneficiaries between 21 and 40 years of age Sharqia, Minya, Fayum, Beni Suef and Asyut Governorates
Employment opportunities for young people in micro-establishments through apprenticeships	Training (6 months) Partial wage subsidy for employer contributions (6 months) Health insurance, social insurance, annual leave and sick leave (employer)	Beneficiaries between 19 and 21 years of age All governorates

Component 2: Support the creation of new jobs in the services sector

Sub-component	Package	Target group and governorates
New jobs (e.g., assistant nurse, care for older persons, home cleaning, babysitting)	Technical skill-oriented training package for relatively unskilled labour Partial wage subsidy for employer contributions (6 months) Health insurance, social insurance, annual leave and sick leave (employer)	Beneficiaries between 21 and 40 years of age All governorates
New jobs in retail and food-delivery services	Purchase of a tricycle Financed life insurance certificates Health insurance and social insurance (employer)	Beneficiaries between 21 and 40 years of age All governorates
New jobs in the tourism sector	Cost of establishing a showroom (handcraft) and small restaurant run by an NGO Technical skill-oriented training (handcraft, cooking and serving) Financed life insurance certificates Health insurance, social insurance, annual leave and sick leave (employer)	Beneficiaries between 21 and 40 years of age Fayum and Luxor Governorates

Component 2: Support the creation of new jobs in the services sector		
Sub-component	Package	Target group and governorates
Public works ^a	Duration of 10 days (EGP 50 per day) Possible link with Hayah Karima (Decent Life)	Beneficiaries between 21 and 40 years of age (focus on Takaful and Karama-rejected beneficiaries) All governorates
Component 3: Setting up an online search portal for available jobs		
Sub-component	Package	Target group and governorates
Components 1 and 2, including all sub-components	The job portal, developed and managed by contracted specialized service providers, must include all available job opportunities in the private sector or through NGOs in the service sector	All target groups and governorates mentioned above

Source: Authors' elaboration based on the Ministry of Social Solidarity, 2020, pp. 39–41.

^a In coordination with the Egyptian Micro, Small and Medium Enterprises Development Agency.

Table 18. Duration of Forsa programme stages

Activity/intervention	Duration
Orientation/outreach	1 month
Behavioural change sessions	4 hours
Career counselling and preparation	1–2 months
Training wage employment	Duration dependent on track component
Training self-employment	Duration dependent on asset transferred
Mentoring (applies to both modalities)	6 months (two visits per beneficiary in the first month; one visit per beneficiary in the remaining five)

Source: Authors' elaboration based on World Bank, 2019.

(iv) Exit rules

The programme culminates in the graduation of beneficiaries under the wage-employment or self-employment track. In line with the Ministry of Social Solidarity guidelines, each implementing NGO submits the required monitoring reports to the national project management unit to update the database and inform graduation. These reports are complemented by field visits by social workers. Meanwhile, non-cash services (cash-plus approach) continue without interruption in all instances. Decree No. 524/2023 also emphasizes that participation in Forsa is not a valid reason for exclusion from other social protection schemes or for the suspension of the integrated services card.

(b) Delivery process

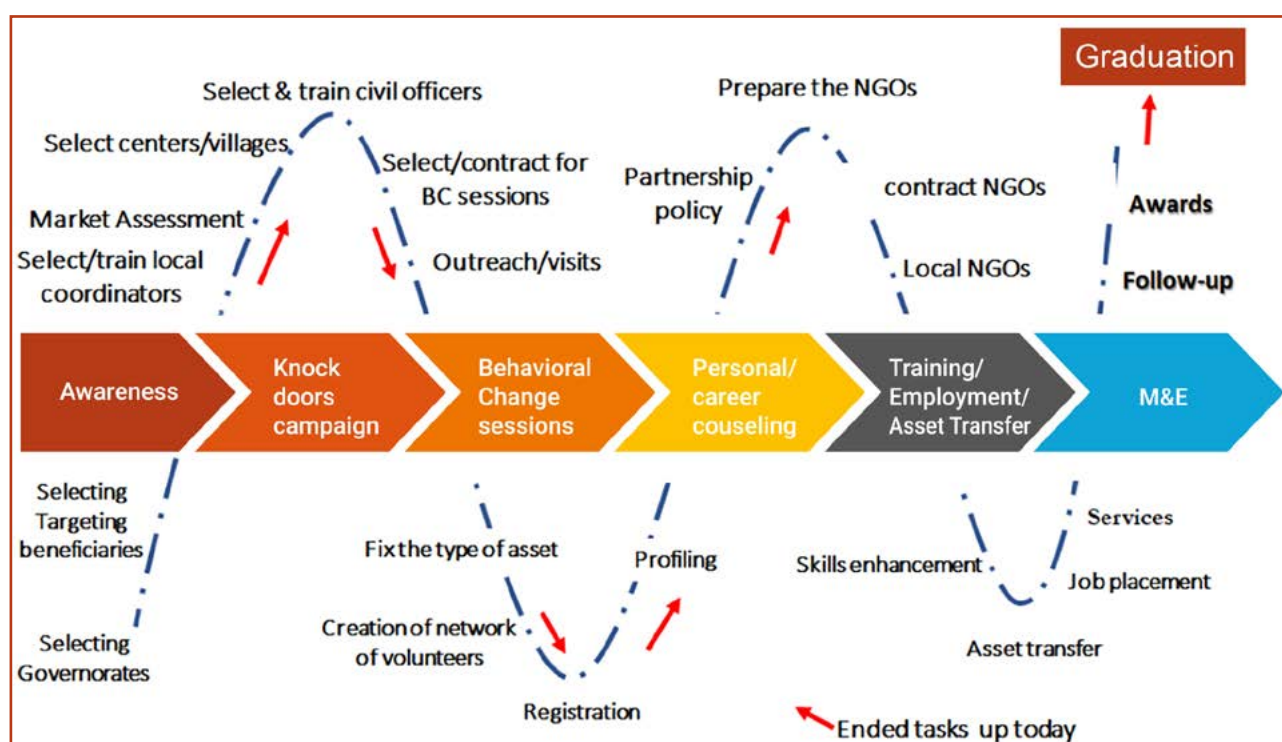
Figure 31 provides an overview of Forsa delivery stages.

(i) Outreach, information dissemination and awareness-raising

Eligible households, identified through the Takaful and Karama programme database, are contacted through door-to-door outreach and communication campaigns. These campaigns are organized and overseen by two NGOs: Al-Koura and CARE. Implementation is carried out by a national volunteer network called Daem. Social unit employees of the Ministry of Social Solidarity provide additional support. The door-to-door campaigns are complemented by radio and television broadcasts about Forsa to further increase programme awareness.

Eligible households that wish to enrol in Forsa must select one member each to attend a behavioural change session, which consists of up to 40 participants and is organized based on gender and age categories.

Figure 31. Forsa delivery stages



Source: International Food Policy Research Institute (IFPRI) and others, 2022, p. 3.

(ii) Intake and registration

Programme registration opens at the end of each behavioural change session, at which point participants can express their preference for self-employment or wage employment. Applicants can also register through multiple other channels, including the Ministry of Social Solidarity website, post offices and social media platforms. Based on the ministry's preliminary uptake lists of Takaful beneficiaries, 49 per cent of the sample registered to participate in Forsa.¹⁵⁶

(iii) Eligibility verification

During registration, information is collected by the implementing NGOs on each applicant's background, demographic characteristics, job preferences and cognitive, socioemotional and technical skills. The data are then transferred to Forsa's Management Information System to verify the eligibility criteria, profile the beneficiaries, rank them and assign them their employment track.

(iv) Enrolment

Applicants are ranked against a pre-set scoring system that considers their skills, employment track preference, previous work experiences, gender and age. The Ministry of Social Solidarity personnel make the final selection of beneficiaries and notify those selected through field teams and social workers.

(v) Benefit payment and service delivery

After enrolling in Forsa, beneficiaries receive personal and career counselling and are assigned to a self-employment or wage-employment package. Ministry personnel make this decision based on an individual assessment of the beneficiary's suitability for the chosen track.

Under the self-employment track, contracted NGOs deliver assets directly to households and work with beneficiaries on the development of detailed workplans. Under the wage-

employment track, NGOs organize and deliver training sessions and offer support to beneficiaries during the recruitment process.

(vi) Monitoring, evaluation and data and information management

The Ministry of Social Solidarity is responsible for monitoring and evaluating the programme. It uses its sub-national structures to track beneficiary progress and submit regular monitoring reports to the central level. The system's core components are the follow-up visits. The Forsa Management Information System supports the programme (and its monitoring and evaluation efforts) by covering all its functions: registration, profiling, referral job placement, training, analytics, links with national social registries and reporting.¹⁵⁷

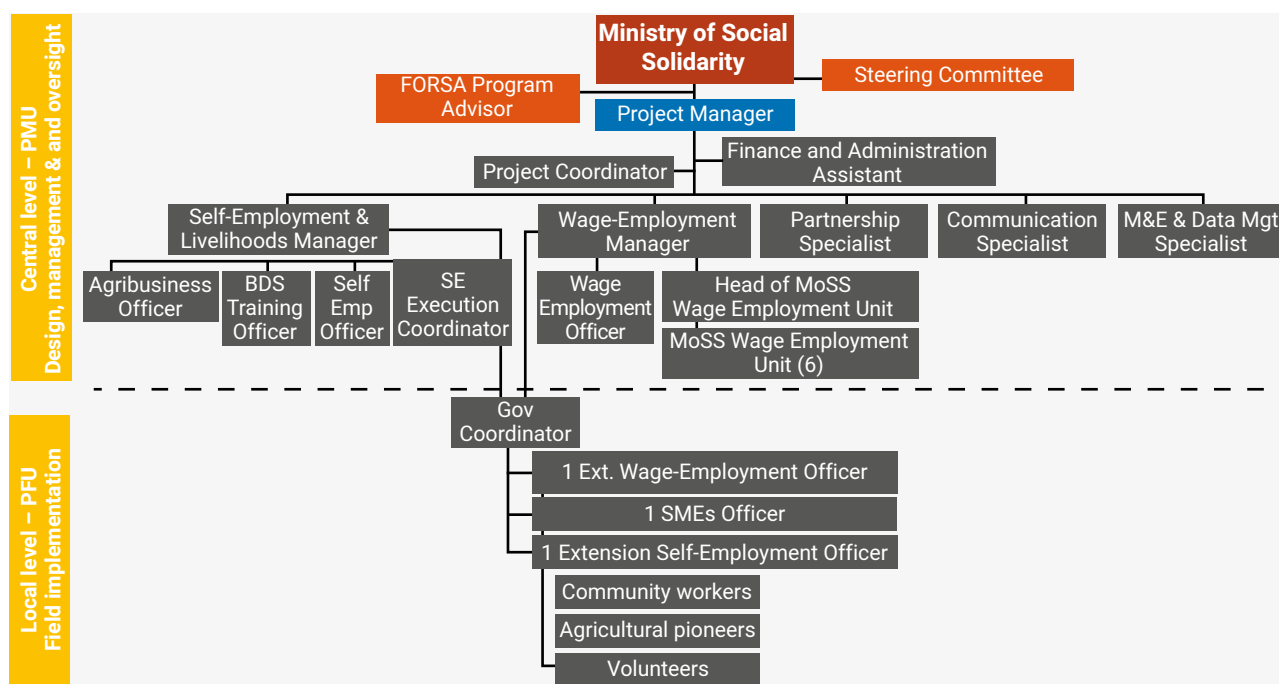
(c) Financing sources

The Forsa programme was primarily financed through the World Bank-supported Strengthening Social Safety Net project, within the broader scope of economic empowerment activities financed through the government budget under central administration for development, as well as through budgets allocated within the frameworks of affiliated ministry institutions (the Takaful public institution, and the National Institution for Family and Society Development).

(d) Organizational setup

Figure 32 displays the Forsa organogram. A project management unit manages the programme at the national level, while project field units implement it at the sub-national level. The project management unit is responsible for the programme's design and operational oversight as well as for monitoring and evaluation. The project field units are responsible for registering beneficiaries, reporting on implementation, coordinating and following up with local authorities and service providers, and tracking beneficiary progress.

NGOs are the primary service providers across both programme tracks. They are specifically

Figure 32. Forsa organogram

Source: Ministry of Social Solidarity, 2020, p. 51.

responsible for career counselling, job referral, asset procurement and distribution (self-employment) and the provision of technical training to beneficiaries. The latter may occur in collaboration with other specialized service providers. Contracted NGOs should have a proven track record of implementing

economic empowerment projects.¹⁵⁸ Mentoring is implemented by the national volunteer network during pre-enrolment and throughout the programme. The programme relies on specialized service providers to develop and manage the online job search portal.

3. Social insurance and pension system

(a) Design

(i) Eligibility criteria and targeting

The Social Insurance and Pension Law provides long-term insurance benefits (for old age, disability and death) and short-term insurance benefits (for work injuries, unemployment and sickness). Death benefits cover childcare, education, marriage and funeral costs. The law also provides an end-of-service indemnity financed through a separate contribution.

The law covers employees working for others, including civil servants and public and private sector employees; employers and the self-employed; Egyptians working abroad (on a voluntary basis); and certain categories of informal workers. Under the law, informal workers are classified into ten employment categories, including agricultural workers, small agricultural landowners (less than one feddan), domestic workers, street vendors and minor property owners. According to

Table 19. Social insurance eligibility criteria by employment type and function

Benefit type	Regular employees	Self-employed/ employers	Egyptians working abroad	Informal workers
Old age, disability and death	X	X	X	X
End-of-service	X			
Work injury	X			
Sickness	X			
Unemployment	X			

Source: Law No. 148/2019.

the literature, some categories (e.g., gig and digital-platform workers) are excluded from the existing category system.¹⁵⁹ However, this is understandable given the emerging nature of gig and digital platform work, which poses classification challenges worldwide. Many countries, including high-income ones, are still struggling to adapt social insurance systems to these evolving forms of employment. A national committee, chaired by the Minister of Manpower, has been established with a mandate to develop a unified definition of informal workers to facilitate their broader inclusion in the system.¹⁶⁰

The law applies to non-nationals (including refugees) if they fall within the targeted groups. However, recent literature suggests that non-nationals may face barriers to access due to documentation requirements for registration.¹⁶¹ Such challenges are unsurprising, given the complex legal and administrative challenges involved in extending formal social protection to non-nationals, especially refugees and asylum seekers, whose documentation status is often fluid and governed by multiple legal frameworks.

The Government has sought to address these barriers by collaborating with international organizations, including the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM), to explore mechanisms that support access for non-nationals, such as documentation facilitation and alternative verification processes. These efforts are being integrated into the broader social protection strategy, with the aim of improving equity and inclusiveness in future policy design.

These steps demonstrate an evolving approach that seeks to bridge the gap between legal eligibility and practical accessibility for all vulnerable groups. Table 19 summarises the covered benefits.

Benefit eligibility is set out below by benefit type.

a. Old age, disability and death

This benefit applies to regular employees, employers and the self-employed, Egyptians working abroad and informal workers. The 2019 law stipulates that eligibility for the old-age pension requires a minimum contributory period of 15

years, starting 1/1/2025. To address the issue of the ageing population, the new law provides for an increase in the retirement age until it reaches 65 for all contributors by 2040. The revision will potentially address a key sustainability concern: the actuarial deficit.¹⁶² If an individual is not eligible for a pension, they are eligible for a lump-sum benefit.

b. End-of-service

This benefit applies to regular employees. It is a defined contribution scheme under which each contributor holds an individual account, with monthly additions comprising contributions and investment income earned on these funds. The individual account balance is paid at the end of service. In the case of death, the account balance is paid out to the beneficiaries.

c. Work injury

This benefit only applies to regular employees. There is no minimum contributory period to qualify for work injury benefits.

d. Sickness

This benefit applies only to regular employees. The minimum contributory period to qualify for sickness benefits is three consecutive months

or six non-consecutive months (provided that the final two months are consecutive).

e. Unemployment

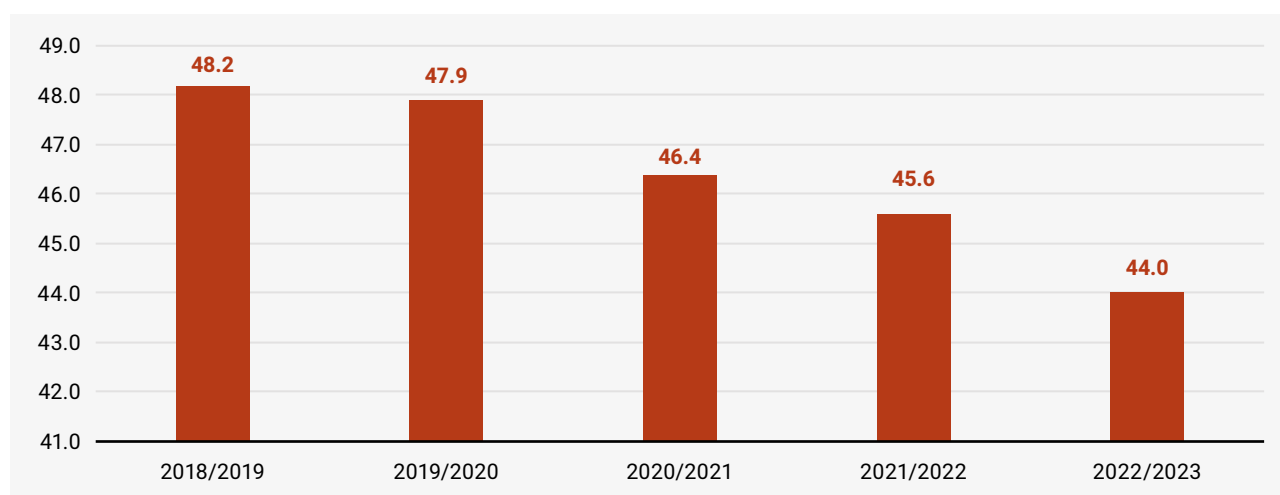
This benefit only applies to public and private sector employees and is conditional on the following:

- The beneficiary must have had their employment terminated rather than having resigned.
- Termination must not be related to any unethical or criminal act.
- The beneficiary must have contributed for at least 12 months, including six continuous months prior to each unemployment incident.
- The beneficiary must register with the labour office and comply with required visits set by the Minister of Labour.

(ii) Coverage and expenditure

Social insurance coverage remains a key challenge. Figure 33 shows that overall coverage fell from 48 per cent in 2018/2019 to 44 per cent in 2022/2023.

Figure 33. Evolution of social insurance coverage, 2018/2019–2022/2023 (Percentage)



Source: Data provided by the National Organization for Social Insurance.

Note: Coverage rates represent the proportion of the labour force that actively contributes.

Table 20. Evolution of the number of contributors, 2016/2017–2022/2023

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Government sector	5,421,901	5,168,566	4,902,399	4,716,329	4,517,339	4,303,085	4,075,040
Public and private sectors	8,406,839	8,537,275	8,757,357	8,916,616	9,112,930	9,435,831	9,642,844
Total	13,828,740	13,705,841	13,659,756	13,632,945	13,630,269	13,738,916	13,717,884

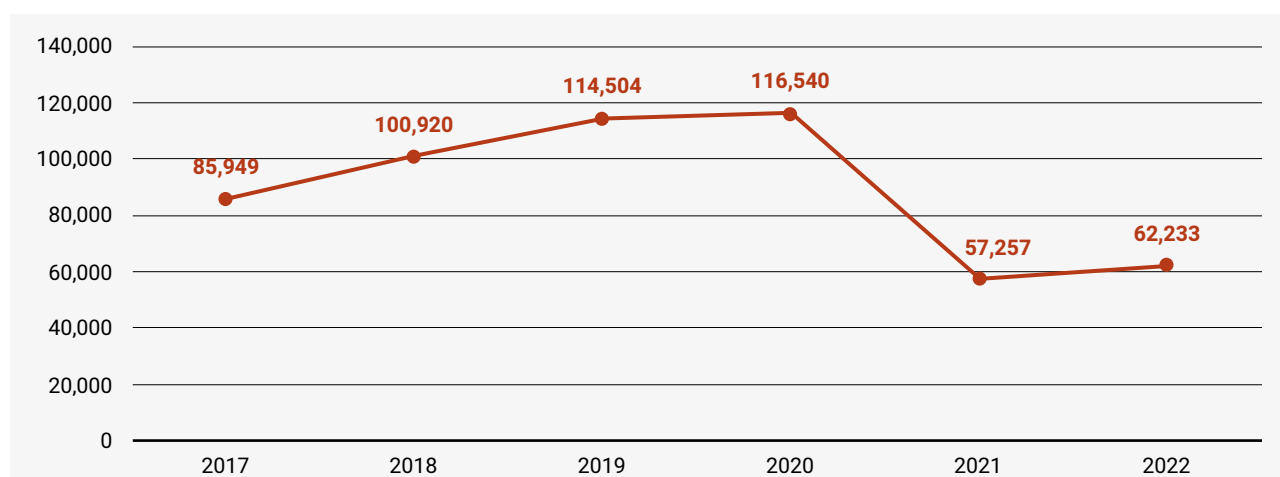
Source: Data provided by the National Organization for Social Insurance.

Table 20 provides an overview of the number of contributors per sector over the same period. Only the public and private sectors saw a substantive increase in contributors.

To address the absence of mechanisms for the automatic collection of contributions, the Ministry of Social Solidarity has collaborated with the Ministry of Finance and the Ministry of Communications to implement a payroll system similar to that used in the government sector, which would enable the automatic collection of contributions and facilitate the collection process.¹⁶³

The National Organization for Social Insurance has also begun working with the Egyptian Tax Authority to link their databases as a means of strengthening evasion-control efforts.¹⁶⁴

However, there is a tendency to apply for cash transfer programmes instead of contributing to social insurance, especially among workers in the informal sector.¹⁶⁵ Informal workers may decide not to contribute to social security for reasons that include irregular income, financial constraints, a lack of awareness, and a perception of limited benefit.¹⁶⁶

Figure 34. Number of new informal workers enrolled in the National Organization for Social Insurance, 2017–2022

Source: National Organization for Social Insurance, 2022.

Table 21. Number of Egyptian contributors working abroad, 2018/2019–2022/2023

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Egyptians working abroad	28,744	28,334	26,639	21,224	16,587

Source: Data provided by the National Organization for Social Insurance.

Despite the Government's intervention to fund employer contributions for informal workers under the new unified system, the number of new informal workers enrolling in social insurance has declined considerably in recent years, at 62,233 in 2022 compared to 116,540 in 2020 (figure 34).¹⁶⁷

The total number of covered informal workers during the same year was 835,995 (including those working in the public and private sectors and construction workers). However, this is understood within the consequences of multiple external shocks, including COVID-19, inflation, and broader economic uncertainty, which have

constrained both the ability and willingness of informal workers to participate in contributory schemes, even when partially subsidized. Many face short-term income volatility, making long-term contributions unaffordable or a lower priority.

In 2020, Law No. 152/2020 established a body that reports to the Micro, Small and Medium Enterprises Development Agency under the direct supervision of the Prime Minister, with a mandate to develop a work plan aimed at attracting small and medium-sized enterprises (SMEs) into the formal sector by establishing

Table 22. National Organization for Social Insurance expenses (EGP million), 2020/2021–2022/2023

	2020/2021	2021/2022	2022/2023
Expenses			
Insurance expenses, including:	249,717	294,273	334,889
Old age, disability and death pensions	248,942	293,370	332,095
Work injury benefits	516	604	660
Unemployment benefits	0	0	0
Sickness insurance	7	8	41
Additional pension and end-of-service benefits	253	290	2,094
Pension rights related to the old system	2,484	1,775	-
Administrative expenses	3,190	3,601	4,217
Charges and losses	-382	898	3,966
Total	255,010	300,547	343,072

Source: Data provided by the National Organization for Social Insurance.

provisions to incentivize formalization and facilitate access to social insurance. Options to attract informal workers include, for example, facilitating or reducing overdue contributions from previous jobs.¹⁶⁸ The law also subsidizes insurance for SME owners and workers in collaboration with the SME programme and the Ministry of Finance.¹⁶⁹

Self-employed workers may be discouraged from enrolling in the system due to the relatively high contribution rate (25 per cent) and may instead join as informal workers to reduce their contribution obligations. Meanwhile, coverage for Egyptians working abroad also remains low. The total number of covered members had declined to 16,587 in 2022/2023, which is 42 per cent lower than the 2018/2019 figure (28,744).¹⁷⁰

The National Organization for Social Insurance recorded total expenses of EGP 343,072 million in 2022/2023. Insurance-related expenses constituted EGP 334,889 million, around 3.4 per cent of GDP. Of these, 99.2 per cent (EGP 334,889 million) was spent on old age, disability and death pensions (table 22).¹⁷¹

(iii) Benefits and services

Law No. 148/2019 maintains the defined benefit system while also introducing a voluntary defined contribution pension tier.

a. Old age, disability and death

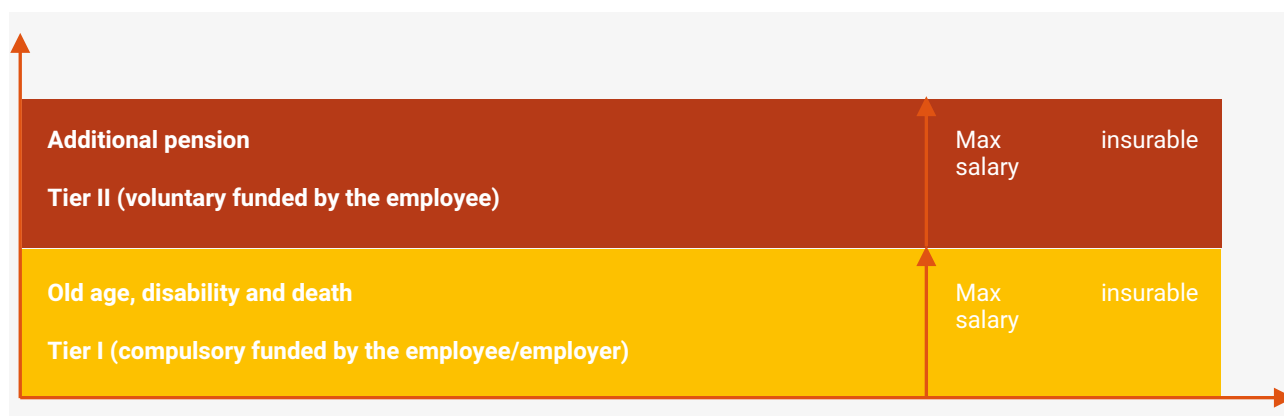
Under the previous system, each group of workers (notably government-, public- and private-sector employees) had different pension formulas. The new law unified the pension formula, using the average wage during the insured period rather than the average wage over the last 2–3 years.

Old-age pension comprises two tiers:

- *Tier I* provides a defined-benefit, career-average pension calculated at 65 per cent of the pensionable wage, subject to a minimum of 65 per cent of the minimum pensionable wage and a maximum of 80 per cent of the maximum insurable wage. The pensionable wage is based on the career-average wage over the contributory period, adjusted for inflation during that period, with an annual limit of 15 per cent.
- *Tier II* is a voluntary supplementary pension, where a separate account is opened, and pensions are calculated based on the accumulated balance and age factors.

Self-employed workers and employers, as well as Egyptians working abroad, choose the wage category to which they contribute, and their benefits are linked accordingly. The

Figure 35. Law No. 148/2019 tier system



Source: Authors' elaboration based on Law No. 148/2019.

contributions of informal workers are based on the minimum insurable wage. The benefits for old age, disability and death are the same as those for regular employees. As of 2014, the minimum retirement pension was EGP 1,300 and has been increasing every year.¹⁷²

b. End-of-service

This benefit is funded through contributions made by both the employee and the employer. These are deposited into an individual account, and the balance and its investment returns are disbursed to beneficiaries upon termination of service or in the event of death.

c. Work injury

The benefit covers the monthly wage on which contributions are based, as well as transportation expenses, for the period during which the individual is unable to work. Once a disability is formally recognized, a disability pension is paid instead.

d. Sickness

Individuals receive treatments from the health insurance authority. When an individual is unable to return to work, they receive income replacement of 75 per cent of the contributory wage. This is paid for 90 days, after which it is increased to 85 per cent for a maximum of six months in any given year. In the case of chronic illnesses, the full salary is paid indefinitely.

e. Unemployment

Unemployment benefits are only paid in cases of employment termination. The benefit is paid for a period of 12 weeks or until the individual secures new employment, whichever comes first, and is capped at 28 weeks for a first-time unemployment spell. The benefit is paid according to the following rates:

- 75 per cent during the first four weeks.
- 65 per cent during the following four weeks.

- 55 per cent during the following four weeks.
- 45 per cent during the remaining 16 weeks.

Prior to the 2019 reforms, pensions were increased annually by presidential decree. The Government set the rate of increase on an ad hoc basis (without linking it to inflation or any predefined rules) and at its own discretion. The treasury financed each increase, considering its financial and fiscal implications. The 2019 Social Insurance Law automated pension increases, linking them to the inflation rate. However, it established a cap of 15 per cent on the rate of increase, posing a risk of real-term benefit reductions.¹⁷³ However, the 15 per cent cap was introduced to strike a balance between fiscal sustainability and benefit adequacy, especially given the need to safeguard the long-term viability of the pension system.

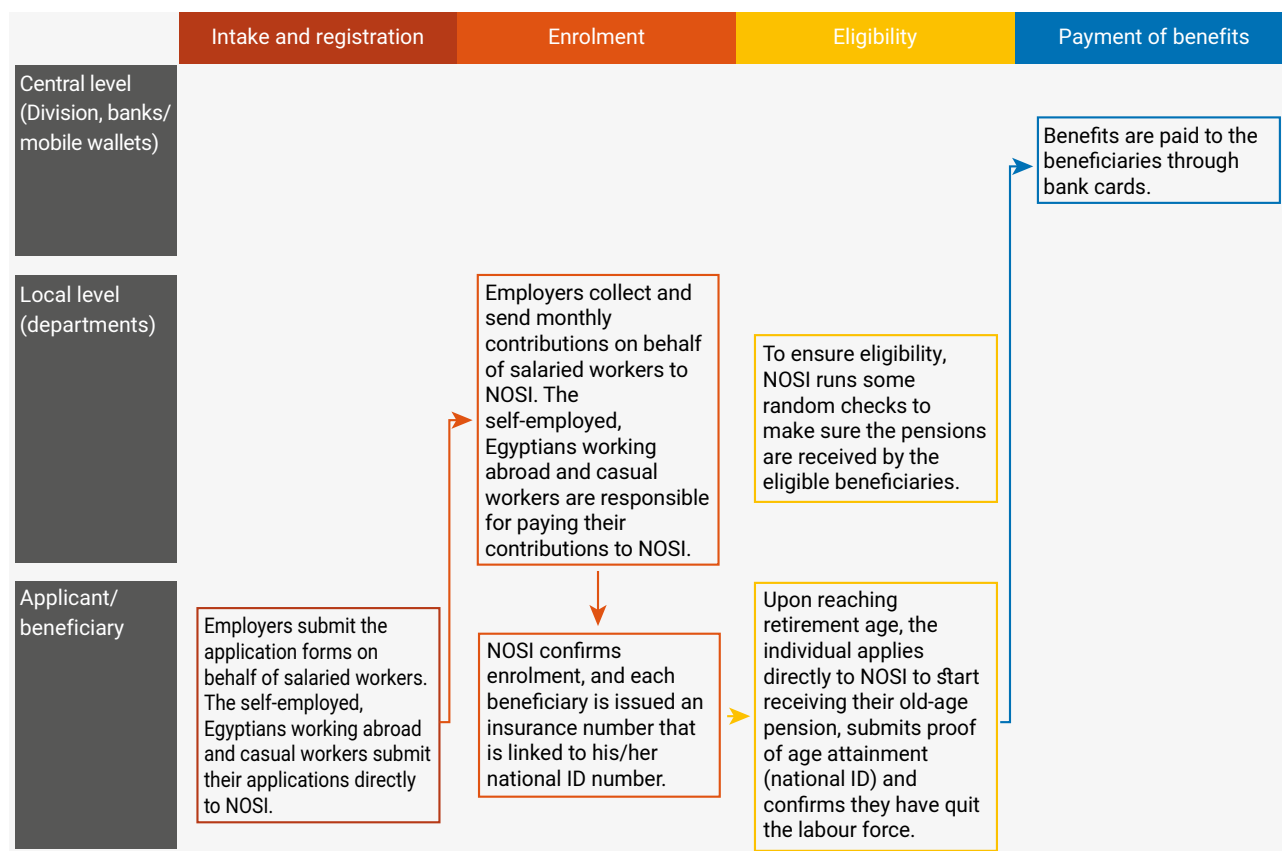
(iv) Exit rules

For unemployment insurance, benefit payment ceases if the beneficiary:

- Declines to attend any training proposed by the labour office.
- Migrates out of the country.
- Reaches the retirement age.
- Becomes eligible for a pension higher than or equal to the unemployment pension.
- Finds a job with a wage equivalent to or higher than the unemployment pension.
- Starts their own business.

(b) Delivery mechanism

Figure 36 maps the delivery process of old age, disability and death benefits as well as end-of-service benefits from the application phase to the benefit-payment phase.

Figure 36. Delivery mechanism: old age, disability and death benefits

Source: Authors' elaboration based on Law No. 148/2019.

(i) Outreach, information dissemination and awareness-raising

Communication and awareness-raising are critical to enhancing coverage. The National Organization for Social Insurance and the Ministry of Finance engaged employers' and workers' associations in the planning phase of the 2019 law to better understand individuals' capacity to contribute and identify ways to encourage enrolment in the system. In collaboration with international development partners, efforts are currently under way to develop a national communication strategy, including a plan to raise awareness of registration requirements.¹⁷⁴

(ii) Intake and registration

Employers are required to register regular workers with the office of the National

Organization for Social Insurance in their area of activity by submitting the relevant employment documents and completed enrolment forms. Self-employed, informal workers, and Egyptians working abroad must register with the nearest office of the National Organization for Social Insurance and submit their own employment documents and completed enrolment forms. Once registered, they are responsible for paying contributions according to the frequency stipulated by the law.

Although the 2019 law increased penalties for system evasion, enforcement remains a challenge, as evidenced by the fact that workforce registration is not yet comprehensive. Financial penalties have increased from EGP 500¹⁷⁵ to EGP 20,000–100,000 in cases where employers fail to contribute on behalf of their employees.¹⁷⁶ However, this will take some time

due to the persistent informality in the country's labour market, where employer non-compliance is often tied to: high operational costs for small businesses, weak enforcement mechanisms and longstanding informal employment norms, especially in micro and small enterprises.

(iii) Monitoring, evaluation and data and information management

The new law requires the National Organization for Social Insurance to report its financial results to the House of Representatives, the Council of Ministers and the President on a quarterly and annual basis. It also provides more detailed provisions on conducting and submitting actuarial evaluations, which can impact contribution rates in a way that promotes system sustainability. Operational and financial data are not publicly available on the organization's website. However, a World Bank-supported digital transformation process seeks to achieve full digitization, with the aim of

enhancing services and decision-making.¹⁷⁷

The National Organization for Social Insurance and the Ministry of Finance are also implementing a private payroll system and incorporating sophisticated business analytics to address contribution evasion and late contribution collection.^{178,179}

(c) Financing sources

The social insurance system is financed through four revenue sources: contributions, transfers from the treasury, investment revenues, and other revenues.

(i) Employer and employee contributions

Contribution collection has always been a challenge for the National Organization for Social Insurance due to enforcement and compliance issues. In 2021, it reported approximately EGP 40 billion in outstanding contributions.¹⁸⁰

Table 23. Contribution rates by social insurance function under Law No. 148/2019 (Percentage)

	Regular employees		Self-employed/ employers	Egyptians working abroad	Informal workers	
	Employee	Employer			Worker	Treasury
Old age, disability and death	9	12	21	21	9	12
End-of-service benefit	1	1	N/A	N/A	N/A	N/A
Work injury	0	1.5 ^a	N/A	N/A	N/A	N/A
Sickness	1	3.25 ^b	N/A	N/A	N/A	N/A
Unemployment	0	1	N/A	N/A	N/A	N/A

Source: Law No. 148/2019.

^a This employer contribution is divided into 1 per cent for medical care services and 0.5 per cent for transportation and income replacement (the latter is reduced to 0.25 per cent for government and public sector employees).

^b 3 per cent for government and public sector employees.

The total contribution rate is 29.75 per cent for the private sector, 29.25 per cent for the public sector, and 28.25 per cent for the government sector. These rates are divided between employees (11 per cent) and employers (18.75 per cent in the private sector, 18.25 per cent in the public sector, and 17.25 in the government sector).¹⁸¹ The employer, however, is responsible for deducting contributions from employees' wages and for remitting these amounts and the employer's own contributions to the National Organization for Social Insurance. However, this reflects a global trend where higher contribution burdens often deter enrolment among the self-employed or small business owners and is not unique to Egypt.

The self-employed and Egyptians working abroad each pay the full contribution of 21 per cent. Informal workers contribute 9 per cent towards old-age, disability and death insurance, with the remaining 12 per cent covered by the treasury (table 23).

Under the full implementation of the 2019 Law, contributions are projected to increase by 1 per cent every seven years starting from January 2020, until they reach a maximum of 26 per cent. This increase will be distributed equally between the worker and the employer, or between the worker and the public treasury in the case of informal employment. Since the new law has increased the retirement age, contributions will also likely need to be paid over a longer period.

(ii) Transfers from the treasury

The 2019 Law enforces an annual treasury transfer of EGP 160.5 billion to the National Organization for Social Insurance, in addition to 5.7 per cent in cumulative annual interest, for a period of 50 years to settle financial obligations carried over from the previous social insurance system. The treasury's contribution also covers 12 per cent of the contributions on behalf of informal workers and finances certain pension entitlements for beneficiaries under previous laws.¹⁸²

(iii) Investment revenues from the National Organization for Social Insurance assets

The new law establishes a dedicated fund for the management and investment of social insurance system assets, pursuant to a decision by the Prime Minister and following the approval of the Board of Directors of the National Organization for Social Insurance. The fund is mandated to define the general investment policy and to establish a real estate investment fund supported by State land allocation.¹⁸³

(iv) Other revenues

The National Organization for Social Insurance receives income from penalties, donations and payments for services that the system provides. It is also projected to receive income from fund activities.

The organization manages significant social insurance investments (EGP 589.8 billion in 2022).¹⁸⁴ Consequently, asset liability management is crucial, especially given the economic challenges and currency devaluation that have occurred since 2022, resulting in low real returns.

Table 24 provides an overview of the National Organization for Social Insurance revenues from 2020/2021 to 2022/2023.

(d) Organizational setup

The new law prescribed the merger of the PSIF and the GSIF. The National Organization for Social Insurance has reformed the organizational structure and merged similar departments and offices to achieve economies of scale and ensure better coverage and service provision. Table 25 details the organization's workforce in 2021/2022, which consisted of 22,724 staff. As mentioned in chapter 2, the projected staffing requirement of the National Organization for Social Insurance exceeds 30,000 employees when considering the management of various short-term benefits.

Table 24. National Organization for Social Insurance revenues (EGP million), 2020/2021–2022/2023

	2020/2021	2021/2022	2022/2023
Revenues			
Insurance contributions, including:	128,422	149,697	160,621
Old age, disability and death pensions	105,468	129,840	140,300
Work injury benefits	5,271	2,468	2,067
Unemployment benefits	1,909	2,772	2,759
Sickness insurance	6,801	3,803	2,877
Additional pension and end-of-service benefits	8,973	10,814	12,619
Public treasury obligations	169,970	179,998	190,663
Investment return	45,937	57,398	75,228
Other revenues	13,610	15,014	9,346
Total	357,939	402,107	435,857

Source: Data provided by the National Organization for Social Insurance.

The National Organization for Social Insurance has also established an internal governance committee, which is currently issuing and approving governance guidelines. The law has laid out various measures to enhance the organization's business environment, including office improvements, technical advancements,

infrastructure development and the inclusion of persons with disabilities. The organization has also merged the IT system of both funds and undertaken cross-function training. On the IT front, it is also working to establish a parametric database and a mobile app for employers and employees.¹⁸⁵

Table 25. National Organization for Social Insurance workforce structure, 2021/2022

	Government sector			Public and private sector			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	5,060	2,570	7,630	9,253	3,370	12,623	14,313	5,940	20,253
Temporary	215	201	416	862	1,193	2,055	1,077	1,394	2,471
Total	5,275	2,771	8,046	10,115	4,563	14,678	15,390	7,334	22,724

Source: National Organization for Social Insurance, n.d.

4

Current and future reform trajectories and policy recommendations



Key messages

- Accelerate the development of a comprehensive national social protection framework to integrate social assistance, social insurance, and labour market programmes, with a focus on expanding coverage and ensuring adequate benefits.
- Enhance coordination and data integration by strengthening the Ministerial Committee for Social Justice and accelerating the development of more database integrations among ministries to acquire a 360-angle preview of citizens to efficiently identify needs, improve targeting and consolidate service delivery.
- Improve financial sustainability and benefit adequacy by earmarking social protection financing, reallocating resources to more impactful programmes, and ensuring benefits remain responsive to economic conditions.
- Adopt gender-transformative approaches by expanding gender-sensitive programmes and integrating efforts with economic empowerment initiatives to foster gender equality and inclusion.
- Strengthen monitoring and evaluation frameworks to ensure effective implementation and achieve desired outcomes, with a view to supporting data-driven decision-making for ongoing and future reforms.
- Focus more on economic empowerment and graduation models, building on lessons from programmes like Forsa, to support sustainable livelihoods through secure financing and local partnerships.
- Expand social insurance coverage and inclusivity by leveraging recent reforms to reach currently excluded groups, particularly informal and irregular workers, through simplified packages and tailored outreach efforts.
- Prioritize benefit adequacy over expanding coverage to sustainably graduate households from poverty by ensuring that social protection benefits are sufficient to make a meaningful impact on beneficiaries' lives in the context of rising costs of living.
- Conduct holistic assessments of social protection reforms by developing comprehensive evaluation frameworks that consider all interrelated components across various programmes, including social assistance, social insurance and labour market initiatives, to ensure coherence, maximize overall impact on poverty reduction and social welfare, and identify potential synergies.

A. Current reform trajectories

Over the past decade, the social protection system of Egypt has significantly shifted towards a more comprehensive provision of support and protection. A key objective of these reforms is the integration of social assistance, social insurance and labour market programmes to reduce fragmentation and promote a cohesive approach that addresses the population's life-cycle needs.

One of the most critical reforms was the introduction of Social Insurance Law No. 148/2019, which further aligned contributory social protection schemes with life-cycle risks, and aims to ensure better coverage for the working-age population. Concurrently, the Government is investing in the roll-out of the Universal Health Insurance Scheme to achieve universal healthcare coverage by 2032 through a combination of contributory and non-contributory approaches.

The Takaful and Karama programme – the country's flagship cash transfer programme –

represents a significant achievement, reaching 4.7 million households. Economic and gender empowerment, as well as child well-being, are also central components of the social protection reform agenda of Egypt.

As Egypt continues to reform its social protection system, ensuring the sustainability and effectiveness of these reforms remains a key priority. The Government's commitment to expanding coverage, improving the adequacy of benefits, and enhancing the efficiency of programme delivery is crucial to ensuring that these reforms achieve their intended impact. Moving forward, developing a comprehensive social protection strategy that integrates all ongoing reforms into a cohesive framework is critical. Strengthening the monitoring and evaluation frameworks is also essential to achieving the desired outcomes and contributing to the broader goals of poverty reduction and social justice in Egypt.

B. Summary of appraisals and policy recommendations

Table 26. Summary of appraisals and policy recommendations

	Appraisal	Policy recommendation	Costing analysis
System-level			
Strategy	Potential for improvement: The legal and regulatory framework for social protection in Egypt has evolved in partially separate streams for social assistance and social insurance. Ensuring more coherence of these laws and policies can significantly improve the coverage, effectiveness and efficiency of the social protection system. Challenges: Coordination and coherence between social assistance and social insurance frameworks remain not fully accomplished at the legal and policy level, as the Takaful and Karama programme and social insurance schemes operate under different legal frameworks. Notably, large segments of the vulnerable population, specifically, the “missing middle”, have yet to be included in formal social protection mechanisms, due to the	Recommendation 1: Finalize and implement the comprehensive social protection framework, integrating social assistance, social insurance and related labour market programmes: • Build on the lifecycle approach to overcome issues of fragmentation and disincentives across and between programmes. • Provide strategic guidance to ensure coordination and standardization between different social protection schemes and institutions (regarding registries, registration procedures, eligibility conditions, benefit levels, etc.) and tax authorities, and develop an environment that enables the transition from social assistance to insurance. • Delegate authorities and clarify mandates to enable lead agencies to effectively coordinate social protection reforms and unify reform priorities and strengthen cross-sectoral collaboration processes to increase social protection investment efficiency. • Establish clear roles and responsibilities and a robust monitoring and evaluation framework that ensures an integrated and result-based approach across the various social protection programmes in the country. • Identify potential risks and threats and develop strategies and mechanisms to enhance the social protection system’s responsiveness to shocks.	No

	Appraisal	Policy recommendation	Costing analysis
System-level	lack of harmonisation between these frameworks.	Emphasize implementation through a complementary, costed road map for reforms. Recommendation 2: Consider harmonizing legal frameworks and policy priorities to ensure the compatibility and coherence of social assistance, social insurance and labour market programmes. Development partners can support this process by providing evidence, policy options and operationalization support for comprehensive laws and policies.	
Coordination	Potential for improvement: Initiatives such as inter-ministerial coordination and data integration across agencies represent promising steps towards more effective social protection governance. Nevertheless, there is a growing recognition of the need for enhanced coordination and integration mechanisms within the social protection system. Challenges: Existing coordination mechanisms are not yet fully operational. While improvements to the Unified National Registry are underway, there remains scope to improve the exchange of beneficiary information across social protection programmes, especially among the various ministries responsible for providing social protection to citizens.	Recommendation 3: Continue efforts for more effective coordination across multiple institutions by strengthening the role of the Ministerial Committee for Social Justice to ensure effective inter-ministerial coordination and oversight. Recommendation 4: Consider accelerating enhancements to the Unified National Registry, as well as the required legal and operational documents, to facilitate seamless data sharing and analysis across relevant ministries for improved beneficiary management functions and to enable a more comprehensive understanding of overall social protection coverage in the country. Recommendation 5: Improve awareness, provide targeted outreach, and potentially increase self-registration of social insurance beneficiaries with the assistance of automated auto-enrolment tools. Development partners can provide vital support in operationalizing the use of the Unified National Registry in interoperability with national civil registry databases to support these functions. Recommendation 6: Consider complementing the Unified National Registry with an integrated monitoring and evaluation system (in line with the monitoring and evaluation framework proposed under recommendation 2) that ensures data are used to inform policy and programming. All development partners are encouraged to use this national system to generate necessary evidence to support policy reforms.	No

	Appraisal	Policy recommendation	Costing analysis
System-level			
Financing	Potential for improvement: Egypt faces significant financial constraints, including the challenge of managing ongoing expenditures and debt obligations, which limits the capacity to expand social protection coverage. While the Government continues to address these financial constraints, immediate progress may be achieved through the following measures: - Achieving efficiency gains through integration and enhancing the return on investment by optimizing delivery. - Improving spending efficiency by reallocating finances to more impactful programmes. - Investing in economic empowerment models that enhance the income-generating capacity of vulnerable households to complement social assistance benefits. However, a steady and dedicated source of financing for social protection, potentially in combination with needs-forecasting, can facilitate	Recommendation 7: In the short term, consider the following measures: - Earmark social protection financing to ensure the continuity and adequacy of ongoing programmes amid economic uncertainty. - Invest more comprehensively in productivity-enhancing programmes that increase household income and economic resilience. These include implementing and scaling social assistance graduation models and upskilling initiatives to enable beneficiaries to transition to formal employment or self-employment. Adopting and scaling models like the BRAC approach should also be considered to facilitate employment and income generation. - Adopt an integrated approach to social protection, ensuring more complementarities between contributory and non-contributory schemes in their design and implementation and across all ongoing reforms. Recommendation 8: Consider reallocating social protection expenditures, for example by shifting from food subsidies to direct cash transfers and graduation programmes, with a focus on subsidizing lifecycle risks, in alignment with ongoing government discussions. Development partners can use evidence-informed advocacy to identify the most impactful spending options for savings generated through subsidies in either social insurance, graduation or social assistance programmes. These reforms should be carefully considered within the broad range of social protection interventions to ensure the most effective and efficient use of resources.	No

	Appraisal	Policy recommendation	Costing analysis
System-level	longer-term budget and implementation planning, and enable the Government to make system-level reforms that yield efficiency gains. Challenges: The economic situation in Egypt and the ongoing expenditure rationalization entail constrained fiscal space.		
Programme-level	Potential for improvement: Introducing tailored social insurance packages (like Monotax, etc.) with flexible contribution rates and design-ing benefit packages that are more relevant to the risks faced by informal workers (work injury, healthcare, and maternity) would render the system more attractive and beneficial to this group. It would also encourage other groups with contributing capacity, who prefer the immediate benefits and protection of social assistance compared to the long-term benefits of social insurance, to participate more actively in social insurance pro-grammes. Given the highly volatile economy of Egypt, making the social insurance system more lucrative would reduce the increasing fiscal pressure Recommendation 9: Consider establishing simplified, Monotax-type social insurance modalities that better respond to the needs of specific groups and develop a gradual roll-out plan. Implement-ing a simplified, integrated insur-ance and taxation mechanism may increase social insurance uptake, especially if combined with both short and long-term benefits. The contributions should be proportional to income levels, allowing informal workers to contribute according to their financial capacity. This could include tiered contribution systems where workers pay a percentage of their income rather than a fixed amount and the introduction of Monotax-type products tailored to the needs of low-income informal workers. The roll-out should prior-itize sub-groups for whom data are more easily available and operationalization is relatively less complex (e.g. entry points such as professional organiza-tions or licensing authorities exist). Recommendation 10: Consider improved coordination and coop-eration between the Universal Health Insurance Agency and the National Organization for Social Insurance, as well as Ministries of Social Solidarity, Health, Labour, and Finance, to ensure alignment and implementation of benefit packages under social insurance programmes, and to strengthen compliance through better monitoring and		
Social Insurance			Yes

Appraisal	Policy recommendation	Costing analysis
Programme-level		
of social assistance programmes on the government budget over time. Increased awareness of social insurance benefits and a simplified application process are essential to improving the uptake of social insurance and expanding its coverage. Thus, adopting an approach that increases attractiveness, affordability, accessibility and awareness and encourages active participation is critical to cover this missing group. For the currently covered population (i.e. the formal sector), social insurance uptake can be improved. Simplified application and contribution collection processes strengthened monitoring and oversight, and improved enforcement mechanisms could enhance the utilization of social insurance programmes. Challenges: A significant portion of the workforce, particularly in the informal sector, remains without adequate coverage.	enforced penalties (e.g. enforcing higher penalties on employers based on the new law). Recommendation 11: Consider prioritizing the simplification of administrative processes, including registration, enrolment and contribution collection (e.g., ongoing discussions on implementing a payroll system for the private sector), and the procedures and tools for obtaining benefits to improve the accessibility of social insurance programmes. Recommendation 12: Continue to raise awareness on rights, obligations and processes, and promote social security literacy among target beneficiaries through the following: - Utilizing both traditional media (radio, TV, print) and digital platforms (social media, mobile applications, websites). - Employing community-based outreach through local leaders, NGOs, and health or social service workers to reach remote and marginalized communities. - Implementing social and behavioural change tools like storytelling, testimonials, role models, and community dialogues to address misconceptions, reduce stigma, and build trust. - Working with employers' associations, labour unions, and community groups to disseminate information and encourage voluntary enrolment.	

	Appraisal	Policy recommendation	Costing analysis
Programme-level	Labour force participation is low, particularly among women. Many workers in the informal economy and other vulnerable groups with the capacity to contribute to social insurance may prefer the immediate protection that social assistance mechanisms provide. This issue is compounded by contribution rates that are perceived as unaffordable. Complex registration processes and weak enforcement and compliance further deter potential beneficiaries. Consequently, eligible persons cannot capitalize on these benefits despite having some contributory capacity.		
Takaful and Karama programme	Potential for improvement: Egypt is experiencing rising inflation, exacerbated by global shocks such as the war in Ukraine, currency devaluation, and budget constraints. With government efforts to increase benefit levels, implementing predictable inflation indexation would		Yes

Appraisal	Policy recommendation	Costing analysis
Programme-level		
	provide more reliable and adequate protection for vulnerable households against economic shocks by maintaining the base level of benefits. Ensuring sufficient financing to cover all eligible households can further strengthen the impact of the programme. Challenges: The lack of predictable inflation indexation in social protection programmes like the Takaful and Karama programme has led to a decline in the purchasing power of beneficiaries, thereby reducing the effectiveness of these benefits and making it more difficult for families to meet their basic needs.	Recommendation 13: Consider predictable inflation indexation of key social protection programmes such as the Takaful and Karama programme to ensure they retain their impact potential over time. Recommendation 14: Continue to increase financial allocation to the Takaful and Karama programme to enhance benefit adequacy and address the need for expanded coverage. Given existing budget constraints, consider prioritizing the adequacy of benefits (vertical expansion), ensuring that they can lift people out of poverty, over the enrolment of additional beneficiaries in the programme (horizontal expansion). Most importantly, base these decisions on the potential impacts of expansion and adjustments to other social protection programmes, as well as their alignment with economic development and poverty reduction strategies.
	Enhancing the programme's coverage is essential to ensuring that all children in need can benefit from social protection measures. However, under current financial constraints, sacrificing adequacy for coverage may be necessary. This situation emphasizes trade-off between expanding social protection coverage and ensuring the adequacy of benefits.	

	Appraisal	Policy recommendation	Costing analysis
Programme-level			
Takaful and Karama programme	Potential for improvement: Strengthening case management systems within the Takaful and Karama programme is essential to improve the programme's effectiveness and accountability. By ensuring better compliance monitoring, providing targeted beneficiary support, and enhancing data collection and use, case management can significantly enhance the impact of the programme, ensuring that it achieves its goals. Challenge: Narrow timeframes to apply all the provisions of cash assistance (Social Security) law No. 12 of 2025 and ensure the capacities needed to further improve the accuracy of targeting and enable conditionality monitoring.	Recommendation 15: Consider maintaining the conditions of the Takaful and Karama programme as soft or developmental in nature, without the application of punitive measures. Consider developing comprehensive case management tools that allow social workers to track beneficiaries' progress and any additional support needs. Recommendation 16: Consider conducting a social service workforce assessment to ensure an evidence-based understanding of social workers, as well as existing challenges, capacities and qualifications. Recommendation 17: Develop a capacity-building plan based on the findings of the assessment, aimed at strengthening social workers' capacity to effectively monitor and manage cases and strengthen grievance redress mechanisms. Recommendation 18: Consider taking advantage of the PMT questionnaire administration to gain a comprehensive understanding of household needs. Derive guidance from the Multi-dimensional Poverty Index (MPI), and incorporate an additional questionnaire during the registration process, focusing on households' multidimensional needs. This expanded approach would not only provide a deeper insight into households' needs, but also inform the referral process to complementary services, utilizing a cash+ approach.	No
Economic Empowerment/Forsa	Potential for improvement: The Forsa programme provides valuable lessons for the implementation of graduation models in Egypt and has demonstrated the potential of such approaches to support economic empowerment. Adjusting the programme design based on evidence to align more closely with	Recommendation 19: Prioritize developing a comprehensive, evidence-based scale-up plan for economic empowerment or graduation models in social protection. Building on the lessons learned from Forsa and leveraging its institutional structure, systems and processes may serve as a strong foundation. Drawing on these key lessons, the following considerations are proposed: Establish a Ministerial Decree to ensure the programme's institutionalization and sustainability.	Yes

Appraisal	Policy recommendation	Costing analysis
Programme-level		
the Bab Amal approach (implemented by the Sawiris Foundation) and/or incorporating job matching and other strong linkages with labour market programmes could yield significant benefits in advancing economic empowerment. Challenges: The programme's reliability, predictability and sustainability may warrant careful consideration. Reliance on external funding and limited monitoring mechanisms may also affect its long-term success. The programme relies on NGOs for vital programme functions.	- Secure sustainable domestic financing to ensure the programme's longevity and reduce reliance on external funding. - Strengthen partnerships with local NGOs to enhance implementation capacity and ensure programme delivery meets local needs. - Improve the integration of social assistance with livelihoods and active labour market policies like job matching and skilling. - Develop a comprehensive, evidence-based scale-up plan for graduation programmes, focusing on robust monitoring and evaluation. - Institutionalize processes and service providers. - Institutionalize monitoring and quality assurance of programme delivery. - Develop a phased and costed scale-up plan, including a well-designed communication strategy for Takaful and Karama programme beneficiaries, with a view to encouraging uptake of graduation package options and clearly communicating the time-bound nature of Takaful and Karama benefits. The plan should include the allocation of domestic financial resources and establish clear implementation milestones. International donors can directly support the development of the evidence-based scale-up plan and support the programme's financial sustainability through technical assistance on cost optimization.	

Source: Authors' elaboration.

C. Costing policy recommendations/options

Table 27. Translation of policy recommendations into policy options or scenarios

Policy recommendation	Policy scenario
Recommendation 9: Consider establishing simplified, Monotax-type social insurance modalities that better respond to the needs of specific groups and develop a gradual roll-out plan.	1.1 Simplified insurance-tax scheme for all workers in the fisheries sector, casual construction workers, and garbage collectors. Costing of contributions at 1 per cent, 1.5 per cent and 2 per cent of wage with 100 per cent, 75 per cent and 50 per cent financed by the Government (referred to as monotax 1).
	1.2 Simplified insurance-tax scheme for workers in the fisheries sector, casual construction workers, and garbage collectors who earn less than the median wage in the sector. Costing of contributions at 1 per cent, 1.5 per cent and 2 per cent of wage with 100 per cent, 75 per cent and 50 per cent financed by the Government (referred to as monotax 2).
	1.3 Simplified insurance-tax scheme for workers in the fisheries sector, casual construction workers, and garbage collectors who earn less than 30 per cent of the median wage in the sector. Costing of contributions at 1 per cent, 1.5 per cent and 2 per cent of wage with 100 per cent, 75 per cent and 50 per cent financed by the Government (referred to as monotax 3).
Recommendation 13: Consider predictable inflation indexation of key social protection programmes such as the Takaful and Karama programme to ensure they retain their impact potential over time.	2.1 Existing beneficiaries of Takaful and Karama programme are provided inflation-adjusted benefits (referred to as Takaful and Karama programme inflation-adjusted: vertical expansion).
Recommendation 14: Continue to increase financial allocation to the Takaful and Karama programme to enhance benefit adequacy and address the need for expanded coverage.	2.2 Takaful and Karama programme is extended to all households living below the poverty line who meet the demographic criteria and are provided the current benefit value. (referred to as Takaful and Karama programme (below poverty line): horizontal expansion).
	2.3 Takaful and Karama programme is extended to all households living below the poverty line who meet the demographic criteria and receive the inflation-indexed benefit value. (referred to as Takaful and Karama programme inflation-adjusted (below poverty line): vertical and horizontal expansion).

Policy recommendation	Policy scenario
Recommendation 19: Prioritize developing a comprehensive, evidence-based scale-up plan for economic empowerment or graduation models in social protection.	3.1 A full-cost BRAC model approach is implemented based on the costs of the existing Bab Amal programme.
	3.2 A half-cost BRAC model approach is implemented based on the costs of the existing Bab Amal programme.

Source: Authors' elaboration.

1. Cost for policy options 1.1, 1.2 and 1.3

This section presents the estimated costs of design options for the monotax-style insurance for workers in the fisheries sector, casual construction workers, and garbage collectors. The model could not include artisan workers as the Labour Force Survey used for the analysis did not separately identify this category of workers.

Three contribution options are modelled (1 per cent, 1.5 per cent and 2 per cent of

wages for three coverage options), covering all workers in the eligible categories (fisheries sector, casual construction workers, and garbage collectors), in addition to those below the median wage in the eligible categories and those earning in the bottom 30 per cent in the eligible categories.

Table 28 presents the coverage in each of these categories, based on the Labour Force Survey data.

Table 28. Monotax-style insurance for the informal sector, coverage by category

	Category	2025	2026	2027	2028	2029
Targeted workers	All	346,983	353,866	361,054	368,622	376,451
	Below median wage	175,805	179,293	182,935	186,769	190,736
	Below 30 per cent	109,217	111,383	113,646	116,028	118,492

Source: Authors' elaboration.

Table 29 presents the cost to the Government in three scenarios for each case: if the contribution was 100 per cent, 75 per cent or 50 per cent government-financed from 2025 to 2029. For all workers, the cost to the Government ranges from EGP 252 million in 2025 when fully financing 1 per cent-contributions to EGP 504 million when fully financing 2 per cent-contributions. For workers earning less than the median wage, the cost to the Government ranges from EGP 54 million in 2025 when fully financing 1 per cent

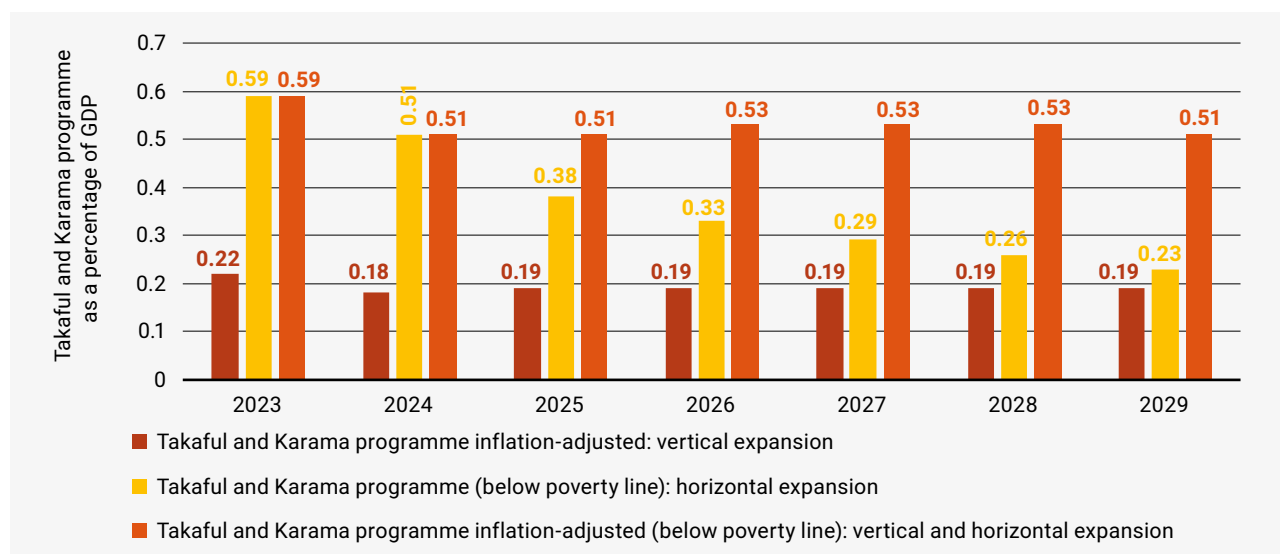
contributions to EGP 109 million when fully financing 2 per cent contributions, representing roughly 21.7 per cent of the cost as compared to covering all workers. For workers earning below 30 per cent of the median wage, the cost to the Government ranges from EGP 37 million in 2025 when fully financing 1 per cent contributions, to EGP 74 million when fully financing 2 per cent contributions, representing roughly 14.7 per cent of the cost as compared to covering all workers. In each case, the cost increases by nearly 1.75 times by 2029.

Table 29. Monotax-style insurance for informal sector workers (Policy options 1.1, 1.2, 1.3) (EGP)

Category	Contribution rate	Share financed	2025	2026	2027	2028	2029
Contributions – all workers	100%		252,450,744.53	298,201,195.71	345,996,959.92	393,006,504.05	439,393,679.68
	1.0%	75%	189,338,058.40	223,650,896.78	259,497,719.94	294,754,878.04	329,545,259.76
		50%	126,225,372.27	149,100,597.85	172,998,479.96	196,503,252.03	219,696,839.84
	100%		378,676,116.27	447,301,792.94	518,995,439.16	589,509,755.26	659,090,518.61
	1.5%	75%	284,007,087.20	335,476,344.70	389,246,579.37	442,132,316.44	494,317,888.95
		50%	189,338,058.13	223,650,896.47	259,497,719.58	294,754,877.63	329,545,259.30
	100%		504,901,489.13	596,402,391.49	691,993,919.93	786,013,008.21	878,787,359.48
	2.0%	75%	378,676,116.84	447,301,793.62	518,995,439.94	589,509,756.16	659,090,519.61
		50%	252,450,744.56	298,201,195.74	345,996,959.96	393,006,504.10	439,393,679.74

Category	Contribution rate	Share financed	2025	2026	2027	2028	2029
Contributions – below median wage	100%		54,772,021.55	64,698,095.25	75,067,922.57	85,267,170.62	95,331,388.85
	1.0%	75%	41,079,016.16	48,523,571.44	56,300,941.93	63,950,377.97	71,498,541.63
		50%	27,386,010.77	32,349,047.63	37,533,961.29	42,633,585.31	47,665,694.42
	100%		82,158,031.90	97,047,142.38	112,601,883.28	127,900,755.28	142,997,082.53
	1.5%	75%	61,618,523.92	72,785,356.79	84,451,412.46	95,925,566.46	107,247,811.90
		50%	41,079,015.95	48,523,571.19	56,300,941.64	63,950,377.64	71,498,541.27
	100%		109,544,043.15	129,396,190.58	150,135,845.23	170,534,341.34	190,662,777.80
	2.0%	75%	82,158,032.37	97,047,142.93	112,601,883.92	127,900,756.01	142,997,083.35
		50%	54,772,021.58	64,698,095.29	75,067,922.61	85,267,170.67	95,331,388.90
Contributions – below 30 per cent	100%		36,960,288.90	43,658,426.77	50,656,010.63	57,538,487.19	64,329,845.30
	1.0%	75%	27,720,216.68	32,743,820.08	37,992,007.97	43,153,865.39	48,247,383.98
		50%	18,480,144.45	21,829,213.39	25,328,005.31	28,769,243.59	32,164,922.65
	100%		55,440,433.07	65,487,639.83	75,984,015.55	86,307,730.35	96,494,767.47
	1.5%	75%	41,580,324.80	49,115,729.87	56,988,011.67	64,730,797.76	72,371,075.60
		50%	27,720,216.54	32,743,819.91	37,992,007.78	43,153,865.17	48,247,383.73
	100%		73,920,577.83	87,316,853.58	101,312,021.29	115,076,974.42	128,659,690.66
	2.0%	75%	55,440,433.37	65,487,640.19	75,984,015.97	86,307,730.82	96,494,767.99
		50%	36,960,288.92	43,658,426.79	50,656,010.65	57,538,487.21	64,329,845.33

Source: Authors' elaboration.

Figure 37. Cost as a share of GDP (Policy options 2.1, 2.2, 2.3)

Source: Authors' elaboration.

2. Cost for policy options 2.1, 2.2 and 2.3

Figure 37 presents the estimated costs (as a percentage of GDP) for three expansion options for the Takaful and Karama programme. An inflation indexation of the Takaful and Karama programme, while maintaining current coverage levels, is estimated to cost the Government between 0.18–0.19 per cent of GDP annually, based on projected GDP growth and inflation rates from 2025. A horizontal expansion of the programme to include the full eligible population below the poverty line (Takaful and Karama programme (below poverty line): horizontal expansion) without inflation-

indexation (i.e. maintaining the nominal value of the current benefits) is estimated to cost the Government 0.38 per cent of GDP in 2025, and gradually decrease year on year to 0.23 per cent of GDP by 2029. Scaling coverage to include all eligible households and individuals living under the poverty line and inflation-indexing the benefits (Takaful and Karama programme inflation-adjusted (below poverty line): vertical and horizontal expansion) is estimated to cost the Government 0.51 per cent of GDP in 2025 and range between 0.51 and 0.53 per cent of GDP between 2024 and 2029.

3. Cost for policy options 3.1 and 3.2

Table 32 presents the estimated cost to the Government for coverage of 50,000 beneficiaries annually based on a full-cost and a half-cost BRAC model approach. The cost estimations used the structure of the Bab Amal programme, which currently offers a close alternative. The

costing model assumes that administrative costs per family remain the constant over time (except for adjustments for inflation). It also assumes that for the half-cost option, only the cost of asset transfer is reduced by half. Other costs, such as administrative costs per family,

technical support for families and intermediary associations, and monitoring, evaluation and information systems; asset-related requirements and family training; guidance, counselling and capacity-building for field teams, and indirect (overhead) expenses are unaffected in the half-cost option. While graduation models typically benefit from economies of scale, the current model does not estimate any economies of scale for 50,000 beneficiary families.

Table 32 presents the cost by year for full-cost and half-cost approaches. The cost ranges from EGP 1.5 billion for half-cost to EGP 2.4 billion for full-cost options in 2024. By 2029, this increases to EGP 3.3 billion for half-cost and EGP 5.3 billion for full-cost models. These costs represent 0.1 per cent of GDP for half-cost and 0.2 per cent of GDP for full-cost models in 2024, and more than double by 2029, reaching 0.2 and 0.4 per cent of GDP, respectively.

Table 30. Cost breakdown for policy options 3.1 and 3.2, BRAC model

	2024	2025	2026	2027	2028	2029
Full cost	EGP 2,410,112,396.07	EGP 3,212,679,823.96	EGP 3,893,767,946.64	EGP 4,454,470,530.96	EGP 4,917,735,466.18	EGP 5,252,141,477.88
Half cost	EGP 1,538,474,546.07	EGP 2,050,786,569.91	EGP 2,485,553,322.73	EGP 2,843,473,001.21	EGP 3,139,194,193.33	EGP 3,352,659,398.48

Source: Authors' elaboration.

D. Overview of future reform needs and main takeaways

The social protection system of Egypt has achieved significant progress in recent years, reflecting the Government's commitment to a more integrated and comprehensive approach. Moving forward, there is an opportunity to build on these achievements by addressing remaining gaps, and enhancing coordination, coverage, financial adequacy and inclusivity. Egypt can thereby create a more resilient and responsive social protection system that effectively supports its most vulnerable populations and aligns with the broader national development goals.

This report presents recommendations covering seven key areas, as presented below.

1. **Develop a comprehensive national social protection framework:** The ongoing development of a national framework is essential to fully integrate social assistance, social insurance and labour market programmes. This framework should continue to focus on expanding coverage to all vulnerable groups and ensure benefits are adjusted to remain impactful over time.
2. **Enhance coordination and data integration:** Efforts to strengthen the role of the Ministerial Committee for Social Justice and to accelerate the development of 360-angle info on beneficiaries via database interconnectivity with the Unified National Registry and partner ministries and organizations providing social protection services to beneficiaries, are vital steps towards better data sharing and coordination. These efforts will help optimize targeting and resource allocation across programmes.
3. **Improve financial sustainability and benefit adequacy:** Building on recent fiscal reforms, there is scope to continue earmarking social protection financing and reallocating resources to more impactful programmes. Ensuring benefits remain adequate and responsive to economic conditions is key to maintaining the effectiveness of social protection interventions.
4. **Adopt gender-transformative approaches:** Expanding gender-sensitive programmes and incorporating broader social norm changes will help maximize the impact of current and future initiatives. Integrating these efforts with broader economic empowerment programmes can foster gender equality and economic inclusion.
5. **Strengthen monitoring and evaluation frameworks:** Continuing to develop robust monitoring and evaluation systems will ensure that social protection programmes are effectively implemented and achieve their desired outcomes. Enhanced data-driven decision-making will help inform ongoing and future reforms.
6. **Focus on economic empowerment and graduation models:** Building on the lessons from programmes like Forsa, there is potential to develop comprehensive graduation models that support sustainable livelihoods. Efforts should focus on securing sustainable financing and leveraging local partnerships for effective implementation.
7. **Expand social insurance coverage and inclusivity:** Recent reforms in social insurance provide a foundation for expanding coverage to currently excluded groups. Simplified packages and tailored outreach efforts can enhance participation and inclusivity, ensuring broader access to social protection benefits.

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- 40 Key informant interview with the Ministry of Social Solidarity, 19 February 2024/ (Ref: <A-13>).
- 41 The International Food Policy Research Institute (IFPRI) has undertaken various evaluations of Egypt's social assistance programs.
- 42 Key informant interview with the Ministry of Social Solidarity, 19 February 2024/ (Ref: <A-13>).
- 43 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).
- 44 Jordan is an exception as the data for this country were issued by the Department of Statistics in 2024 and apply mainly to 2021.
- 45 United Nations Children's Fund and Ministry of Finance (UNICEF), 2019.
- 46 The State budget for 2023/2024 provides actual spending data through 2022/2023.
- 47 Organisation for Economic Co-operation and Development, 2024.
- 48 In 2022/23, the budget line for "general reserves for support and grants" stood at EGP 35.7 billion.
- 49 Key information interview with the Ministry of Finance, 03 January 2024/ (Ref: <A-09>).
- 50 According to the functional classification, social protection comprises social assistance for older persons or persons with disabilities, Daman social assistance, child pensions, unemployment, social protection, subsidies and social insurance.
- 51 Around 89 per cent of spending allocated to "subsidies, grants and social benefits" is included in the "social protection" category.
- 52 KPMG, Indirect tax rates table, accessed on 11 August 2025; Regfollower, 2015.
- 53 <https://mped.gov.eg/MinistryVision?lang=en&Functions-of-the-ministry#Ministry-Mission>.
- 54 <https://mof.gov.eg/en/About/5fbd28790f63030007fec9bb/5fdb20af7452020007052b5e>.
- 55 Key informant interview with the World Bank, 29 November 2023/ (Ref: <A-02>).
- 56 Ibid.
- 57 UNDP, 2021.
- 58 Kassem, 2020; Law No. 95 on Tamween, 1945; http://www.gasc.gov.eg/index_en.htm.
- 59 IMF, 2023; Japan International Cooperation Agency (JICA), n.d.
- 60 Ibid.
- 61 UNDP, 2021.
- 62 Prime Ministerial Decision 1940/2014.
- 63 Ministry of Finance, Economic Justice Unit, accessed on 11 August 2025.
- 64 <https://www.cabinet.gov.eg/News/Details/76347>.
- 65 Supreme Standing Committee for Human Rights, Technical Secretariat, 2020.
- 66 <https://egyptjustice.com/public-prosecution-office>.
- 67 Ibid.
- 68 <https://www.shakwa.eg/GCP/StaticContent/View.aspx?ID=1>.
- 69 State Information Service, 2023b.
- 70 Rural pioneers are local volunteer women leaders who supplement the official social workforce.
- 71 Ibid.
- 72 Egypt, Ministry of Social Solidarity Decree 433/2022 on Exceptional Assistance during Disasters and Individual and Public Crises.
- 73 Data provided by the Ministry of Social Solidarity based on an ad hoc request by the Research Team in 2023.
- 74 Daily News, 2024.
- 75 IMF, 2023; UNDP, 2021.
- 76 Elsayed, 2023.
- 77 Information provided by the Ministry of Social Solidarity, August 2025.
- 78 UNDP, 2021.
- 79 Data of the Ministry of Supply and Internal Trade is based on individuals registered for a card. This may lead to an underestimation of the actual number of beneficiaries, as not all household members in a beneficiary household will be registered.
- 80 Data provided by the National Organization for Social Insurance in 2024.
- 81 <https://eha.gov.eg/en/news/semi-annual-achievements-report/>.
- 82 Year in which data was available for all social protection components and programmes.
- 83 It is important to note that data included in the analysis is from various sources, including programme expenditure from relevant ministries, as well as budget expenditure from relevant financial statements of the Ministry of Finance.
- 84 UNDP, 2021.
- 85 Ibid.

- 86 This information was collected as part of a special request to the Ministry of Social Solidarity, 2024.
- 87 World Bank Group, 2022a.
- 88 Key informant interview with the Ministry of Social Solidarity, 19 February 2024/ (Ref: <A-13>).
- 89 World Bank Group, 2022a, World Bank, 2024b.
- 90 UNDP, 2021.
- 91 World Bank Group, 2022a.
- 92 Kassem, 2020; Key informant interview with the World Bank, 22 November 2023/ (Ref: <A-01>).
- 93 Kassem, 2020.
- 94 World Bank, 2015.
- 95 UNDP, 2021.
- 96 Interview with the Ministry of Social Solidarity on TKP Conditionalities, 2024.
- 97 Ibid.
- 98 Ministry of Social Solidarity, 2020.
- 99 ESCWA, 2023b.
- 100 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 101 El-Enbaby and others, 2022.
- 102 Ibid.
- 103 This information was collected as part of a special request to the Ministry of Social Solidarity, 2024.
- 104 Key informant interview with the World Bank, 22 November 2023/ (Ref: <A-01>).
- 105 UNDP, 2021.
- 106 Ibid.
- 107 Data provided by the Ministry of Social Solidarity on the basis of an ad hoc request by the Research Team in 2023.
- 108 Daman was officially merged into the TKP by October 2023.
- 109 El-Enbaby and others, 2022.
- 110 The most recent figure communicated by the Ministry of Social Solidarity of the share of non-poor enrolled into the Takaful and Karama programme is 4.8 per cent.
- 111 Information provided by the Ministry of Social Solidarity.
- 112 Data provided by the Ministry of Social Solidarity on the basis of an ad hoc request by the Research Team in 2024; El-Enbaby and others, 2022.
- 113 Key informant interview with the Ministry of Social Solidarity, February 2023/ (Ref: <A-16>).
- 114 Ibid.
- 115 Ibid.
- 116 Key informant interview with the Ministry of Social Solidarity, February 2024/ (Ref: <A-16>).
- 117 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 118 Ministry of Social Solidarity, 2020.
- 119 Key informant interview with the Ministry of Social Solidarity, February 2024/ (Ref: <A-14>).
- 120 Ibid.
- 121 Breisinger and others, 2021.
- 122 Kurdi, Sikranda, and others, 2018.
- 123 Ministry of Social Solidarity, 2020.
- 124 Ibid.
- 125 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 126 Data provided by the Ministry of Social Solidarity on the basis of an ad hoc request by the Research Team in 2023.
- 127 Ministry of Social Solidarity, 2020.
- 128 World Bank Group, 2022a.
- 129 Ibid.
- 130 World Bank, 2024b.
- 131 Ibid.
- 132 Key informant interview with the Ministry of Social Solidarity, February 2024/ (Ref: <A16>).
- 133 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 134 Ibid.
- 135 Key informant interview with the Ministry of Social Solidarity, February 2024/ (Ref: <A-14>).
- 136 Kassem, 2020.
- 137 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 138 UNDP, 2021.
- 139 World Bank, 2022b.
- 140 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 141 Ibid.
- 142 World Bank, 2024b.
- 143 This information was collected as part of a special request to the Ministry of Social Solidarity, 2024.

- 144 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 145 Ministry of Social Solidarity, 2020.
- 146 UNICEF, 2019.
- 147 Key informant interview with the Ministry of Social Solidarity, 11 December 2023/ (Ref: <A-06>).
- 148 Later on, the programme was also piloted in South and North Sinai.
- 149 IFPRI and others, 2022, p. 78.
- 150 Key informant interview with the Ministry of Social Solidarity, 14 December 2023/ (Ref: <A-07>).
- 151 Actual programme expenditure data has been provided by the Ministry of Social Solidarity. In terms of programme breakdown, the ministry proposed applying a proportionate allocation of around 87 per cent for the self-employment track, and 13 per cent for the wage-employment track.
- 152 As a result, the balance of EGP 271 million (\$14 million) was re-allocated to the Takaful and Karama programme.
- 153 An interview with a key informant also highlighted that, due to these delays, the budget allocated to implementing NGOs was not fully utilized within the original programme timeline. As a result, the number of beneficiaries reached by the end of December 2023 was lower than the targeted figure.
- 154 El-Enbasy and others, 2022.
- 155 Interview with the Ministry of Social Solidarity, 2023. Calculations by the authors to derive cost-per-beneficiary data were not fully aligned with these figures, which may relate to the delay in implementation.
- 156 IFPRI and others, 2022, p. 82.
- 157 Key informant interview with MIS expert, 16 February 2024/ (Ref: <A-22>).
- 158 Key informant interview with the Ministry of Social Solidarity, February 2024/ (Ref: <A-17>).
- 159 Barsoum and Selwaness, 2022.
- 160 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).
- 161 Loewe, 2024.
- 162 UNDP, 2021.
- 163 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).
- 164 Ibid.
- 165 Key informant interview with the Ministry of Social Solidarity on 19 February 2024/ (Ref: <A-13>).
- 166 Ibid.
- 167 National Organization for Social Insurance, 2022.
- 168 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).
- 169 Ibid.
- 170 Data provided by the National Organization for Social Insurance in 2024.
- 171 Ibid.
- 172 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>). In January 2025, the minimum retirement benefit was increased to EGP 1,495.
- 173 World Bank Group, 2022a.
- 174 Information received from the Ministry of Social Solidarity.
- 175 Social Insurance Law No. 79/1975; article 179.
- 176 Social Insurance Law No. 148/2019, article 168.
- 177 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).
- 178 Ibid.
- 179 Key informant interview with the World Bank on 29 December 2023/ (Ref: <A-02>); World Bank Group, 2022a.
- 180 World Bank Group, 2022a.
- 181 Social Insurance Law No. 148/2019.
- 182 Social Insurance Law No. 148/2019, article 111.
- 183 UNDP, 2021.
- 184 NOSI, n.d.
- 185 Key informant interview with the National Organization for Social Insurance, January 2024/ (Ref: <A-08>).

This national social protection country profile for Egypt presents a comprehensive overview of the current system and its main programmes, identifies key reform needs, and outlines policy options to improve coverage, efficiency and sustainability.

Over the past decade, Egypt has undertaken significant reforms, including phasing out general subsidies and introducing the Takaful and Karama cash transfer programme for vulnerable groups. Efforts to support the economic empowerment of poor households have included asset transfers, microloans and related schemes. Social and health insurance coverage has also expanded. Moving forward, Egypt has the opportunity to address remaining gaps and strengthen coordination, coverage, adequacy and inclusivity, to build a more resilient social protection system that supports the most vulnerable and aligns with national development goals.

