
APPENDICES

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A.1. List of interviewees

Organisation	Role	Interview date(s)	Format
Ministry of Foreign Affairs	Former Deputy Minister	28/06/2013	In person
Egypt National Competitive Council	Director	17/07/2013	Email
Lebanese Embassy in Cairo	Ambassador	17/07/2013	In person
Ministry of Foreign Affairs	Former Ambassador to Ukraine	22/07/2013	Phone
Food and Agriculture Organization	Regional Director	23/07/2013	In person
Food and Agriculture Organization	Country Representative	23/07/2013	In person
Egyptian Initiative for Personal Rights	Head of Social and Economic Research	22/07/2013, 25/07/2013	In person
Ministry of Foreign Affairs	Deputy Spokesperson for the Ministry	04/08/2013	Phone
Australian Embassy in Cairo	Ambassador	05/08/2013	In person
Ministry of Supply and Internal Trade	Former Minister	05/08/2013	In person
Ministry of Supply and Internal Trade	Assistant to Current Minister	13/08/2013	In person
Cairo University	Professor of Political Economy	17/08/2013	Phone
Thomson Reuters	Reporter	20/08/2013	Phone
World Bank	Senior Agriculture Economist	21/08/2013	Phone
Economic Research Forum	Research Fellow	16/12/2013	In person
American University, Cairo	Associate Research Professor	16/12/2013	In person
Egyptian Initiative for Personal Rights	Research Food Sub unit	15/07/2013, 22/07/2013, 16/12/2013	In person
British Embassy in Egypt	Ambassador	24/07/2013 - 17/12/2013	In person
Ministry of Supply and Internal trade	Former Minister	06/08/2013, 18/12/2013	In person
World Food Programme	Program Officer	19/12/2013	In person
General Authority for Supply Commodities	Former Chief Wheat Buyer	22/12/2013	In person
University of Cambridge	Lecturer in Political Sociology	08/01/2014	In person
Thomson Reuters	Reporter	09/01/2014	In person
Thomson Reuters	Reporter	04/08/2013, 09/01/2014	In person
TNT	Director of Sales	10/01/2014	Phone
TNT	Director, Global Solutions Management	10/01/2014	Phone
American University Cairo	Assistant Professor of Sociology	12/01/2014	In person
British Embassy in Egypt	Head of Development Issues	12/01/2014	In person
General Company for Silos and Storage	Head of Deliveries	13/01/2014	Phone
Egyptian Federation of Chambers of Commerce	Deputy Head of Bakers' Chamber	15/01/2014	In person
Egyptian Federation of Chambers of Commerce	Head of Grains Division	15/01/2014	In person
Moolenaar and Partners Ltd.	Founder	15/01/2014	Email
Information Decision and Support Center, Egyptian Cabinet	Former Researcher	16/01/2014	In person
Egypt National Competitive Council	Head of Food Security Unit	05/08/2013, 16/01/2014	In person
Citadel Capital	Associate - Mergers and Acquisitions	17/01/2014	Email
Medsofts Ltd.	Head of Grain Logistics	17/01/2014	In person

A.2. Baladi bread solutions: two notable case studies

Between October 2005 and February 2006, the outbreak of Highly Pathogenic Avian Influenza (HPAI) spread to Egypt's poultry production sector. Losses experienced by the Egyptian economy during this first wave of the disease amounted to 3 billion EGP (\$0.5 billion) and resulted in the culling of more than 30 million birds as well as the loss of some 250,000 jobs after the closure of feed mills and some retail and marketing operations.¹⁶⁶ These events eventually had some repercussions in the *baladi* bread sector. In a study of the *baladi* bread supply chain carried out by the IDSC at the time, researchers noticed for the first time that some of the underlying problems pertaining to bread shortage in poor neighbourhoods had dissipated. The demand for *baladi* bread was well within the means of what bakers provided. However, upon closer examination, it emerged that a large part of the population that relies on *baladi* bread also rears domestic animals. In this case, 1-3 chickens per household in urban areas. Interview data uncovered by the IDSC suggests that the diet of these chickens was comprised mainly of *baladi* bread.

Avian influenza contributed to highlighting the extent to which *baladi* bread dependence was correlated with poorer urban households. The heavy reliance of small/micro-scale poultry breeders on cheap, subsidised *baladi* bread as a substitute to animal fodder meant that they were diverting this subsidy from its initial purpose and further distorting the system by leaking it into the production of another commodity. The un-targeted and unregulated nature of the *baladi* bread subsidy then contributed to indirectly producing poultry meat on a micro-scale in Egypt. Further, the avian influenza and IDSC study uncovered the actual portion of *baladi* bread that is consumed by the end user and the extent to which small-scale chicken breeders rely on it to feed their produce. In addition, the example of avian influenza in Egypt underlines the extent to which the government is setting aside resources for a commodity that is being improperly used and does not maximise its intended benefits. The *baladi* bread system then emerges as a mechanism that is built around incentivising poorer Egyptians to rely on more bread for their livelihood and food security.

Another example that has contributed to shedding more light on previous studies of the *baladi* bread supply chain is the case of the city Qena, north of Luxor, after the appointment of Adel Labib as governor in 2000. Under his leadership, the city witnessed an unprecedented growth in good governance, tourism and municipal services. Adel Labib's approach was built on resolving issues on the basis of popular participation and engaging with the local residents. This granted him a strong support basis within the community and allowed him to tackle some of the issues in the *baladi* bread supply chain in 2007.

In order to reduce the leakage and wastage of bread, Adel Labib set up a popular committee that enforced and ensured that each bakery used its entire daily flour quota, which is delivered in two batches. A few days after the implementation of this policy, Qena witnessed a huge glut in bread production and bakery owners no longer needed a second delivery batch from the GASC. Given the scale and size of this operation, it was much easier for the governor to ensure adequate political participation and implement measures that would ensure accountability on the number of loaves produced.

166. El Nagar, A., Ibrahim, A. "Case study of the Egyptian poultry sector", Proceedings of the International Poultry Conference, Bangkok, 2007.

At that level, the power of bakers and millers was restrained by making them directly accountable to the community that they were serving. This is much more difficult to replicate at a national level since the interests of bakers are represented through chambers of commerce that directly negotiate pricing and licensing in the *baladi* bread system with the government.

The example of the city of Qena under Adel Labib's governorship suggests that it is possible to temporarily reform the *baladi* bread system by incentivising people within the community to directly resolve the issue. In this case, residents became more accountable and active in addressing some of supply chain problems by actively addressing the common distortions highlighted above – leakage, wastage and bad administration.

A.3. Interview Guidelines

Objective

Identify the roles and functions of intermediaries and middlemen in the *baladi* bread supply chain.

Actors involved

Organisations and individuals that are part of the *baladi* bread subsidy.

Data collection

- Archival research (Stage 1).
- Publicly available documentation (Stage 1).
- Semi-structured interviews (Stage 2).

Stage 1:

- Archival research
- Scholarly articles and policy writing
- Annual reports and publications by the Egyptian state

Stage 2 – Part 1: Identification of the interviewee

Stage 2 – Part 2: Open-ended Questions:

Non-specific questions

- How does the *baladi* supply chain function? Describe the process to me.
- Who are the main actors in the *baladi* bread subsidy system?
- What is your role in the *baladi* bread supply chain?

Themes: role of the actor, experience with the baladi bread subsidy

- How do you provide wheat/flour/bread?
- Has that always been the case?
- What has changed?
- Why?

Themes: Supply chain relations, logistics, contracts, tenders

What are the repercussions of the government subsidy policy on your operations?

What kinds of measures are used to monitor the system?

How is the price of payment/sale fixed?

Themes: bargaining power, contracts, alliances

What changes would you like to make to the *baladi* bread subsidy?

How would like to see those changes enacted?

Theme: reform

Targeted questions

How often you get *baladi* bread flour deliveries?

Who do you directly compete with to sell your (subsidised) wheat flour/bread?

How are your quotas for *baladi* bread flour set?

Are you aware of leakages and wastage in the system? How do you address this?

When was the last time the government inspected your bakery?

At what times of day do you bake? How many loaves do you produce on average?

How do you influence government policy and pricing?

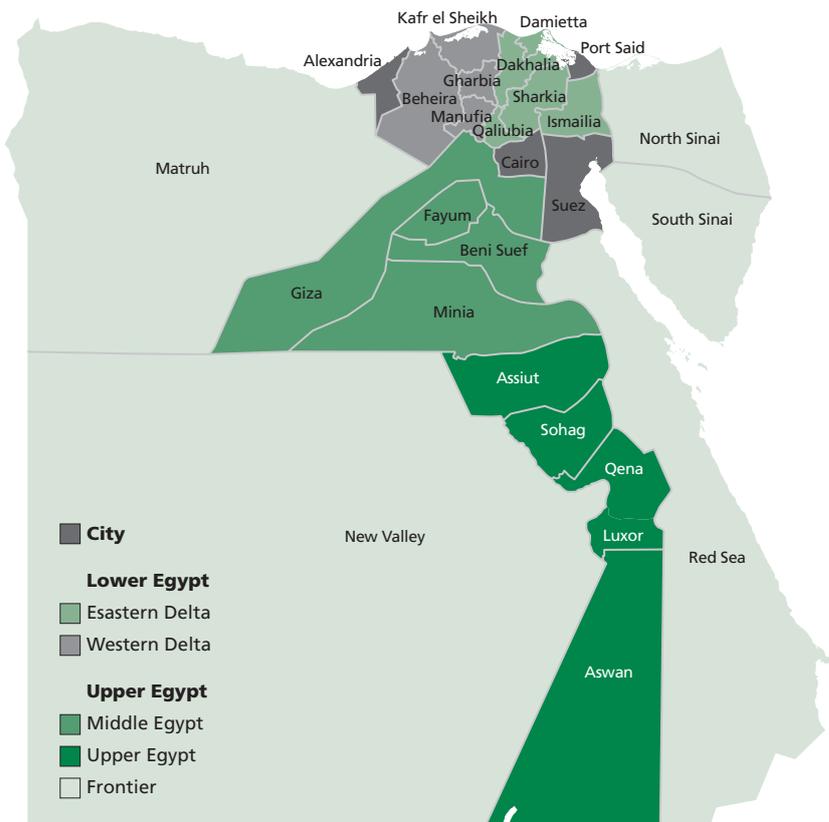
How do you receive wheat deliveries? Where/How do you store them?

A.4. Household food consumption in Egypt

Commodity	g per day	Kcal per day	% of total
Bread (20% moisture)	360	1,270	42,5
Rice	96	340	11,4
Sugar	100	385	12,9
Vegetable oil	50	425	14,2
Meat/fish	50	100	3,3
Vegetables	500	150	5,0
Maize	50	170	5,7
Others	---	150	5,0
Total	---	2,990	100

Source: World Food Programme (2008).

A.5. Map of Administrative Divisions in Egypt



Source: International Food Policy Research Institute.

