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# Impact Evaluation Report of Egypt's Forsa Graduation Program

## Midline Report

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## EXECUTIVE SUMMARY

1. **Forsa, which means “Opportunity” in Arabic, is a new economic inclusion program of the government of the Arab Republic of Egypt.** Implemented by the Ministry of Social Solidarity (MoSS), one major goal of the program is to graduate beneficiaries of Takaful to economic self-reliance by enabling them to engage in wage employment or small-scale productive enterprises.
2. **The Forsa program began in 2023, after significant delays.** Obstacles to implementation included the Covid-19 pandemic, nationwide inflation subsequent to the Ukraine-Russia war resulting in funding challenges for asset purchases, and administrative challenges with procurement approvals by the Ministry of Finance. Forsa implementation was conducted under MoSS supervision by local non-governmental organizations (NGOs). While a few NGOs received their first payments in the first quarter of 2022, most NGOs received their first payments in October 2022, delaying program implementation to February 2023. According to the MoSS, in the second half of 2023, households receiving assets through the program increased from around 3,000 (9%) to 10,302 (29%) out of a target of 35,000 households through 49 contracted NGOs and two private hiring firms, and the number of participants receiving a job has increased from 3,324 (23%) in August to 5,392 (38%) by end of November of 2023 out of a target of 14,314 households through 22 NGOs and two private firms.
3. **IFPRI designed a cluster randomized control trial of Forsa.** In partnership with the Ministry of Social Solidarity, eligible communities were randomized at the sub-village level between control and treatment to determine where Forsa was offered (treatment) or not (control). According to the original design, only individuals meeting the Forsa eligibility criteria in treatment villages were invited to enroll in Forsa.
4. **The wage employment modality targeting criteria changed.** While Forsa originally targeted enrolling households in selected pilot sub-villages, there were major challenges with enrolling households in these predominately rural villages to wage employment, both due to the location and because the profile of potential Forsa participants was difficult to match to employer requirements. Instead, the wage employment implementation opened eligibility criteria to nearby areas, including district centers.
5. **In this midline report of the impact evaluation of the Forsa program, we summarize the progress on implementation and present evidence on the impact of a randomized messaging experiment on household interest in Forsa.** These findings provide immediate policy-relevant guidance for MoSS regarding the operation of the program and are intended to contribute to global evidence on effective graduation program design.
6. **Of the 7,754 households interviewed at baseline for the evaluation, the midline survey successfully re-interviewed 7,545 households (97.3%) and supplemented the sample with 210 replacement households (2.7%).** The sample spans across eight governorates, contained 3,798 households (49%) surveyed in Forsa treatment communities, and 4,599 households (59.3%) that self-reported as Takaful beneficiaries. The midline household survey data was collected by the survey firm Gawab from October 22 to November 14, 2023, one and a half years post baseline data collection. The midline household survey included questions about asset ownership and employment that were asked at baseline. In addition, the midline survey also asked about experience

with Forsa program implementation, including sign-up and participation in the self-employment asset modality, the wage employment modality, trainings, and mentoring. The survey also contained a video intervention as part of a randomized messaging experiment.

7. **Of the 3,798 households surveyed in treatment communities, 68 percent had not signed up for Forsa, citing unfamiliarity with Forsa and uncertainty over Takaful program continuation as their main reasons.** Specifically, 78 percent of these households reported reasons related to unfamiliarity with the program, such as not having heard of Forsa, wanting to sign-up but lacking the knowledge of how to, believing that the program is unavailable in their village or that they are not eligible. Additionally, around one-third of Takaful recipients indicated they fear losing Takaful benefits upon joining the Forsa.

### *Forsa Sign-up Descriptives:*

***This section reports on the 1,201 households that signed up for Forsa so far.***

8. **Individuals who signed up to participate in Forsa are 83 percent female, an average of 37 years old, and have completed 6.3 years of education on average.** Relative to the average adult from an eligible household at baseline, individuals who signed up for Forsa are much more likely to be women, slightly less educated, and earn significantly less monthly income.
9. **Takaful-recipient households have signed up for Forsa at very similar rates as Takaful-rejected households.** Among Forsa-eligible households in the sample, the proportion of non-Takaful recipients who signed up for Forsa is around 32 percent compared to 31 percent for Takaful recipients.
10. **The majority of households (81%) signed up for the self-employment modality and, of these, 37 percent had received the asset by the time of the midline survey.** However, rates of sign-up and asset receipt vary across the eight governorates. For example, Beni-Suef has the most sign up (167 hhs) but only 9 percent have received assets, while Luxor has had lower sign up (55 hhs) but 69 percent have received assets.
11. **On average, households receiving assets reported negative monthly profits, highlighting the need for monthly transitory support as households work to make their assets profitable.** Of households that had received a Forsa asset, the vast majority had received sheep and goats (85%), followed by poultry (7%), sewing machines (5%), and food retail equipment (4%). Most households (78%) received assets alongside complementary support packages. Further, households reported that 78 percent of assets remained in good usable condition while 22 percent of assets were in bad condition or, in some cases, livestock had gotten sick and died.
12. **Only six households indicated having received a job through the wage-employment modality, out of which four have already left the job citing long commutes, childcare responsibilities, and low wages.** Participants left the job in the first five days of employment or of the on-the-job training. Wage-employment participants reported that employers did not offer transportation despite more than a 60-minute commute, and the offered salary was between 500 and 2000 EGP, a low wage for a regular seven-to-eight-hour workday job.

13. **Training offered through the Forsa program received positive feedback with 89 percent of participants reporting they found it useful or very useful.** Of households in the asset self-employment modality, 48 percent had received training of one to two sessions that mostly covered asset-specific skills or project management, and 40 percent received at least one (and an average of three) follow-up session. Of those in the wage employment modality, 17 percent had received training of two sessions covering mostly job skills and possibly financial literacy or business management.

### *Messaging Experiment:*

14. **To test the effect of new messaging strategies on interest in the Forsa program, we implemented a stratified randomized controlled trial (RCT) by embedding a video message produced by MoSS at the end of the midline survey.** Households were randomly assigned into one of the following treatment arms, which determined the contents of the video message to be viewed by the respondent: **1) Basic Information:** a brief description of Forsa containing information already shared in informational sessions and previously in the survey; **2) Takaful Duration:** Basic Information + note that Takaful beneficiaries who join Forsa will continue to receive cash transfers for at least 6 months (the first time that MoSS communicated this new policy to eligible program participants); and **3) Testimonies:** Basic Information + four testimonies from Forsa participants (3 asset modality, 1 wage-employment modality), who described their experience with the Forsa program thus far.
15. **The new messaging strategies had a positive impact on interest in Forsa overall and particularly on recommending it to others.** Relative to **Basic Information**, we find that additional information on **Takaful Duration** had no statistically significant effect on interest in joining Forsa and increases interest in recommending it to others, countering predictions of a strong negative effect. Moreover, we find that **Testimonies** increase interest in joining Forsa and in recommending it to others. These findings suggest that both messaging strategies, and particularly testimonies, are effective at increasing interest in and likely take-up of the Forsa program.
16. **We also find likely mechanisms that explain the positive effects of the video treatments by comparing respondent beliefs about Forsa across treatment arms.** For the **Takaful Duration** treatment, the positive impact was likely driven by an increase in beliefs that individuals could drop out of Forsa and re-enroll in Takaful if necessary. For the **Testimonies** video, the positive impact was likely driven by increasing beliefs about the monthly income one could earn from a Forsa asset. These findings highlight the importance of designing Forsa in a way that provides compelling economic incentives relative to Takaful.

### *Impact Evaluation on Livestock Ownership:*

17. **We estimate the causal impact of access to the Forsa program on asset ownership** by comparing communities that were randomly assigned either access to Forsa programming (treatment) or not (control) as part of the Forsa impact evaluation. 7,755 households were randomly selected from the pool of eligible households in the selected treatment and control communities. The random assignment generates unbiased intent-to-treat (ITT) estimates of the offer of treatment that are calculated based on an ANCOVA regression specification.

18. **Households in Forsa treatment communities are more than three times as likely to own sheep or goats than households in control communities.** Specifically, only 3.7 percent of households in control communities own any sheep or goats in the midline survey, while 11.4 percent of households in treatment communities own sheep or goats. Given that a similar share of households in these communities owned sheep or goats in the baseline survey, we can confidently attribute this increase in sheep and goat ownership to the Forsa program. Households own an average of 2.2 sheep or goats, leading to a sizable increase in small ruminant ownership in these communities.

### *Lessons Learned:*

19. **Demand exists for a poverty graduation program like Forsa with nearly one-third of households eligible to sign up for Forsa signing up so far, and with very similar rates between households receiving Takaful benefits and those that do not.** However, sign up is more limited than previously expected and, indeed, not all households may be ready to transition from Takaful cash transfers to a poverty graduation program. Therefore, we think that MoSS should likely adjust expectations for the scope of participation in the Forsa program, especially at the beginning of implementation.

20. **Moving forward, the Forsa program should likely focus on the self-employment modality rather than the wage-employment modality.** First, there was significantly more demand for the self-employment modality, likely driven by women participants who prefer earning income at home through the Forsa asset. Second, our analysis already identified an increase in household ownership of sheep and goats in Forsa communities (relative to control communities where Forsa is not available), demonstrating early success in the asset transfer program. Third, relative weak demand for the wage-employment modality was also accompanied by low rates of job matching—we only found six households that had received Forsa jobs and, of these, four had already left due to low wages and long commutes.

21. **Forsa program implementation, especially at the beginning, should be accompanied by monthly cash transfers that offer transitory support.** Among households that have received assets through the self-employment modality, the vast majority reported negative profits in the last month. Whether this is due to the seasonality of livestock revenue or that households were “saving” their assets for a time of greater need, this fact suggests that assets do not necessarily provide a stream of income to meet monthly cash needs in the same way that Takaful does. Thus, households may still need Takaful early in the Forsa program so that they are not forced to “eat into” their Forsa assets to pay for required monthly expenditures.

22. **New messaging strategies can help MoSS increase interest and awareness of the Forsa program.** First, informing households that Takaful benefits will last for six months following the successful start of the Forsa program does not deter interest in Forsa and, in fact, increases the likelihood of recommending it to others. Moreover, showing eligible households testimonies from actual Forsa participants who describe their experience with the program both increases interest in joining Forsa and in recommending it to others, likely by updating their belief in expected monthly income they can earn from a Forsa asset.

# 1. INTRODUCTION

## 1.1 Motivation

A persistent challenge with the use of large-scale safety net programs as a policy tool to address poverty and its causes in low- and middle-income countries (LMICs) is that the programs often do not lead to substantial reductions in the national poverty rate, despite having significant impacts on several dimensions of household wellbeing, including on food security and asset holdings (Hidrobo et al. 2018). As a result, safety program registries remain large, with limited turnover and a persistent fiscal burden. Graduation model programs are designed to address this problem through a big push approach, providing large asset transfers, financial inclusion and skills training to promote greater success against poverty reduction. Evidence so far suggests that graduation programs can be effective at increasing household consumption, food consumption and livelihoods and contribute to lower probability of being poor at the household level (Banerjee et al. 2015, Balboni et al. 2022, Bandiera et al. 2017, Brune et al. 2022, Bosuoy et al. 2022), but impacts on other outcomes may be limited.

The Government of Egypt has designed a graduation model program, called Forsa (which means “opportunity” in Arabic), to directly provide a mechanism to support graduation from the national Takaful safety net program. Takaful provides beneficiaries monthly cash transfers, and while the program has been successful, the cost of providing indefinite cash assistance to all poor households in Egypt is not fiscally feasible and would eventually displace more growth-enhancing investments (Breisinger et al. 2021). Therefore, the Forsa program has the strategic goal to promote economic inclusion by enabling Takaful beneficiaries and other individuals with low income to better integrate into the economy and transition from poverty to prosperity through participation in new economic activities based on sustainable partnerships with NGOs and the public as well as private sectors, thus creating space in the Takaful program for newly eligible households.

A unique feature of Forsa is that the transition from the Takaful cash transfer program to the Forsa graduation program is voluntary. Households choose whether or not to participate in Forsa and, if so, in one of two modalities: (1) an asset transfer modality, which includes the transfer of a significant productive asset for starting an income generating activity (IGA), financial literacy training, and business and technical training on how to start an IGA; and (2) a wage employment modality, which provides job matching and training for employment in the private sector. Both modalities include a behavioral change session, financial literacy and technical training, and ongoing mentoring. However, making Forsa voluntary has also led to challenges in the design of Forsa and in its messaging about its benefits to attract Takaful beneficiaries to take-up the program. In a household survey conducted at the baseline of an evaluation of Forsa, respondents expressed only modest interest in joining the Forsa program, and subsequent administrative reports confirm that initial take-up of the Forsa graduation program is low, with many households preferring the stay on Takaful.

In this midline evaluation of the Forsa program, we report on the status of implementation thus far and present the result of a randomized messaging experiment that sheds light on possible strategies to increase interest and take up of the Forsa moving forward.

## 1.2 Forsa Program Design

The overarching objective of the Forsa program is to foster economic inclusion by facilitating the integration of TKP beneficiaries and individuals with limited income into the economy. The program aims to propel these individuals from poverty to prosperity by engaging them in new economic activities through sustainable partnerships with NGOs, the public sector, and private enterprises. Comprising two distinct modalities, the Forsa program offers (1) an asset transfer approach, involving the provision of significant productive assets to initiate income-generating activities (IGAs), coupled with financial literacy and business/technical training. Additionally, it features (2) a wage employment modality, which entails job matching and training for private sector employment. Both modalities incorporate behavioral change sessions, ongoing mentoring, and a comprehensive curriculum covering financial literacy and technical skills.

The World Bank is supporting a pilot implementation of the Forsa program in eight governorates: Fayoum, Beni Suef, Assiut, Sohag, Luxor, Al-Minyah, Al-Minufiyah, and Al-Qalyoubia. The pilot initiative aims to engage 50,000 participants across 161 sub-villages. The selection of these pilot communities is based on factors such as the prevalence of poverty, the extent of informal employment, the concentration of TKP beneficiary households, the proportion of TKP beneficiaries within the 19-to-35-year age bracket, the presence of industrial zones or employment hubs, and the potential for self-employment ventures in the community. Seventy percent of pilot program participants will be drawn from existing TKP beneficiaries, with the remaining 30 percent comprising TKP applicants who narrowly missed qualifying for the cash transfer program due to marginally higher economic well-being. This intentional inclusion of two distinct participant groups facilitates a comprehensive assessment of the Forsa program's impact. Moreover, the selection process ensures that 50 percent of beneficiaries fall within the 19-to-35-year age range, and 30 percent are females.

## 1.3 Target Population

The eligibility criteria to participate in the Forsa pilot stipulates that households must satisfy the following conditions:

- ▶ Have at least one member of working age (19 to 55 years).
- ▶ Have a household head without formal employment and, if present, a spouse also without formal employment.
- ▶ Own less than 0.5 feddan (0.52 acres) of agricultural land.
- ▶ Not be a participant in any other transfer or asset program of the Ministry of Social Solidarity or other local or international non-governmental organization (NGO).
- ▶ Own no more than four medium-sized livestock or one large animal.
- ▶ Own a house with no more than one floor.
- ▶ Have no access to remittance income from a household member working outside of Egypt.
- ▶ In relation to Takaful, household must either be a:
  - ▷ Takaful beneficiary household starting their second or third year in the program (at least 80 percent of targeted households).
  - ▷ Or be an unsuccessful Takaful applicant household with a score on the Takaful application proxy means test used to determine program eligibility that falls within 2000 points of the eligibility cutoff.
  - ▷ Greater priority in enrollment for the Forsa pilot is given to unsuccessful Takaful applicant households whose scores are within 1000 points of the eligibility cutoff, as well as to households with younger heads (up to 20 percent of targeted households).

Using these eligibility criteria, households were contacted and invited to select one individual per their household to potentially participate in the program and to attend a behavioral change session organized in the community. The purpose of the behavioral change sessions was to encourage participation in the asset or wage employment programs by promoting a mindset of transitioning into productive income-generating activities. However, other individuals from these eligible households were able to sign up for the Forsa program through local implementing partners.

## **1.4 Baseline Report of the Forsa Program**

The International Food Policy Research Institute (IFPRI) conducted a baseline analysis of the Forsa program, which was delivered in November 2022. In order to set up a long-term impact evaluation of the force of program, surveyed households were asked to select or “nominate” one individual in the household who was most likely to join Forsa. The baseline report found that Forsa nominees were predominately female with most being household heads or spouses rather than sons or daughters. Only 8 percent of Forsa nominees had prior work experience, with significant gender disparities—50 percent of males attempted to find employment in the past, compared to 15 percent of females. In terms of job preferences, Forsa nominees indicated a preference for informal jobs, attaching higher value to local employment and expressing a reluctance to accept formal employment outside their local area. Moreover, self-reported work skills reveal low literacy skills, medium-level management and interaction skills, and limited advanced technological abilities. The baseline report also characterized Forsa-eligible households. Approximately 25 percent of adults in Forsa eligible households were employed at baseline, primarily engaged in irregular wage employment (73%). Of those not currently employed, only 12 percent express willingness to work within two weeks, with housewife duties cited as the main reason for unwillingness.

Several key policy recommendations emerged from the baseline report aimed at enhancing the effectiveness of the Forsa program. First, clearly define and communicate the Takaful eligibility timeline, addressing the current belief that transfers are indefinite, which acts as a disincentive for Forsa enrollment. Second, allow self-selection into Forsa, enabling households with low confidence in profit generation from asset transfers to opt for the certainty of Takaful transfers. Third, maximize Forsa's attractiveness through clear communication of benefits, ongoing mentoring commitments, and potentially extending cash transfers. Fourth, offer training sessions open to all household members, dispelling misconceptions about participant selection and encouraging broader participation. Lastly, increase effort to meet participants at their current skill level—recognizing the limited literacy and business experience of Forsa participants—by maximizing mentoring efforts and promoting the value of women's participation in Forsa to avoid conflicts within households.

## **1.5 Forsa Program Implementation through 2023**

The actual implementation of the Forsa pilot program started in the first quarter of 2022 shortly after the baseline evaluation was conducted and one month after the contracted NGOs have received their first payment. However, many obstacles rapidly emerged in the face of program implementation that caused at least 10 months of delays to the program. These challenges range from the global economic situation resulting from the long haul of the Covid-19 pandemic and the Ukraine-Russian war to local demand and supply side challenges, as well as administrative issues between ministries.

### ***Challenges facing the Forsa program and causing delays in implementation.***

The instability of prices and escalation in inflation rates between January 2022 and December 2022 had a detrimental impact on the Forsa program. Much of this can be attributed to the Covid-19 pandemic and the Russian-Ukraine conflict, which disrupted the global flow of commodities. Since Egypt's economic situation was already vulnerable due to low foreign exchange reserves, high debt interest payments and rapidly rising inflation rates, the global crises have resulted in further worsening of its unstable economic situation and a continuous rapid increase in price levels. These crises also highly affected the supply of a variety of goods, including the type of assets to be transferred through the Forsa program. Vendors refused to sell at the price levels that had been anticipated during contracting given the rapid inflation. Additionally, several NGOs reported that the requirement of the program for the vendor to provide an electronic tax receipt which implies the legal position of the vendor to be formal and official limited the pool of vendors. Even during processing procedures of vendor contracting, price of assets would continually increase which resulted in further delays to complete another cycle of paperwork as well as to replan for program budgeting for each beneficiary. For instance, the initial budget per beneficiary was 15,000 EGP, including training and all complementary items. However, due to inflation the budget increased differently for each type of asset to be between 16,000 and 18,000 EGP per beneficiary. Up until August of 2023, sheep was the only type of asset that was successfully transferred through the program; however, other types of assets started to be provided later on, ranging from other types of livestock, such as poultry, to sewing machines and fodder manufacturing.

Another challenge that faced Forsa implementation was long delays in NGOs receiving their payments due to issues relating to payment releases restrictions by the Ministry of Finance and some banks due to other unclosed projects with the World Bank. Thus, although a few NGOs received their first payment in the first quarter of 2022, most NGOs have only received their first payment by October 2022. The result of this delay was that in the wage-employment modality, for instance, the first program beneficiary hiring did not take place until February of the following year. The same applies to the asset transfer modality, where most NGOs have started the actual participant training and asset transfer between February and July 2023.

The Forsa program additionally faced weak demand from the target beneficiaries, especially from Takaful recipients. Implementation delays and fear of losing Takaful cash transfers and non-monetary benefits upon joining Forsa caused mistrust in the program and a high dropout rate in the first year. There was no clear unified message about the relationship between Takaful and Forsa during behavioral change sessions which opened the floor for rumors to be spread about the discontinuity of Takaful visa cards upon joining Forsa. Due to pressure to graduate beneficiaries and limit duplication of benefits, an original policy design choice was that Takaful benefits only last for six months after enrollment in Forsa. Governmental unit heads in villages, who serve as go-to persons for the village community to get information about governmental programs, such as the Takaful and Karama program, were not trained to disseminate a clear message on this decree, however, resulting in further rumors. Later in September 2023, the ministerial decree was modified to clarify that Takaful benefits will continue for an additional six months after the household's financial situation is proven to be stable through Forsa, rather than, as feared in the rumors, immediately on enrolling in Forsa.

### ***Forsa program progress***

After the bottleneck of NGO payment delays and prolonged vendor contracting was surpassed, the Forsa program made progress at a much higher rate starting in the second half of 2023. From August to end of

November of 2023, households receiving assets through the program increased from around 3,000 (9%) to 10,302 (29%) out of a target of 35,000 households through 49 contracted NGOs and two private hiring firms, according to the MoSS announced figures. For the wage employment modality, the number of participants receiving a job has increased from 3,324 (23%) in August to 5,392 (38%) by end of November of 2023 out of a target of 14,314 households through 22 NGOs and two private firms in 83 villages.

## 2. SAMPLE AND SURVEY DATA

### 2.1 Baseline vs. Midline Sample

The communities for the Forsa baseline evaluation sample were drawn from a listing of 740 potential sub-villages selected by MoSS as locations for the Forsa pilot. From this sampling frame, the baseline sampling was limited to only sub-villages with at least 500 Takaful beneficiaries as this was an important feasibility criterion for implementation. The final sample size consisted of 160 treatment sub-villages and 163 control sub-villages. The baseline household sample was drawn from a list of eligible households for the Forsa intervention prepared by MoSS based on certain eligibility criteria and the administrative databases of the Takaful program showing all Takaful beneficiaries and registrant households. In each sub-village, 24 households were selected for inclusion in the study using simple random sampling in each of two main strata: 16 households from the list of current Takaful beneficiaries and 8 households from the list of Takaful registrants rejected from the program. This resulted in a total sample size of 7,754 households. Data for the baseline evaluation were collected from a final list of 7,754 households, of which 14.4 percent households were replaced sequentially by households in a reserve list sampled using the same approach as the main sample. This percentage of households were replaced either due to the inability to locate them or due to their refusal to participate in the interview.

For the midline evaluation, the 7,754 baseline-interviewed-households constituted the main household list for the data collection plan carried out by the survey firm. Additionally, the replacement list created at baseline was also used as the reserve list for replacing unavailable or unreachable households in the midline data collection process. This way, the original representation of Forsa eligible households in all eight governorates of the program was preserved. In the end, of the 7,754 households interviewed at baseline, the midline evaluation successfully re-surveyed 7,545 households (97.3%) and supplemented the sample with 210 replacement households (2.7%).

### 2.2 Midline Data Collection

The midline household survey data was collected by a survey firm “Gawab” from October 22 to November 14, 2023, one and a half years post baseline data collection. The four-day enumerator training started two weeks prior to the start date of data collection, from October 9 to October 12. Different teams of 88 enumerators were used in each governorate as the data collection plan was based on an in-parallel rollout approach across the eight governorates. As anticipated, some households from the main listing of baseline-interviewed households relocated, were not available after several trials to reach them, or refused to participate in the interview. In these cases, households in the main sample list were replaced in a random order by households of the same reserve list used for the baseline. Only 2.7 percent (210 households) of sampled households have either relocated, were unavailable after many trials to reach them, or have refused to participate in the interview. Table 2.2.1 summarizes the household types in the final midline-interviewed sample based on their self-reported Takaful status.

**Table 2.2.1:** Midline Sample Final Size

	Midline Sample		
	Control	Treatment	Total
Rejected (self-reported)	1,568	1,588	3,155
Takaful Beneficiary (self-reported)	2,357	2,251	4,599
<b>Total</b>	<b>3,915</b>	<b>3,839</b>	<b>7,754</b>

## 2.3 Baseline vs. Midline Survey

The baseline household survey originally consisted of three sections and 12 modules that were meant for different members of the household. The first seven modules were addressed to any knowledgeable member of the household, in practice usually the female head or the wife of the male head. These modules covered general characteristics and the economic situation of the households. Another four modules were specifically targeted to the potential Forsa participant, covering work history and other employment-related details, preferences, financial inclusion and skills assessment. Finally, the last section consisted of a single module on intra-household decision-making that was addressed only to women.

The midline survey was shorter than the baseline survey and added questions asked of Forsa participants and nominees. Gender-related work norms perception questions as well as Takaful and Forsa programs relationship perception questions were also added in addition to a video messaging intervention. The following Table 2.3.1 briefly points out the topics and outcomes of the baseline survey that were recollected and remeasured in the midline survey and evaluation as well as outcomes that were only measured in the midline evaluation:

**Table 2.3.1:** Outcomes measured at midline evaluation.

Outcomes measured for impact	Baseline	Midline
<b><i>Household Level</i></b>		
Total household consumption	X	
Unemployment rate including all household members 15-64	X	
Underemployment rate including all household members 15-64	X	
Asset ownership (including assets offered from Forsa)	X	X
Gendered work norms perception		X
<b><i>Time use for all household members</i></b>		
	X	
<b><i>Time use: Individual level for projected Forsa participant:</i></b>		
Employment and sector of employment	X	X
Current Wage	X	X
Valuation of formality of employment	X	X
Time use by projected Takaful participant	X	
Net debt and savings	X	

Self-efficacy of project Takaful participant	X
Women's decision-making	X
Subjective measure of life satisfaction	X
Financial literacy	X
<b><i>Descriptive outcomes on program functioning (treatment group only)</i></b>	
<b>Self-employment modality</b>	
• Status of transferred assets (and dates)	X
• Revenue from self-employment project sales	X
• Expenses from self-employment project	X
<b>Wage-employment modality</b>	
• Employment (and length of employment) for actual Forsa participant	X
• Satisfaction with employment	X
• Working conditions	X
<b>Both modalities</b>	
• Participation in trainings	X
• Satisfaction with training	X
• Participation in mentoring	X
• Satisfaction with mentoring	X
Reason for dropout if not participating in Forsa	X
<b><i>Knowledge about program conditions and relationship with Takaful</i></b>	<b>X</b>

Since the midline evaluation was conducted only several months after the actual implementation of the program, the midline survey focused on outcomes that could reasonably be expected to measurably change as a result of the implementation so far.

The midline survey consists of four sections and 14 modules. The following modules were addressed to the main respondent in all interviewed households, who is preferably the same respondent of the baseline interview:

- ▶ Identification
- ▶ Brief Update of Household Roster
- ▶ Assets
- ▶ Shocks
- ▶ Takaful and Forsa

If the baseline respondent was not available, then the modules were addressed to the eldest knowledgeable member of the household present at the time of the interview. Most of the above module's questions were asked in the baseline survey; however, some additions were made to the Takaful and Forsa module to reflect developments in the implementation of the Forsa program and some questions were removed due to budget and time constraints. These modules covered general characteristics and captured part of

the economic situation of the households, especially pertaining to asset ownership and shocks faced in the previous two years.

Some other modules were addressed to those household members that were nominated at the baseline interview as potential Forsa participants but were not necessarily the same household members that have then participated in the program. These modules are as follows:

- ▶ Employment and Time-Use
- ▶ Video Messaging
  - ▷ Pre-and Post Intervention Questions
  - ▷ Willingness to join Forsa (only for those household that did not participate in Forsa in treatment communities)
  - ▷ Perception of Forsa (only for those household in treatment communities that did not participate in Forsa)

If the Forsa nominated member was not available at the time of the interview, the main respondent would continue answering the questions about the Forsa nominee member. The employment and time use module questions were previously asked more extensively in the baseline survey; however, the video messaging intervention section is a completely new section for the midline evaluation in an attempt to test the effect of different messaging about the Forsa program and its relationship to Takaful on the willingness to join Forsa and how the program is perceived. The following set of modules were only dedicated to self-reported Forsa participants:

- ▶ Employment and Time Use
- ▶ Forsa Participant Application and Modality Choice
- ▶ Self-Employment Modality
- ▶ Wage-Employment Modality
- ▶ Training and Mentoring

Again, if the Forsa participant was not available for the interview, the main respondent would answer the questions about the Forsa participant. All the above-mentioned modules are new modules for the midline evaluation that were not asked in the baseline, except for the employment and time use module which was answered even more extensively by all working age family members of the family in the baseline.

## 3. STATUS OF THE FORSA PROGRAM

### 3.1 Demographics of the Forsa Participants in the Sample

Individuals who signed up to participate in the Forsa program are 83 percent female, are on average 37 years old, and have on average completed 6.3 years of education, as shown in column 1 of Table 3.1.1. It is noteworthy that women's share in Forsa far exceeded the initial targeting design that planned for women's share in the program to be at 30 percent. As also shown in Table 3.1.1, individuals who signed up for Forsa are much more likely to be women, slightly less educated, and earn significantly less monthly income relative to the average adult from an eligible household at the baseline.

**Table 3.1.1: General Characteristics of Forsa Participants Versus Eligible Adults at Baseline**

	Forsa Participant at Midline – Mean:	Eligible Adult at Baseline – Mean:	Difference (T-Test)
<b>Female (%)</b>	82.9%	48.4%	34.5pp***
<b>Age</b>	36.6	36.0	0.5*
<b>Educational years completed</b>	6.3	6.6	-0.3**
<b>Employed in last 7 days (%)</b>	24.8%	39.1%	-14.3pp***
<b>Income - Monthly Wage if Employed</b>	1,159.8	1,633.2	-473.4***
<b>Observations</b>	<b>1,199</b>	<b>17,764</b>	

Notes: Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Forsa Participant includes panel households and replacement households. Sample size for “Monthly Wage if Employed” is 297 and 6,946 for columns 1 and 2, respectively.

In Table 3.1.2, we conduct a comparative analysis of Forsa participants and non-participants in treatment communities to provide insights on the likelihood of participating in the Forsa program. For this analysis, we compare the outcomes variables collected at baseline to ensure that they were not affected by participation in the Forsa program; thus, the analysis is limited to main households and does not include new “replacement” households that were added to the midline survey. We find that, relative to non-participants, individuals choosing to participate in Forsa are overwhelming female—83.0 percent of Forsa participants are women compared to 43.4 percent of non-participants, a large and statistically significant difference as revealed in column 3. We also see no significant difference in age between the two groups, but a significant difference in education with Forsa participants having slightly fewer completed years of schooling. Additionally, we observe a large and statistically significant difference and employment rates—21.8 percent of Forsa participants were employed in the last seven days compared to 40.6 percent of non-participants (almost twice as much). Further, just looking at those who were employed, individuals choosing to participate in Forsa were making about 26 percent less in monthly wages. These analyses suggest that Forsa mostly appeals to unemployed women or employed women with an insufficient income who hope that Forsa can provide an income-generating opportunity.

**Table 3.1.2: Baseline Characteristics of the Forsa Participants Versus Non-Forsa Participants**

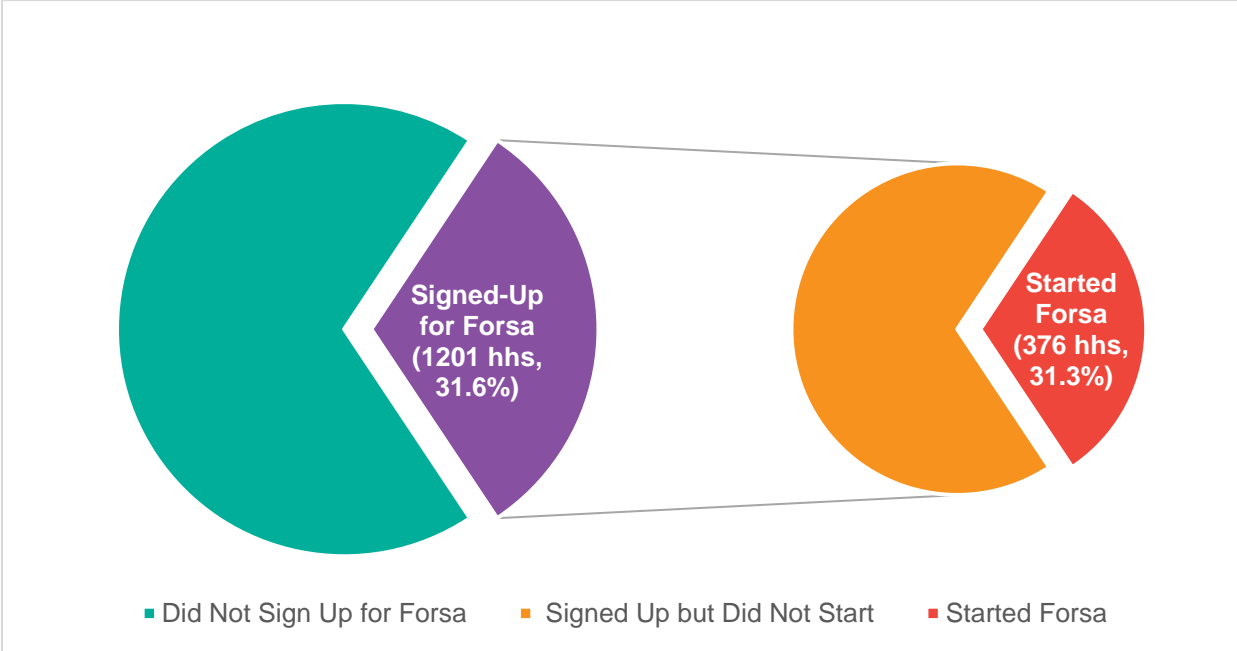
	Forsa Participant (Main Households only)	Eligible Non-Forsa Participants	Difference (T-Test)
<b>Female (%)</b>	83.0%	43.4%	39.6pp***
<b>Age</b>	35.6	35.3	0.2
<b>Educational years completed</b>	6.4	6.9	-0.6***
<b>Employed in last 7 days (%)</b>	21.8%	40.6%	-18.8pp***
<b>Income - Monthly Wage if Employed</b>	1222.2	1655.1	-432.9***
<b>Observations</b>	<b>1,185</b>	<b>7,992</b>	

Notes: Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Forsa Participant includes panel households only who are between 18 years of age and 64 years of age. Sample size for “Monthly Wage if Employed” is 258 and 3,246 for columns 1 and 2, respectively.

### 3.2 Forsa Participation

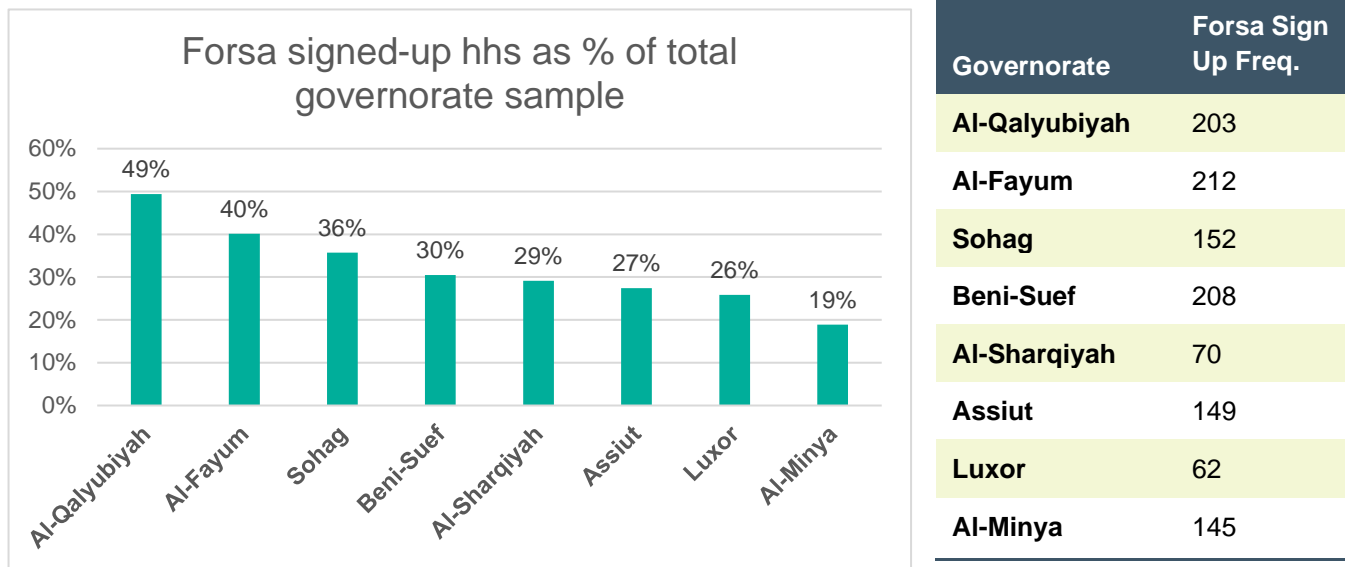
Of households surveyed in treatment communities, 31.6 percent (1,201 hhs) have signed up for Forsa so far, of which almost one third have already started the program, as shown in Figure 3.2.1. Of those who have received an asset or a job through Forsa, 75 percent did so in the second half of 2023 in the 5 months prior to the midline interview. It is also worth noting that 90.6 percent of Forsa-signed-up households have indicated that they are still participating in the program regardless of whether they have already received an asset/job. Of the remaining 9.5 percent, half are unaware of their participation status.

**Figure 3.2.1:** Forsa sign-up rate and status in treatment communities (N=3,839)



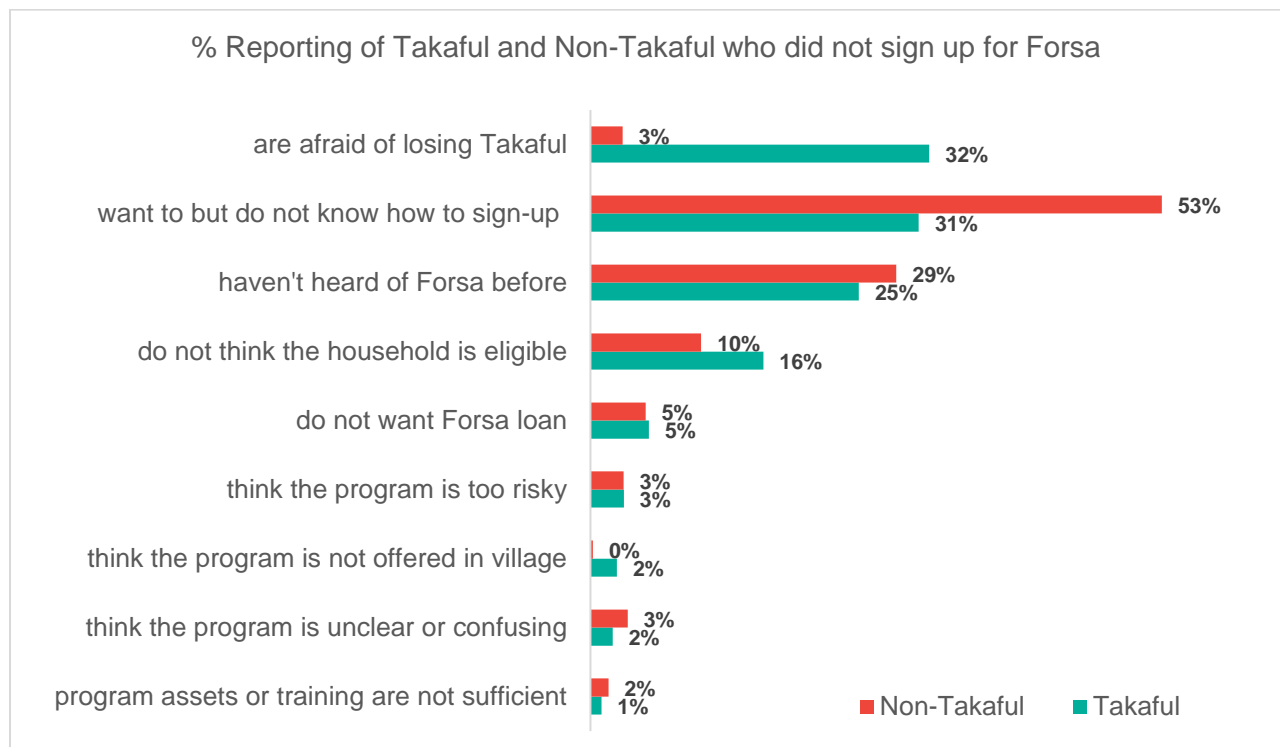
Takaful recipients signed up for Forsa at very similar rates as Takaful-rejected households. Although 57 percent of those who signed up for Forsa are Takaful recipients, the proportion of non-Takaful recipients who signed up for Forsa is around 32 percent (507 hhs) compared to 31 percent of Takaful recipients (694 hhs). The unequal proportion is mainly due to the disproportionate representation of Takaful recipients in the population and accordingly in the sample, where only 41 percent are non-Takaful recipients. Sign-up rates varied by governorate, as shown in Table 3.2.2 below. Al-Qalyubiyah, Al-Fayum and Sohag are showing the highest self-reported Forsa sign-up rates, and Beni Suef and Assiut show high rates too.

**Figure 3.2.2: Forsa Signed-Up Households by Governorate**



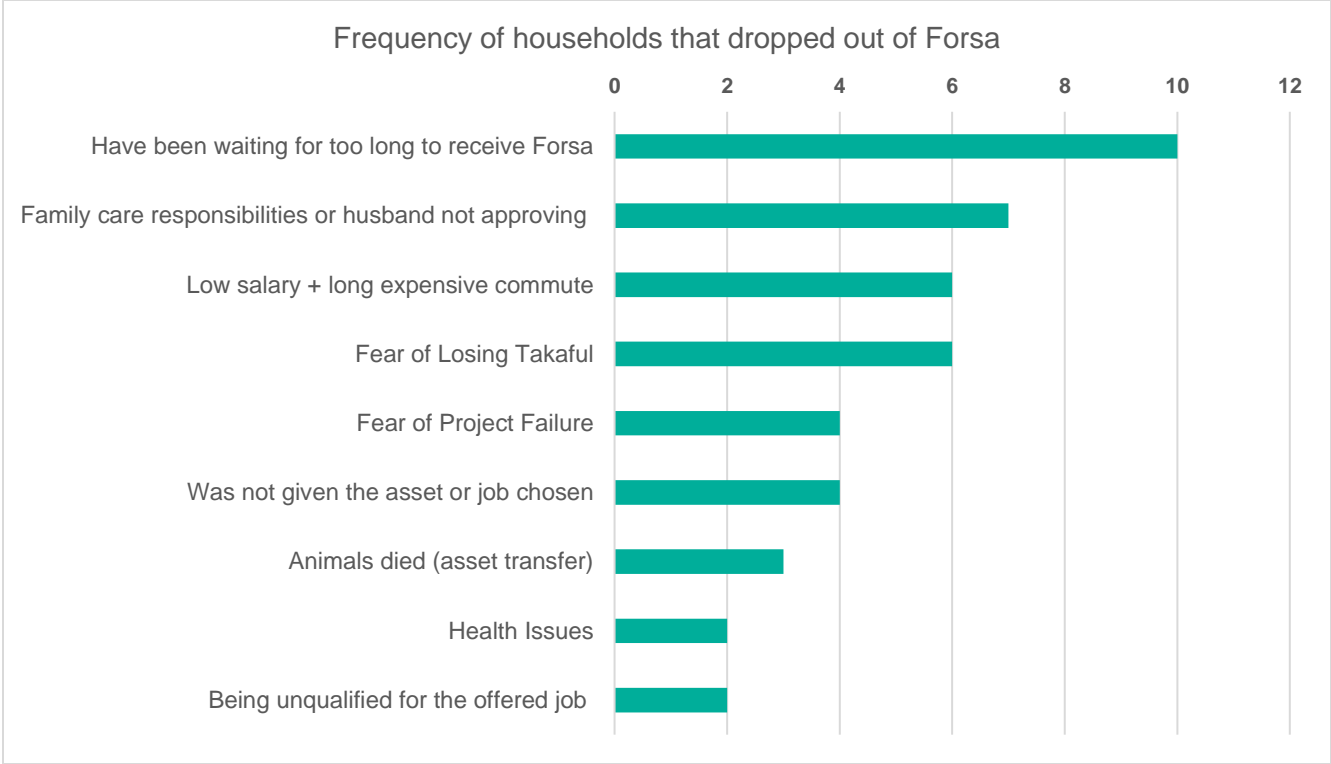
When the remaining 69 percent of households in treatment communities were asked about the reasons why they had decided not to sign up for the program, unfamiliarity with Forsa and uncertainty over Takaful program continuation were the most prominent answers. In fact, around 78 percent reported program-unfamiliarity-related reasons, such as not having heard of Forsa, wanting to sign-up but lacking the knowledge of how to, the belief the program is unavailable in their village or that they are not eligible for the program. Moreover, around one third of Takaful recipients indicated they fear the loss of Takaful benefits upon joining the program, as is shown in Figure 3.2.3. However, program-specific complaints, such as assets being insufficient or the training program is not enough, were the least mentioned reasons.

**Figure 3.2.3: Reported Reasons for Not Signing up for Forsa in Treatment Communities**



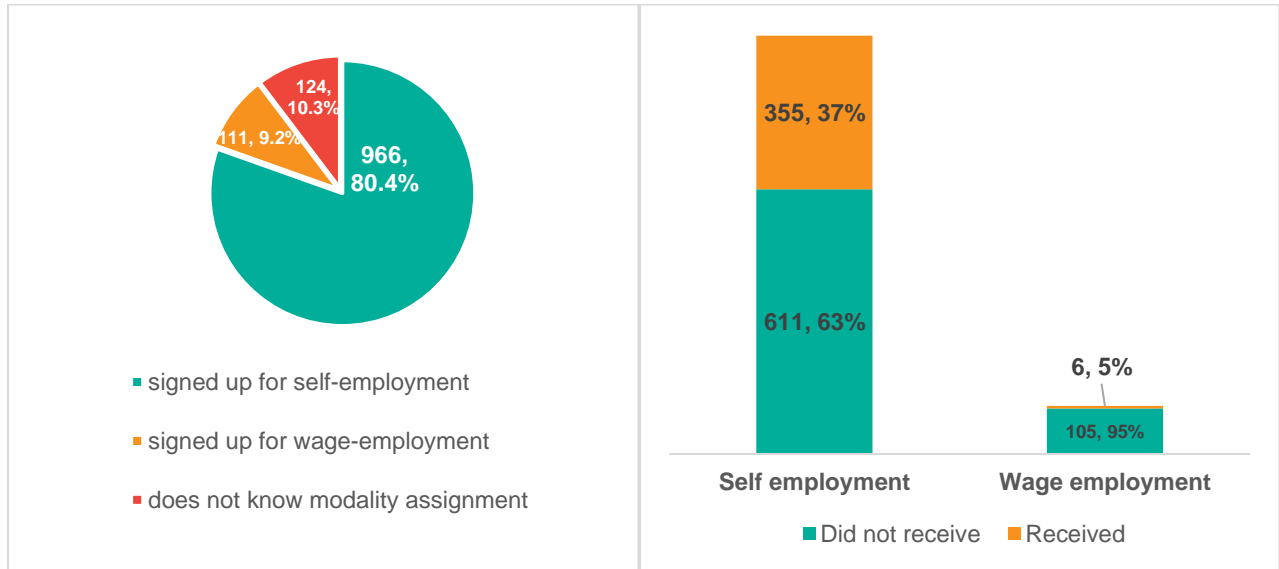
Only 4.6 percent of households (55 hhs) that signed up for Forsa have decided to drop out of the program, mainly due to delays in the program. “Having been waiting for too long to receive asset/job” was the most frequently mentioned reason for Forsa participants to develop disinterest in the program. Mostly in the wage employment modality, participants dropped out either due to family care responsibilities, husband not approving the job due to long working hours, or due to the low salaries and the long expensive commutes, as is shown in Figure 3.2.4. It is also noteworthy that 4.8 percent of households (58 hhs) have indicated that they do not know whether they are still in the program or not.

**Figure 3.2.4:** Reported Reasons for Dropping out of Forsa (N=55)



The ratio of households in the sample who signed up for self-employment (80.4%) vs. wage-employment (9.2%) is not equal to the previously intended ratio of the Forsa pilot goal of 70 percent self-employment vs. 30 percent wage-employment registration. As will be discussed further in the coming sections, the wage employment modality does not seem to be attractive enough for the target households, where only 9 percent know they have signed-up for wage employment. Additionally, the wage employment modality faced several challenges that will also be discussed in further details in the coming sections, where only 5 percent (6 hhs) of those who signed up for Forsa have received a job (see Figure 3.2.5). It is also worth noting that 10 percent of those who signed up for Forsa do not know to which modality they are assigned.

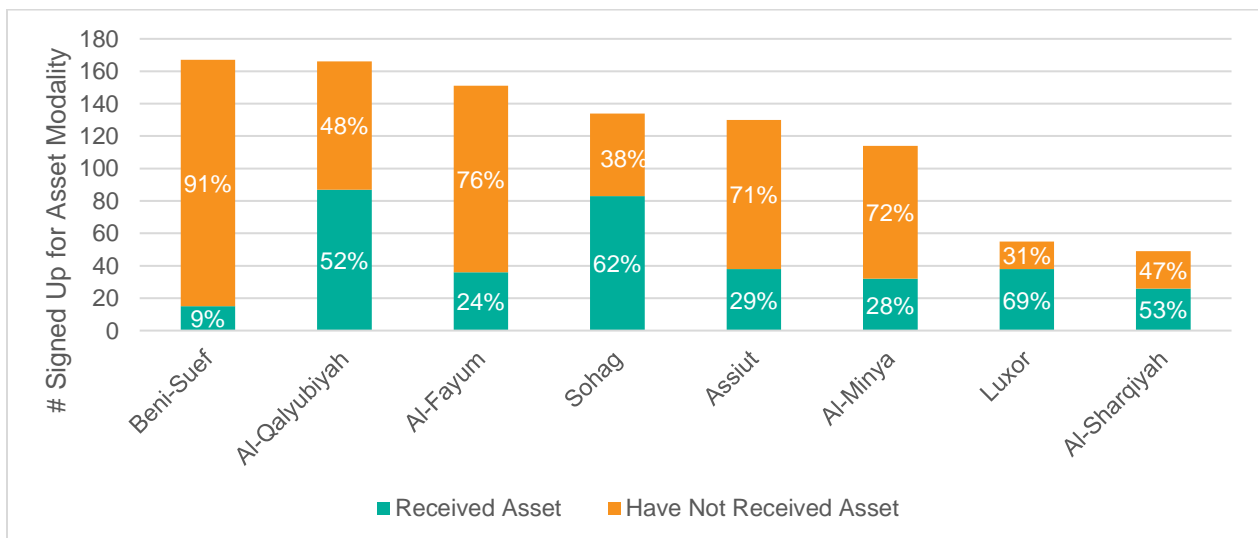
**Figure 3.2.5: Percentage of Households who Signed up for Forsa by Modality**



### 3.3 Self-Employment Modality

The self-employment modality, which features a large one-time asset transfer, was the most desired modality among those who signed up for the Forsa program, as 80.4 percent of the sign-up households registered under the self-employment track. Of those households, 37 percent have already received the asset (N=355 households out of 966 households). Looking at the up-take and asset receipt rates at the governorate level, it is apparent that there is high variation across the Forsa governorates. As shown in Table 3.3.1, Beni-Suef has the most sign up (N=167) but only 9 percent of the households received the asset. On the other hand, Luxor has the highest percentage of assets received (69%) but a low sign up overall (N=55). Figure 3.3.1 highlights that the asset delivery rate in Luxor, Sohag, and Al-Sharqiyah is around 60 percent, which is much higher than the average of all governorates (31.3%).

**Figure 3.3.1: Asset Transfer: Uptake & Asset Receipt by Governorate in Treatment Communities**



Asset types under the asset transfer modality are mostly sheep and goats. As shown in Table 3.3.1, the sheep and goats category includes 84.5 percent of all assets delivered, followed by poultry, sewing machines, and food retail projects at 6.8 percent, 5.0 percent, and 3.7 percent, respectively. For sheep and goats projects, households received on average three livestock animals, and for poultry projects, households received on average 69 units. Looking at the self-reported conditions of the Forsa assets, 78.3 percent of the households, across all asset types, reported receiving the asset in a good usable condition, while 21.7 percent of the households reported receiving it in bad or a dead condition. Forsa assets are mostly received with complementary support packages as reported by 81.4 percent of households who have received an asset. The complementary packages included fodder, food and water containers, animal feed, medications, and sewing supplies kits.

**Table 3.3.1 Asset Types – Self-Employment Modality**

	Asset Type Received				
	Sheep & Goats	Poultry	Sewing	Food retail	Total
<b>Number of Households</b>	<b>300</b>	<b>24</b>	<b>18</b>	<b>13</b>	<b>355</b>
<b>Share of Asset Type</b>	<b>84.5%</b>	<b>6.8%</b>	<b>5.0%</b>	<b>3.7%</b>	<b>100.0</b>
<b>Number of Assets received-Winsorized</b>	<b>3.19</b>	<b>68.91</b>	<b>.</b>	<b>.</b>	<b>7.7</b>
<b>Condition of Asset</b>					
Good	<b>76.0%*</b>	<b>87.5%**</b>	<b>100.0%</b>	<b>84.6%</b>	<b>78.3%</b>
Bad	<b>16.0%</b>	<b>8.3%</b>	<b>0.0%</b>	<b>15.3%</b>	<b>14.7%</b>
Dead	<b>8.0%</b>	<b>4.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>7.0%</b>
<b>Received support</b>					
Yes	<b>85.3%</b>	<b>83.3%</b>	<b>55.6%</b>	<b>23.1%</b>	<b>81.4%</b>
No	<b>14.7%</b>	<b>16.7%</b>	<b>44.4%</b>	<b>76.9%</b>	<b>18.6%</b>

Note: \*For sheep and goats category, 1% was given away; \*\*For poultry category, 31.8% was sold; for Sewing and Food retail, none was given away or sold. Number of assets winsorized is done at the 5 percent level.

Looking at the profitability of the Forsa project, the self-reported costs and revenues suggest that households are not generating positive profits in the short-term. Table 3.3.2 and Table 3.3.3 report on the average profits across all asset types for all households that have received the Forsa asset at any point of time, and for households who have received the Forsa asset more than or equal to two months before the midline interview, respectively. The average profits are calculated based on the self-reported past month's revenues and costs generated by the Forsa projects. Looking at the results, all asset types recorded negative profits last month averaging -744 EGP, except for sewing machines projects that had average profits of 194 EGP. Limiting the sample to households who had received the assets from two months or more slightly increased the reported losses for livestock and poultry projects and positively revised the performance under sewing machines and food retail projects.

**Table 3.3.2 – Asset Transfer Modality Average Monthly Revenues, Costs, and Profits by Asset Type - For all households reporting receiving an asset at any time (N=353)**

	Type of Assets received				
	Sheep & Goats	Poultry	Sewing	Food retail	Total
<b>Past month's income</b>	84.83	1666.67	330.56	500.00	219.44
	(446.55)	(3458.91)	(528.63)	(437.32)	(1061.38)
<b>Past month's total costs</b>	726.89	4195.00	209.44	1520.38	964.17
	(1004.15)	(3135.46)	(382.74)	(3700.74)	(1660.54)
<b>Past month's profit</b>	-642.06	-2528.33	121.11	-1020.38	-744.74
	(1127.92)	(3885.76)	(366.49)	(3633.46)	(1665.85)
	300	24	18	13	355

**Table 3.3.3 – Asset Transfer Modality Average Monthly Revenues, Costs, and Profits by Asset Type-For households reporting receiving an asset at least 2 months ago or more: (N=285)**

	Types of Assets received				
	Sheep & Goats	Poultry	Sewing	Food retail	Total
<b>Past month's income</b>	89.38	1740.91	350.00	372.73	238.77
	(476.94)	(3609.99)	(550.21)	(252.35)	(1167.86)
<b>Past month's total costs</b>	796.28	4458.18	155.83	495.45	1040.38
	(1066.78)	(3120.21)	(244.67)	(1273.27)	(1654.33)
<b>Past month's profit</b>	-706.90	-2717.27	194.17	-122.73	-801.60
	(1201.09)	(3995.29)	(417.51)	(1232.96)	(1675.18)
	240	22	12	11	285

Self-reported negative profits are highest among poultry projects and are mostly driven by the high average of self-reported costs. One possible explanation for this is the increasing prices and limited availability of animal feed in some of the local markets. As for goats and sheep, the negative average profits are mostly due to the high incidence of zero revenues, rather than the high costs on average, which is justifiable due to the seasonal nature of livestock projects that do not necessarily generate a consistent flow of monthly revenues. Based on anecdotal findings from livestock households, it was reported that some households decided to forego selling any animals this year for possibly higher profits next year.

Self-reported profits are positive among households reporting earning any revenue in the past month. Table 3.3.4 looks at the small sub-sample that reported non-zero revenues past month (N=42 out of 285 households) which show that the average profit levels drastically change for livestock (sheep and goats) and sewing projects. Livestock profits became positive reaching an average of 1,244 EGP per month. While the average profits of sewing projects more than doubled, reaching 391 EGP per month. On the other hand, poultry projects still report negative profits on average as this is mostly driven by the high self-reported costs on average in comparison to the self-reported revenues.

**Table 3.3.4:** Asset Transfer Modality Average Monthly Revenues, Costs, and Profits- Sub-sample: Households Reporting Non-Zero Revenues & From 2 Months or More:

	Type of Assets received				Total
	Sheep & Goats	Poultry	Sewing	Food retail	
<b>Past month's income</b>	1650.00	3830.00	525.00	372.73	1620.24
	(1319.41)	(4638.74)	(608.86)	(252.35)	(2674.82)
<b>Past month's total costs</b>	406.15	5870.00	133.75	495.45	1678.57
	(542.67)	(3392.41)	(283.29)	(1273.27)	(2942.96)
<b>Past month's profit</b>	1243.85	-2040.00	391.25	-122.73	-58.33
	(1475.29)	(5400.30)	(358.63)	(1232.96)	(2994.57)
	13	10	8	11	42

Turning to participant expectations for the future, estimated annual income to be earned from the Forsa asset is positive, on average. Table 3.3.5 presents the average estimated annual income of households who have received the asset, which is about 3,900 EGP overall. It also compares the estimated annual income between households who received their assets more recently (below the median of 3.7 months) to those households that received theirs a while ago (above the median of 3.7 months) and does not find a statistically significant difference between these two groups, suggesting this result is not correlated how long households have had the asset so far.

**Table 3.3.5 – Estimated Asset Transfer Modality Annual Income, by Forsa Duration- For All households reporting receiving an asset:**

	Forsa Duration above/below Median (3.6 months)		
	Below median	Above Median	Total
<b>Estimated Annual Income</b>	4047.96	3679.43	3861.10
	(8789.09)	(6623.39)	(7757.96)
	175	180	355

To contextualize these results, it is important to accentuate that the reported performance is only reflective of the short-term status as the sampled households received the Forsa asset on average only 4.5 months prior to the midline interview. Lastly, a key takeaway from analyzing the financial performance of the Forsa project is that, in the short-term, the Forsa projects do not provide a sufficient substitute for the monthly consumption support that some households are receiving under the Takaful program.

### 3.4 Wage-employment Modality

Only six households indicated having received a job through the wage-employment modality, out of which four have already left the job in the first week of employment/training. All participants were offered the job in 2023 between April and October, out of which four have left the job in the first five days of employment or of the on-the-job training. The main reason of leaving the job as indicated by participants is the long commute accompanied by expensive transportation and family care responsibilities since all participants are female. None was offered transportation by the employer, while all participants had a 60 minute+ commute to or from work. None of those who left the job were offered another job. More details about each participant are listed in Table 3.4.1 below:

**Table 3.4.1: Wage-employment modality participants**

	Still Working Forsa Job		Quit Forsa Job			
	Participant (1)	Participant (2)	Participant (3)	Participant (4)	Participant (5)	Participant (6)
<b>Governorate</b>	Al-Fayum	Al-Fayum	Al-Fayum	Al-Fayum	Al-Fayum	Al-Fayum
<b>Gender</b>	Female	Female	Female	Female	Female	Female
<b>Date of Job Offer</b>	Aug-23	Apr-23	Sep-23	Oct-23	Apr-23	Aug-23
<b>Left Job?</b>	No	No	Yes	Yes	Yes	Yes
<b>How long they spent at the job</b>	did not leave	did not leave	1 day	0 days	0 days	5 days
<b>Reason for Leaving</b>	x	x	Long commute, family care responsibility, expensive transportation, old age	Long Commute	Bad Working Conditions	Long commute, unqualified because she did not complete training

<b>Was she offered another job?</b>			No, but was told she will get an asset	No	No	No
<b>Type of Job</b>	Food Production Unit	Chef Assistant	Manufacturing	Working on a Sewing Machine	.	Working on a Sewing Machine
<b>Company</b>	Salah Eldin NGO	Salah Eldin NGO	Textile Factory	Factory	.	Factory
<b>Sector</b>	Food Production	Food Services	Textiles	Ready Made Garments	.	Ready Made Garments
<b>Monthly Salary</b>	1,000	500/15 days a month	Doesn't Know	2,000	.	2,000
<b>Training in months</b>	1	0.5	0	4 days	.	0
<b>Salary in Training</b>	40/day	40/day	1,200/month	did not complete training	.	.
<b>Training Satisfaction</b>	Not useful (not enough info.)	Useful			A little useful	
<b>Commute/Leg in min</b>	60 mins	75 mins	60 mins	60 mins	60 mins	60 mins
<b>Transport provided?</b>	No	No	No	No	.	
<b>Would you like another job</b>	Yes	Yes	No	Yes	No	
<b>If yes, what do you need in the new job?</b>	higher salary	Salary no less than 2000 EGP/month Location near Home	No		Location to be nearby	
<b>If no, why not?</b>			Family care responsibilities	.	Thinks she is unqualified	
<b>Takaful Recipient</b>	Yes	No	Yes	Yes	Yes	No
<b>Last month's Takaful transfer</b>	640	.	600	540	400	.
<b>Job Satisfaction</b>	Not Satisfied	A little Satisfied	Not Satisfied	Not Satisfied	Not Satisfied	Too Unsatisfied
<b>Working Hours/day</b>	7	8	10	8	3	7
<b>Physical Exhaustion</b>	Exhausting	A little Exhausting	Too Exhausting	Too Exhausting	Unbearable	Unbearable
<b>Discrimination</b>	No	No	.	No	.	No

Salaries as reported by wage employment modality participants are remarkably low for a regular seven-to-eight-hour workday job and consequently all participants indicated that they would prefer a nearer job with a higher salary. The wage employment participants reported the offered salary by the job is between 500 and 2000 EGP as is shown in the table above. Not only is this salary figure below the 3,800 EGP (as opposed to 3,000 EGP for a job inside the village) average acceptable pay indicated by those participants

who signed up for Forsa wage-employment modality for a job that requires at least one hour of commute, but it is also below the minimum wage in Egypt, which was increased from 2,700 EGP per month to 3,000 EGP in July 2023. According to Forsa program leaders, it is common practice, however, for some companies in Egypt to offer a starting salary that is lower than the minimum wage as companies know that social insurance enrollment will not be immediate. This allows companies to offer lower starting wages for the first few months until the candidate is well trained. Only then will they be offered a salary that is equal to or above the minimum wage with social insurance and a proper contract.

In treatment communities, 77 percent of Takaful recipients prefer receiving Takaful cash transfers over having a job that pays 3,500 EGP per month. The greatest challenge that faces the wage-employment modality is to match Forsa participants, who on average lack required skills by the private sector employers, to jobs that offer a salary that is high enough to compensate for the risk taken to join Forsa. This is especially the case when there is uncertainty over the continuation of the Takaful cash transfer program. On top of that, participants, who are predominantly women and are taking the majority of family care responsibility, will hardly accept jobs that require long travels, which for them need to provide at least an average of an extra 800 EGP to compensate their time away from home, their physical exhaustion and the expensive commute.

### 3.5 Training and Follow-up Status

While only 37 percent (355 hhs) of those participants who signed up for asset transfer have received the asset, almost one half (460 hhs) have already received training. Most participants received one to two sessions that mostly covered asset-specific skill set or project management training on average around one month before receiving the asset. Overall, a 90 percent satisfaction rate is indicated through participants’ responses for rating the training to be either useful or very useful. More details about the self-employment modality training can be found in Table 3.5.1 below.

**Table 3.5.1: Training Received for Self-Employment Modality**

Metric	Result
<b>Received any type of training (Sample Size: 936 hhs)</b>	49% (460 hhs)
<b>Type of training received</b>	<ul style="list-style-type: none"> <li>• Asset or Project Management Training (216 hhs, 47%)</li> <li>• Financial Literacy training (28 hhs, 6%)</li> <li>• Asset-specific skill set training (277, 60%)</li> <li>• Other (11 hhs, 2%)</li> </ul>
<b>Number of training sessions received</b>	<ul style="list-style-type: none"> <li>• 1 session: 240 hhs (54%)</li> <li>• 2 sessions: 118 hhs (26%)</li> <li>• 3 sessions: 38 hhs (9%)</li> <li>• More than 3 sessions: 49 hhs (11%)</li> </ul>
<b>Training Satisfaction</b>	<ul style="list-style-type: none"> <li>• Not useful: 10 hhs (2%)</li> <li>• A little bit useful: 38 hhs (8%)</li> <li>• Useful: 252 hhs (55%)</li> <li>• Very Useful: 160 hh (35%)</li> </ul>
<b>Average duration between receiving training and receiving asset</b>	33 days prior to receiving asset

**Table 3.5.2: Follow-up Sessions Received for Self-Employment Modality**

% received follow-up sessions		157 hhs (40% of those who received an asset)
<b>Average number of follow-up sessions received</b>		<ul style="list-style-type: none"> <li>• 53% received 1 to 2 sessions</li> <li>• 37% received 3 to 5 sessions</li> <li>• 10% received more than 5 sessions</li> </ul>
<b>Average duration of follow-up session</b>		<ul style="list-style-type: none"> <li>• 40%: from 1 to 15 mins</li> <li>• 48%: from 20 to 30 mins</li> <li>• 12%: from 45 to 120 mins</li> </ul>
<b>Follow-Up Session Satisfaction</b>		<ul style="list-style-type: none"> <li>• Not useful: 3 hhs (2%)</li> <li>• A little Useful: 17 hhs (11%)</li> <li>• Useful: 105 hhs (67%)</li> <li>• Very Useful: 32 hhs (20%)</li> </ul>
<b>Follow-Up Sessions Mode</b>		<ul style="list-style-type: none"> <li>• 74%: one-to-one sessions</li> <li>• 18%: in small groups</li> <li>• 8%: in large groups</li> </ul>

More participants in our survey received wage-employment training than received a job (18 individuals vs. 6 individuals); however, the training participation rate is only 17 percent of households that signed up for wage employment modality. This shows that the challenge of wage employment was not only limited to lack of demand, but also to inability of the implementation to match participants to jobs.

Participants predominantly receive two sessions of training; these are mostly job skill specific and on-the-job type of training. A few have also received some financial literacy and business management training. Overall, 68 percent of those who received the training found it “useful” or “very useful”, as is shown in Table 3.5.3 below.

**Table 3.5.3: Forsa training for wage employment modality participants**

Wage-employment Signed-Up Households (N=55)	
<b>Received training sessions</b>	<b>17% (18 hhs)</b>
<b>Number of training sessions received</b>	<ul style="list-style-type: none"> <li>• 83% received 1 to 2 sessions.</li> <li>• 17% received 3 to 5 sessions</li> </ul>
<b>Type of training received</b>	<ul style="list-style-type: none"> <li>• 32%: wage-employment specific training</li> <li>• 16%: on-the-job training provided by employer.</li> <li>• 32%: business management training</li> <li>• 15%: financial literacy training</li> </ul>
<b>Satisfaction Rate</b>	<ul style="list-style-type: none"> <li>• 11%: not useful</li> <li>• 18%: a little useful</li> <li>• 50%: useful</li> <li>• 22% very useful</li> </ul>

## 4. FORSA MESSAGING EXPERIMENT

### 4.1 Research Question

As noted in the introduction, a unique feature of Forsa is that the transition from the Takaful cash transfer program to the Forsa graduation program is voluntary. Households have the option to decide whether they want to participate in Forsa. However, the voluntary nature of Forsa has presented challenges in its design and messaging, particularly in effectively communicating its benefits to attract Takaful beneficiaries to enroll in the program. In a household survey conducted at the baseline of an ongoing multi-year impact evaluation of the Forsa program, only one-third of Takaful recipients expressed preference for enrolling in Forsa versus remaining on Takaful (Gilligan et al. 2022), and subsequent administrative reports confirm that initial take-up of the Forsa graduation program among Takaful beneficiaries is low, with many households preferring to stay on Takaful.

One key concern about Forsa participation voiced by respondents to the baseline survey was how Forsa participation affected Takaful monthly cash transfers. During the roll-out of Forsa, messaging to prospective participants on how long the Takaful benefits would continue after joining Forsa varied widely. Anecdotal evidence from the field found that different local implementing partners were sharing different information. Consequently, some beneficiaries may have believed that they would last indefinitely, while others had heard rumors that the benefits would end immediately. Indeed, 50 percent of Takaful recipients have been receiving Takaful for 5 years or more and, in the midline survey, we find that 88 percent of Takaful recipients think they will get Takaful forever.

Therefore, after MoSS decided on a policy of continuing Takaful benefits for six months after successful Forsa participation, the question arose of how informing the Takaful beneficiaries of this policy would affect their interest in Forsa as, depending on the direction to which expectations were updated, receiving clarity on this previously uncertain detail may either increase or decrease interest in Forsa.

This experiment aims to test messages that encourage the uptake of Forsa, aiming to uncover and address the uncertainties and information gaps that hinder participation in the program. Specifically, we ask: What are the determinants of take-up of a poverty graduation program (i.e., Forsa), especially among current cash transfer beneficiaries (i.e., those on Takaful)?

### 4.2 Experimental Design

We implement a stratified randomized controlled trial (RCT) to identify the causal effect of new messaging strategies on interest in joining and recommending the Forsa program. The intervention is a video message produced by the Ministry of Social Solidarity (MoSS) providing information relevant to households' decision to participate in the Forsa poverty graduation program. The objective of the video messages is to provide credible information that targets specific concerns that respondents report having about participating in Forsa, as determined through the aforementioned baseline survey and various reports from the project implementers. In particular, the video message contained new messaging strategies that MoSS wanted to test prior to organizing a larger public campaign—namely, stating the duration of Takaful benefits after joining the Forsa program (a recommendation from the baseline Forsa report) and testimonies from real-life Forsa participants detailing their experience with the program thus far.

To test the effect of these new messages, households were randomly assigned into one of the following treatment arms, which determined the contents of the video message to be viewed by the respondent:

- ▶ **Basic Information:** Brief description of Forsa containing information already shared in informational sessions and previously in the survey.
- ▶ **Takaful Duration:** Basic Information + Note that Takaful beneficiaries who join Forsa will continue to receive cash transfers for at least 6 months. This was the first time that MoSS communicated this new policy to eligible program participants.
- ▶ **Testimonies:** Basic Information + 4 testimonies from Forsa participants (3 asset modality, 1 wage modality) revealing their experience with the program so far.

Randomization was stratified by the 160 community designations and baseline Takaful status to ensure balance across these categories. Households had a 25 percent probability of being assigned into the **Basic Information** or **Takaful Duration** video and a 50 percent probability of being assigned to a **Testimonies** video. Within the **Testimonies** treatment, household were further randomized into either viewing a male wage-employment testimony or a female wage-employment testimony—hence the larger assignment probability—but these results were statistically insignificant and thus not reported here. By design, there are 24 study households in the typical community, 16 of which were Takaful beneficiaries at baseline and 8 of which were not. Therefore, within most Forsa-treatment communities, this randomization strategy assigned 4 Takaful-beneficiary households and 2 non-beneficiary households to the **Basic Information** and **Takaful Duration** treatment arms and assigned 8 Takaful-beneficiary households and 4 non-beneficiary households to the **Testimonies** treatment arm. Households added new to the midline survey to replace those not found from the baseline were randomly assigned a treatment status under the listed probability but without stratification. In the end, households in Forsa treatment communities were assigned to a video messaging treatment as detailed in Table 4.2.1 below.

**Table 4.2.1:** Forsa training for wage employment modality participants

Treatment Arm	Full Sample		Sample not in Forsa	
<b>Basic Information</b>	969	25.2%	662	25.3%
<b>Takaful Duration</b>	966	25.2%	669	25.6%
<b>Testimonies</b>	1,903	49.6%	1,283	49.1%
<b>TOTAL</b>	3,838	100.00%	2,614	100.00%

The video message intervention was embedded into the end of the midline survey, following the collection of all previously reported data. Only households in Forsa treatment communities (i.e., where Forsa was available) were eligible to receive a video message.

Outcomes for the video messaging experiment were collected in a post-intervention module at the end of the midline survey. The two primary outcomes measure interest in the Forsa program. First, "Interest to Join Forsa" is an indicator equal to one if a respondent answers "Yes" to either of "Are you or someone from your household interested in joining Forsa's self-employment modality?" or "Are you or someone from your household interested in joining Forsa's wage-employment modality?", and zero otherwise. Thus, the first primary outcome is the household's interest in joining Forsa through either modality. Second, "Recommend Forsa" is an indicator equal to one if a respondent answers "Yes" to "Are you likely to recommend Forsa to a friend or neighbor?", and zero otherwise.

Secondary outcomes include beliefs about the implementation of Forsa and its relationship to Takaful. These questions were designed to measure perceptions of how Forsa functions in order to test what information was communicated through the video message that affected household interest in Forsa. The variables include:

- ▶ Duration of Takaful cash transfers either with or without joining Forsa
- ▶ Value of and expected monthly income from the asset transferred through Forsa’s self-employment modality
- ▶ Time cost, expected monthly income, and expected longevity of the employment opportunity offered through Forsa’s wage employment modality.
- ▶ Perceived potential monthly income from asset-based or wage employment - (gender specific?)
- ▶ Expectation of non-monetary benefits either with or without joining Forsa

In our primary specification, we run the following regression:

$$y_i = \beta_0 + \beta_1 \mathbf{Takaful\ Duration}_i + \beta_2 \mathbf{Testimonies}_i + \epsilon$$

where  $y_i$  is the outcome for respondent  $i$ ,  $\mathbf{Takaful\ Duration}_i$  and  $\mathbf{Testimonies}_i$  are indicator variables representing the treatment arms specified above, and therefore  $\beta_1$  and  $\beta_2$  measure the differences in responses relative to the **Basic Information** group. Specifically, relative to only receiving basic information about Forsa (which is included in all three videos),  $\beta_1$  measures the impact of receiving information on the duration of Takaful cash transfers after joining Forsa (i.e., at least 6 months), and  $\beta_2$  measures the impact of watching the Forsa testimonies. We estimate robust (heteroskedasticity-consistent) standard errors.

### 4.3 Results of Messaging Experiment

In this section, we present the results of the Forsa messaging experiment. Relative to only receiving a video with basic information on Forsa, we find that getting additional information on Takaful duration has no statistically significant effect on interest in joining Forsa but increases interest in recommending it to others, likely because this information does not seem to update respondents beliefs about the duration of Takaful benefits after joining Forsa but does increase beliefs that one can drop out of Forsa and re-enroll in Takaful at a later date. Moreover, we find that testimonies increase interest in joining and recommending Forsa, likely by increasing respondents' perceived expectation of monthly income they could earn from the Forsa asset.

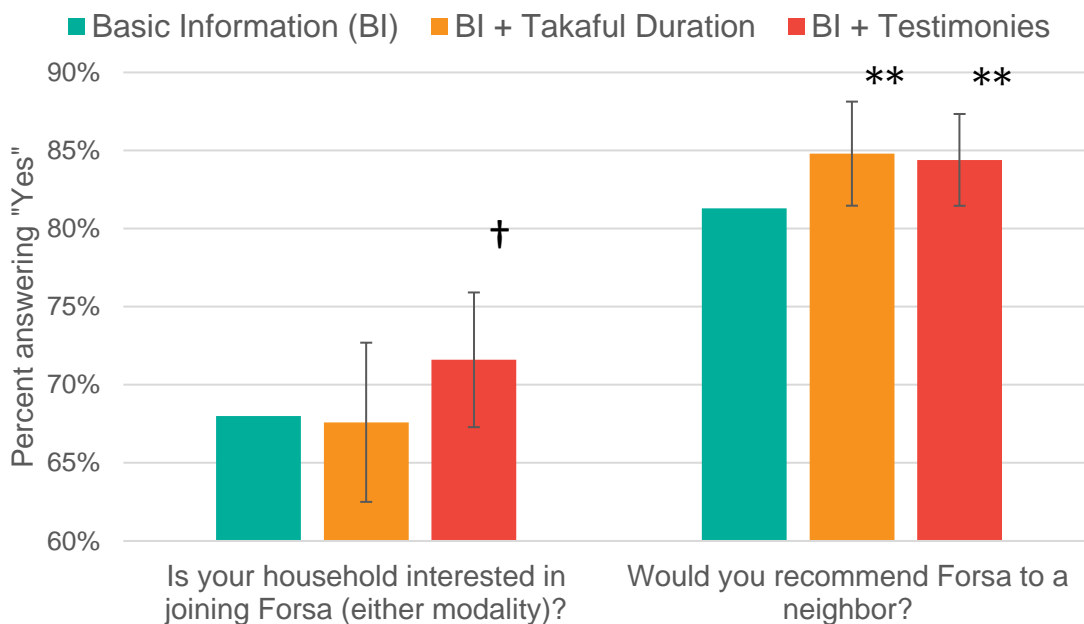
Results are visually presented using bar graphs that highlight the difference in means between treatment categories. Specifically, each figure below plots means of each outcome across treatment categories with first (green) bar in each grouping representing the **Basic Information** treatment, the second (blue) bar representing the **Takaful Duration** treatment, and the third (yellow) bar representing the **Testimonies** treatment. The bounds of the 95 percent confidence interval estimated from running the regression above are depicted as vertical black lines on the **Takaful Duration** bars and **Testimonies** bars, which test how these treatments compare to the reference group. Therefore, if the range of the vertical black line does not overlap with the top of the **Basic Information** bar (i.e., the mean for the **Basic Information** group), this signifies that the corresponding mean is statistically significantly different then the **Basic Information** group at the 95 percent confidence level, and not otherwise. Asterisks are also placed near the top of the vertical line to signify statistical significance at the 0.01, 0.05, and 0.1 levels.

## Treatment Effects on Interest in Forsa

Figure 4.1 presents the main results of the effect of the messaging treatments on interest in Forsa. The figure looks at treatment effects on the two primary outcomes: 1) Interest in joining Forsa, measured as the share of households not already signed up for Forsa (N=2,614) answering “Yes” to “Is your household interested in joining Forsa (either modality)?”, and 2) Willingness to recommend Forsa to a neighbor, measured as the share of all sample households (N=3,838) answering “Yes” to “Would you recommend Forsa to a neighbor?”. Overall, households are more likely to recommend Forsa than express interest in joining it themselves, though keep in mind that because each outcome looks at a different sample, a quick visual comparison is slightly deceiving. While the figure shows a 13-percentage point gap between the **Basic Information** bars for the two outcomes, this falls slightly to a 10-percentage point gap when only looking at households not already participating in Forsa.

Figure 4.1’s results suggest that the new messaging strategies had a positive impact on interest in Forsa overall. First, we estimate the treatment effects on a household’s interest in joining Forsa. We find that **Takaful Duration** has no statistically significant effect on this outcome, assuaging fears that this information would largely deter eligible households away from Forsa. We also find that the **Testimonies** video increases interest in joining Forsa with marginal statistical significance (p-value=0.106). Second, we estimate the treatment effects on willingness to recommend Forsa to a neighbor. Here, we find that both **Takaful Duration** and **Testimonies** significantly increase interest in recommending Forsa to a neighbor at the 95 percent confidence level. Together, these findings suggest that both messaging strategies—providing clarity on the duration of Takaful benefits under the Forsa program and using testimonies to show household real-life examples of people succeeding on the Forsa program--have a positive impact on overall interest in Forsa.

**Figure 4.1: Treatment Effects on Interest in Forsa**

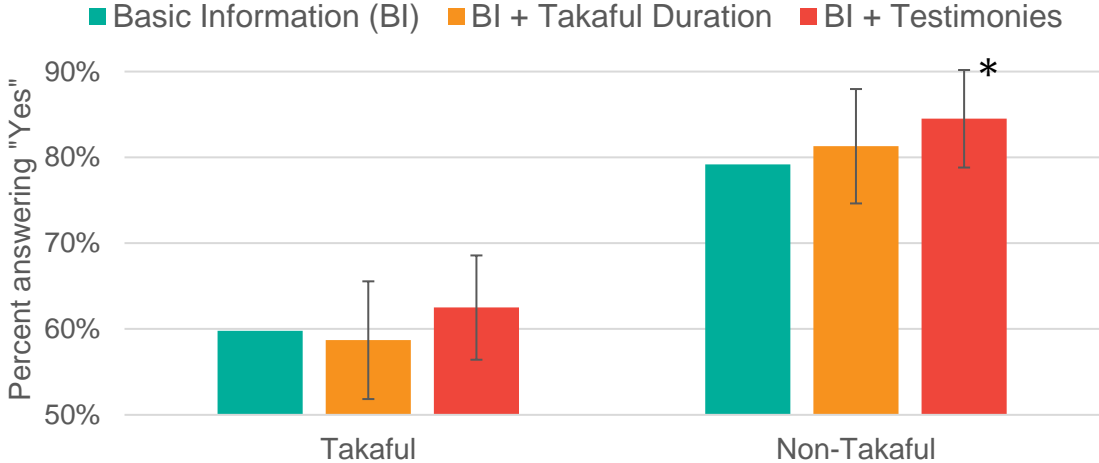


Notes: Outcomes shown beneath each group of bars. Sample 1 is Forsa non-participants only (N=2614). Sample 2 includes all households (N=3838). Error bars represent 95% confidence intervals. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1, † p=0.106.

Are the new messaging strategies more effective on Takaful recipients versus non-recipients? To answer these questions, Figures 4.2 and 4.3 breakdown Figure 4.1's results by Takaful status for interest in joining Forsa and willingness to recommend Forsa, respectively. Overall, while the figures show that average interest in Forsa differs between the two sub-samples, the average effect of the new video messages do not significantly differ depending on Takaful status.

First, Figure 4.2 shows treatment effects estimated on interest in joining Forsa among households not already signed up for Forsa for the sub-sample of Takaful recipients (N=1,545) and the sub-sample of non-recipients (N=1,069). Notably, the figure shows that average interest is much lower among Takaful recipients with a 19-percentage point gap in the **Basic Information** group. In terms of treatment effects, the figure shows that the **Testimonies** treatment significantly increases interest in joining Forsa at the 90 percent confidence level among non-Takaful recipients; however, the treatment effects are quite similar across the two sub-samples and are not statistically different from each other.

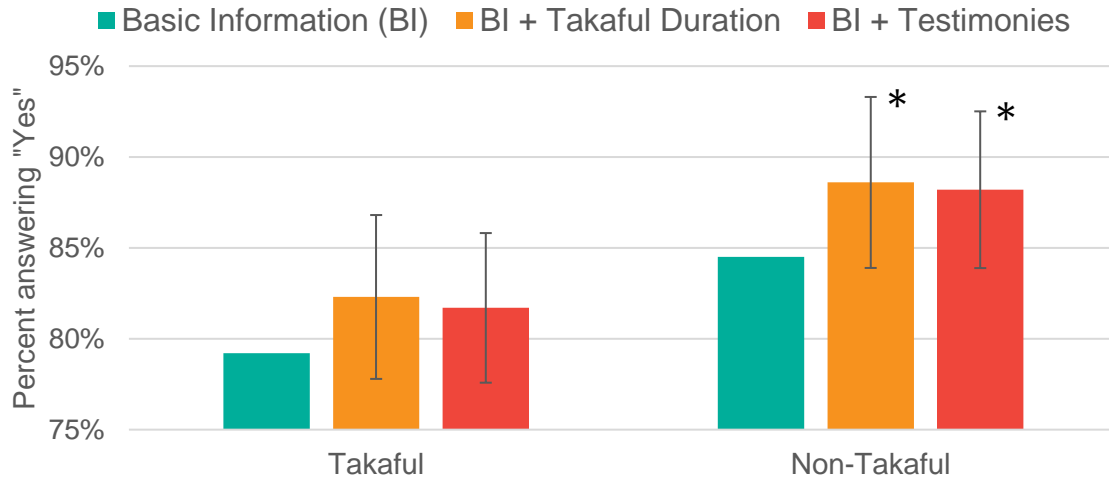
**Figure 4.2: Treatment Effects on Interest in Joining Forsa by Takaful Status**



Notes: Outcome is interest in joining Forsa among households not already signed up for Forsa, as shown for the sub-sample of Takaful recipients (N=1,545) and the sub-sample of non-recipients (N=1,069). Error bars represent 95% confidence intervals. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Second, Figure 4.3 shows treatment effects estimated on willingness to recommend Forsa to a neighbor for the sub-sample of Takaful recipients (N=2,251) and the sub-sample of non-recipients (N=1,587). The figure shows that average interest in recommending Forsa is lower among Takaful recipients, but by less than expected with only a six-percentage point gap in the **Basic Information** group. Among Takaful recipients, impacts on willingness to recommend are not significant. Among non-Takaful recipients, both treatment effects are statistically significant at the 90 percent confidence level, suggesting a positive impact of the information treatments on interest in Forsa in this sub-sample. However, treatment impacts are across the two sub-samples are not statistically different from each other.

**Figure 4.3: Treatment Effects on Willingness to Recommend Forsa by Takaful Status**



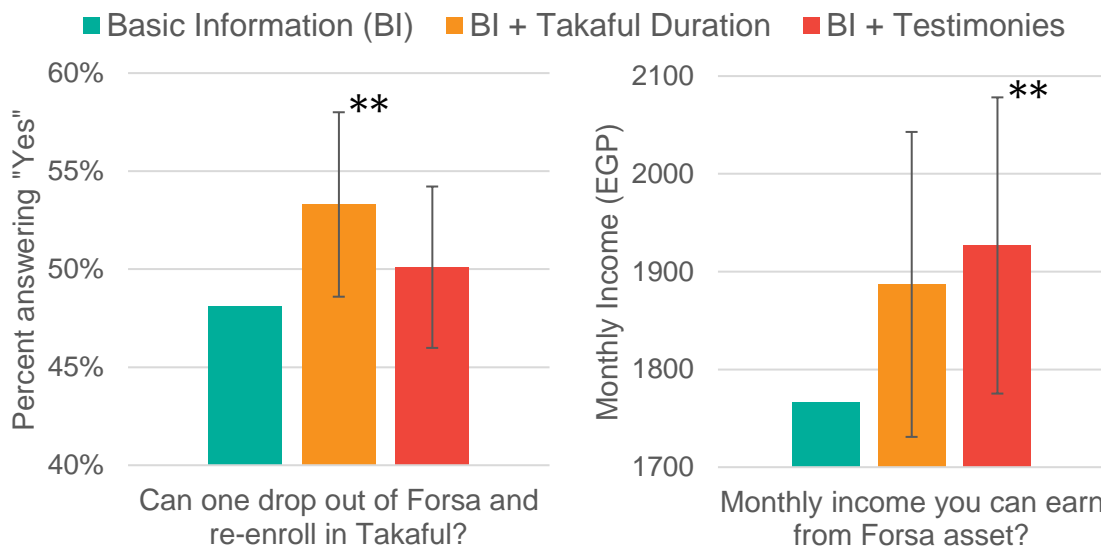
Notes: Outcome is willingness to recommend Forsa to a neighbor among all sample households, as shown for the sub-sample of Takaful recipients (N=2,251) and the sub-sample of non-Takaful recipients (N=1,587). Error bars represent 95% confidence intervals. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

**Treatment Effects on Beliefs about Forsa:**

We now test how these new messages affect beliefs about the Forsa implementation and its relationship to Takaful to better understand the mechanisms through which messages increase interest in Forsa, as such insights can aid in the design of future messaging and policy.

We looked at several belief outcomes, as described in Section 4.2. Of these, only two produce statistically significant results, presented in Figure 4.4. First, we estimate a positive treatment effect of the **Takaful Duration** video on beliefs that one can drop out of Forsa and re-enroll in Takaful. Second, we estimate a positive treatment effect of the **Testimonies** video on beliefs about the expected monthly income that one can earn from a Forsa asset.

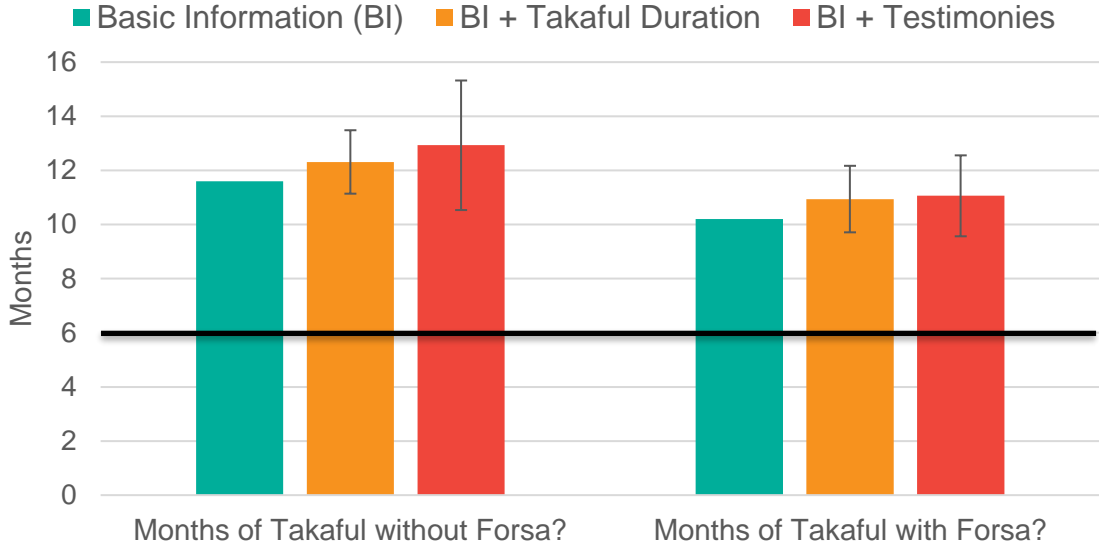
**Figure 4.4: Treatment Effects on Beliefs about Forsa**



Notes: Outcomes shown beneath each group of bars. Error bars represent 95% confidence intervals. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Interestingly, Figure 4.5 shows that the **Takaful Duration** video did not change beliefs about the duration of Takaful benefits after starting the Forsa program. Even though the video message communicated that the policy was made to continue benefits for 6 months under Forsa, households on average did not update their beliefs down towards 6 months or downwards at all.

**Figure 4.5: Treatment Effects on Expected Duration of Takaful Benefits**



Notes: Outcomes shown beneath each group of bars. Horizontal black line at six months represents MoSS's policy that Takaful benefits will continue for six months after successfully starting the Forsa program. Error bars represent 95% confidence intervals. Significance levels: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

Taken together, these results suggest that the mechanisms for the positive effects of the video treatments are singular and straightforward. For the **Takaful Duration** treatment, the positive impact was likely driven by an increase in beliefs that individuals could drop out of Forsa and re-enroll in Takaful if necessary. For the **Testimonies** video, the positive impact was likely driven by increasing beliefs about the monthly income one could earn from a Forsa asset.

## 5. FORSA IMPACT EVALUATION

### 5.1 Research Question

This impact evaluation of the Forsa program in Egypt is intended to contribute to the global evidence on effective graduation program design as Forsa includes several unique design features such as a wage-employment modality and decentralized implementation via NGOs. Here, at midline, we do not aim to assess the program's impact on consumption levels or income, as the program has only just been implemented. However, we do think it is worthwhile to measure whether the Forsa program has had a significant effect on project deliverables within treated communities. Findings from Section 3 suggest that the primary project deliverable were sheep and goats distributed through the asset self-employment modality.

Therefore, in this section we test: what is the impact of Forsa on asset ownership—primarily of sheep and goats—and treatment versus control communities? Inability to detect treatment effects may warrant

skepticism that the evaluation will detect household welfare effects at endline. Conversely, large treatment effects will provide evidence that the Forsa indeed is making significant contributions to asset ownerships and treatment communities and motivate further survey rounds of evaluation to look at long-run changes to household-level consumption and income.

## 5.2 Experimental Design

To estimate the causal impact of the offer of access to the Forsa program, this study utilizes a cluster randomized controlled trial. Prior to baseline data collection, communities were randomly assigned to receive the Forsa program. We randomly sampled 165 treatment and 165 control sub-villages after stratifying on the number of Takaful beneficiaries and district. The random assignment ensures that unbiased intent-to-treat (ITT) estimates of the offer of treatment can be calculated through ANCOVA regression specifications of the form:

$$y_{ic1} = \beta_0 + \beta_1 Treatment_c + \beta_3 y_{ic0} + \epsilon_{ic1}$$

with  $y_{ic1}$  being the outcome for household  $i$  in community  $c$  measured at midline,  $Treatment_c$  is the Forsa treatment indicator, which is based on the random assignment of Forsa treatment between treatment and control communities.,  $y_{ic0}$  is the baseline value of the outcome for household  $i$ , and  $\epsilon_{ic1}$  is the error term, which we will cluster at the community level. The ordinary least squares (OLS) estimate of  $\beta_1$  is an unbiased measure of the average impact of the offer of access to the Forsa program.

The intermediate outcomes we analyze at the midline evaluation include 1) livestock ownership (sheep and goats); 2) quantity of sheep and goats; 3) poultry ownership; and 4) quantity of poultry owned.

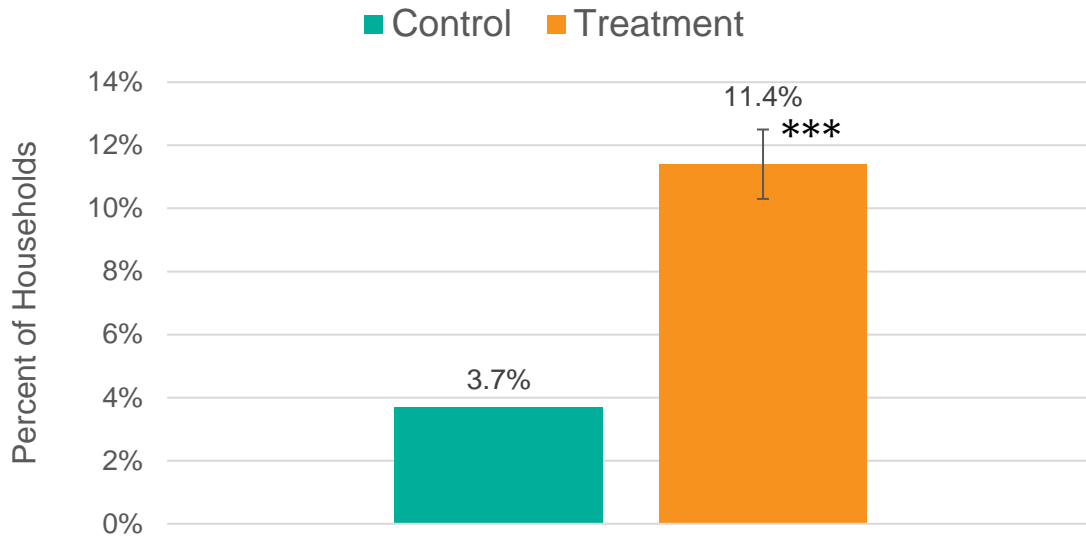
## 5.3 Results on Livestock Ownership

We detect statistically significant impacts on livestock ownership of sheep and goats, as shown in Figure 5.3.1. The results show that sheep and goats' ownership (binary variable 1/0) has approximately tripled in treatment communities relative to control communities. This is also reflected in Table 5.3.1 column 1 from the treatment coefficient estimate and the mean differences of livestock ownership status between treatment and control groups. It is also noteworthy that households who owned any livestock at baseline were more likely to sign-up for livestock interventions and self-report having any livestock at midline. Looking at Forsa treatment effects on the quantity of sheep and goats owned, the results are also consistently positive and significant. The magnitude of treatment effects is large as well, as Forsa treatment has increased the average number of sheep and goats owned by 0.167 goats making the average number of sheep and goats owned in treatment 3 times higher than the average in control, despite being balanced at baseline.

Table 5.3.2 shows a positive and significant interaction term between treatment and Takaful status at the 90 percent confidence level, indicating that the Forsa treatment effect on any ownership of sheep and goats was higher for Takaful households compared to non-Takaful households. This is likely explained by Takaful households being less likely to own livestock at baseline as we do not see a similar interaction effect for impacts on the number of livestock owned.

As for poultry ownership and quantity of poultry owned, Table 5.3.3 shows that the model does not detect statistically significant treatment effects under the poultry outcomes. This is unsurprising due to the very small number of poultry households reported in our sample, amounting to only 24 households.

**Figure 5.3.1: Treatment Effects on Household Ownership of Sheep and Goats**



Notes: Outcome is an indicator equal to 1 if the household reports owning any sheep or goats, and 0 otherwise. Error bars represent 95% confidence intervals from Table 6.1 column 1. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

**Table 5.3.1: Impacts of Forsa Program on Household Ownership of Sheep and Goats**

	(1)	(2)
	Indicator if Household Owns Sheep & Goats (1/0)	Quantity of Sheep & Goats Owned
<b>Forsa Treatment</b>	0.076***	0.167***
	(0.011)	(0.028)
<b>Baseline Value of Outcome</b>	0.243***	0.048
	(0.033)	(0.039)
<b>Mean Dep. Var.</b>	0.0752	0.164
<b>Mean Dep. Var. in Control Group</b>	0.0373	0.0812
<b>N</b>	7,754	7,754

Notes: Outcomes: Column (1) is a binary variable taking the value of 1 if the household owns any sheep and goats, and zero otherwise. Column (2) is the self-reported number of sheep and goats. The regressor Forsa Treatment is a binary variable (1/0) taking value of 1 for treatment households, and 0 for control households. Regression also includes the baseline value of the outcome (reported) with an indicator for replacement households who do not have baseline data (not reported). Mean Dep.Var. and Mean Dep.Var. in Control Group are based on midline values of the dependent variable. N= 7,754, which is the full sample (panel + replacement households). Clustered standard errors at the village level are shown in parentheses. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

**Table 5.3.2: Impacts of Forsa Program on Household Ownership of Sheep and Goats, by Baseline Takaful Participation Status**

	(1)	(2)
	Indicator if Household Owns Sheep & Goats (1/0)	Quantity of Sheep & Goats Owned
<b>Forsa Treatment</b>	0.065***	0.147***
	(0.013)	(0.030)
<b>Takaful Participation at Baseline</b>	0.001	0.017
	(0.006)	(0.018)
<b>Takaful##Forsa Treatment</b>	0.023*	0.048
	(0.012)	(0.032)
<b>Baseline Value of Outcome</b>	0.238***	0.047
	(0.033)	(0.039)
<b>Mean Dep. Var.</b>	0.0752	0.165
<b>Mean Dep. Var. in Control Group</b>	0.0360	0.0796
<b>N</b>	7,535	7,535

Notes: Outcomes: Column (1) is a binary variable taking the value of 1 if the household owns any sheep and goats, and zero otherwise. Column (2) is the self-reported number of sheep and goats. The regressor Forsa Treatment is a binary variable (1/0) taking value of 1 for treatment households, and 0 for control households, the regressor Takaful Participation at Baseline is self-reported Takaful stats at baseline, and Takaful##Forsa Treatment is the interaction between these two. Regression also includes the baseline value of the outcome (reported) and governorate fixed effects (not reported). Mean Dep.Var. and Mean Dep.Var. in Control Group are based on midline values of the dependent variable. N= 7,535, which is only the panel sample due to missing baseline Takaful status among replacement households. Clustered standard errors at the village level are shown in parentheses. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

**Table 5.3.3: Impacts of Forsa Program on Poultry Ownership & Quantity**

	(1)	(2)	(3)	(4)
	Indicator if Household Owns Poultry (1/0)	Quantity of Egg-Laying Chickens	Quantity of Non- Egg-Laying Chickens	Quantity of Geese, Ducks & Pigeons
<b>Forsa Treatment</b>	-0.011	-0.123	0.122	0.064
	(0.015)	(0.085)	(0.111)	(0.091)
<b>Baseline Value of Outcome</b>	0.284***	0.103***	0.088***	0.141***
	(0.013)	(0.019)	(0.022)	(0.020)
<b>Mean Dep. Var.</b>	0.335	1.050	1.122	1.068
<b>Mean Dep. Var. in Control Group</b>	0.341	1.108	1.058	1.044
<b>N</b>	7,754	7,754	7,754	7,754

Notes: Outcomes: Column (1) is a binary variable taking the value of 1 if the household owns any poultry (chicken, geese, ducks, and pigeons), and zero otherwise. Columns (2)-(4) are the households' self-reported number of egg-laying chickens, non-egg-laying chickens, and other poultry owned, respectively. The regressor Forsa Treatment is a binary variable (1/0) taking value of 1 for treatment households, and 0 for control households. Regression also includes the baseline value of the outcome (reported) with an indicator for replacement households who do not have baseline data (not reported). Mean Dep.Var. and Mean Dep.Var. in Control Group are based on midline values of the dependent variable. N= 7,754, which is the full sample (panel + replacement households). Clustered standard errors at the village level are shown in parentheses. Significance levels: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

## 6. CONCLUSIONS AND POLICY RECOMMENDATIONS

This report summarized the main findings from the midline survey of the impact evaluation of the Forsa program, a novel poverty graduation program implemented by the Government of Egypt's Ministry of Social Solidarity (MoSS). Through the Forsa program, eligible households are able to receive either a large one-time asset transfer via the self-employment modality, or job matching and skills training via the wage employment modality. The objective of the program is to increase economic self-reliance and resilience among vulnerable households and, in doing so, reduce dependence on the national cash transfer program Takaful.

Using data collected from a midline survey implemented in October and November 2023, this report draws its findings from three types of analysis. First, we summarized descriptive statistics from households in communities where Forsa was piloted to assess current participation and program implementation. Second, we implemented a randomized experiment to test new messaging strategies on households' interest in the Forsa program to inform how to motivate interest and take-up of the Forsa program moving forward. Third, we utilize the community-level randomization of the Forsa program established at baseline to test if access to the Forsa program has a causal effect on asset ownership—namely sheep and goats—for the typical Forsa-eligible household.

Together, these analyses reveal important insights about the design and implementation of the Forsa program during this piloting period. Based on the findings of the midline evaluation, a few key policy recommendations emerge:

1. **Demand exists for a poverty graduation program like Forsa** with nearly one-third of households eligible to sign up for Forsa signing up so far, and with very similar rates between households receiving Takaful benefits and those that do not. However, sign up is more limited than previously expected and, indeed, not all households may be ready to transition from Takaful cash transfers to a poverty graduation program. Therefore, we think that MoSS should likely adjust expectations for the scope of participation in the Forsa program, especially at the beginning of implementation.
2. **Moving forward, the Forsa program should likely focus on the self-employment modality rather than the wage-employment modality.** First, there was significantly more demand for the self-employment modality, likely driven by women participants who prefer earning income at home through the Forsa asset. Second, our analysis has already identified an increase in household ownership of sheep and goats in Forsa communities (relative to control communities where Forsa is not available), demonstrating an early success in the implementation of the asset transfer program. Third, relative weak demand for the wage-employment modality was also accompanied by low rates of job matching—we only found six households that had received Forsa jobs and, of these, four had already left due to low wages and long commutes.
3. **Forsa program implementation, especially at the beginning, should be accompanied by monthly cash transfers that offer transitory support.** Among households that have received assets through the self-employment modality, the vast majority reported negative profits in the last month. Whether this is due to the seasonality of livestock revenue or that households were “saving” their assets for a time of greater need, this fact suggests that assets do not necessarily provide a stream of income to meet monthly cash needs in the same way that Takaful does. Thus,

households may still need Takaful early in the Forsa program so that they are not forced to “eat into” their Forsa assets to pay for required monthly expenditures.

4. **The tested messaging strategies can help MoSS increase interest and awareness of the Forsa program.** First, informing households that Takaful benefits will last for six months following the successful start of the Forsa program does not deter interest in Forsa and, in fact, increases the likelihood of recommending it to others. Moreover, showing eligible households testimonies from actual Forsa participants who describe their experience with the program both increases interest in joining Forsa and in recommending it to others, likely by updating their belief in expected monthly income they can earn from a Forsa asset.

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