Green Sharm El Sheikh

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10117

Countries

Egypt

Project Name

Green Sharm El Sheikh

Agencies

UNDP

Date received by PM

12/17/2020

Review completed by PM

9/1/2021

Program Manager

Satoshi Yoshida

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: Yes, with some changes from the PIF including dropping BD1-3 and adding BD1-1. BD1-1 is not programmed in terms of GEF funding. Please adjust the funding allocations.

Agency Response

May 2021:

There was an error in Table A of the CEO-ER, as the BD allocation had not been subdivided between BD 2-7 and BD 1-1 as planned. This was now adjusted: BD 2-7 was reduced from USD 1,775,056 to 1,532,793 while USD 242,263 were listed under BD 1-1. This is therefore now consistent with the other sections in the PRODOC and CEO-ER.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: There are some changes in the structure of the project from the PIF. Please see comments in alternative scenario and GEBs. Please revise the project completion date which is 3/31/2020.

Agency Response

May 2021:

Changes to project structure (GEB, Alternative Scenario) are addressed further down in this response sheet.

Regarding the 2nd question, as per exchanges with GEF SEC on 1 March 2021, this error was on the GEF portal only. We can't adjust project duration from our end in the portal, but will request assistance from GefSec IT colleagues. All project completion dates in CEO-ER (head table) and PRODOC (page 1) had been correctly set at 31 March 2027, 6 years after the tentative start in April 2021.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

Oct 12, 2021: Thank you for the revisions. Comment cleared.

Sep 6, 2021: Additional comments from policy/fiduciary perspectives.

1. In the UNDP co-financing the date should be corrected ?from mid-2021 to mid-2017?. Also, per the last paragraph, considering that the funds will come from the Italian government, then the co-financier should be changed to Donor Country.
2. As discussed before, there isn?t a co-financing letter for the Private Sector stipulated below. It?s rather a commitment provided by the Ministry of Environment, it does not mention the name of the company. Please request the company to provide a co-financing letter stipulating the 1 Million USD (translation is needed), or remove from the co-financing list.

June 21, 2021: Previous comments cleared from technical perspectives.

Jan 20, 2021:

1. Please provide a co-financing letter from the government that clarifies sources and types of co-financing with a timeline within the project period if applicable, in accordance with the Co-Financing Policy and Guidelines.
2. A co-financing letter by Solid Waste Management Operator is not provided by the entity as requested by the Co-financing Guidelines. Co-financing on solar PV by the municipality and on energy efficiency, solar and solid waste management by the hotel association does not have the type of the co-financing and a timeline within the project

period. Co-financing by the Italian government is not clear on the type of co-financing (in cash or in kind, for example).
3. As co-financing letters were submitted almost a year ago and they were in pre-Covid time, please confirm co-financing commitments are still effective.
4. Please describe how any "Investment Mobilized" was identified as the current description is just laying out each amount of expected investments. Please explain why the amount of co-financing dropped and how the project nonetheless can achieve the project objectives and GEBs.

Agency Response

07 October 2021:

1. The UNDP co-financing letter was corrected as requested such that mid-2017 was replaced by mid-2027 and Annex 14 was updated accordingly. The co-financing tables were amended across PRODOC, CEO-ER and GEF Portal, splitting the USD 590,000 coming via UNDP into i) 90,000 from GEF Agency / UNDP (own resources) and ii) 500,000 from Donor Agency / UNDP (from Government of Italy).

2. The USD 1,000,000 of co-financing from the Solid Waste Management Operator were removed ? and related sections were amended ? across PRODOC, CEO-ER and GEF Portal.

In addition, in response to the final comments in this review sheet:

- The Expected Implementation Start date was changed from 1 Sep 2021 to 1 Dec 2021. All other dates linked to this change (MTR, TE, Closure) were equally amended. The changes were reflected in the PRODOC, CEO-ER and on the GEF Portal

- As requested, these sections were included in the CEO-ER and uploaded to the GEF Portal: Institutional arrangements, Consistency with National Priorities, Knowledge Management and M&E (budgeted M&E plan is mandatory)

May 2021:

On 1.:

A new co-financing letter was provided by government (EEAA), enclosed in the resubmission.

On 2.:

- the solid waste management operator, being a Bedouin local service provider, is not in the position to issue a co-financing letter in English, which is why it had been included in the government (EEAA) co-financing letter, noting that the operator is contractually bound to the government wherefore this is considered a guarantee that the co-financing will materialise. This co-financing will be grant co-financing mobilised during the project period, as now explicitly added to the government co-financing letter.
- in the new government (EEAA) co-financing letter, the type of co-financing and timeline was added, which covers the co-financing on solar PV.
- a new co-financing letter was provided by EHA, enclosed in the resubmission, in which the type of co-financing and timeline was added.

- regarding the co-financing provided by the Italian government via UNDP, a new co-financing letter was issued by UNDP that is enclosed in the resubmission.

On 3.:

It is confirmed that the co-financing commitments are still effective, per the above.

On 4.:

The amount of co-financing dropped from USD 66,100,000 at PIF stage to USD 57,690,000 at PPG stage, after the PIF stage estimates especially of Government co-financing had to be updated during the PPG. A new table was added to the CEO-ER under *5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing* contrasting the PIF to PPG changes in detail. There is no noteworthy impact on the project objectives and GEB, after the recalculations done during the PPG phase most notably on GHG emission reductions (incl. a drop in direct emission reductions but increase in indirect emission reductions); UPOPs emission reductions were revised upwards.

New text on how investment mobilized has been identified has been inserted in the project. In short:
- The majority of investment mobilized represents anticipated capital expenditures from the Ministry of Environment, and two private sector actors (Solid Waste Management, Hotel Association). These were identified in stakeholder consultations. The Ministry of Environment co-financing represents capital expenditure aligned with the project objective. Private sector co-financing represents capital expenditures aligned with the project objective, as well as specific sectoral areas which GEF INV will support.
- Other investment mobilized represents grants mobilised from UNDP and the Italian government for this project and directly related parallel activities.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

Oct 12, 2021: Comments cleared.

Sep 6, 2021: Additional comments from policy/fiduciary perspectives.

1. Office supplies should be charged to PMC, not to project component
2. Office rent should be charged to PMC, not to project component

Aug 31, 2021: Comment on vehicle cleared.

June 21, 2021:

1. On vehicle: Thank you for using co-financing to purchase one vehicle for project management. PM understands the justification of the reasoning of a vehicle for project components while the distribution of vehicle cost can be concentrated to Component 3 given the relevance. Also, the driver's contract is under PMCs, which is not clear if the driver is related to the vehicle used for components. Please address these issues.

2. Clarification is provided. Comment cleared.
3. Comment cleared and thank you for the amendment on the executing support.

Jan 20, 2021: Yes, however, there are some issues on budgeting need to be addressed.
1. Purchasing vehicles is strongly discouraged as described by the Guidelines on the Project and Program Cycle Policy (https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf). Justifications provided are weak. Please consider utilizing co-financing and reviewing arrangements and means of project management, taking into account the frequency of site visits. While most activities are within Sharm El Sheikh and adjacent areas, the PMU is located in Cairo and the LCU is in Sharm El Sheikh with almost even split between the two offices. Please provide the rationale of project management. Office spaces will be also reviewed in conjunction with the arrangements of project management and please explain if utilizing of co-financing (including in-kind) was considered.
2. A project manager charged to PMCs seems to be also charged to project components. However, justifications are not provided. ToR is not complete in particular ?describing unique outputs linked to the respective components are required? as stipulated in the GEF guidelines. Please also explain how the co-financing on PMCs will be utilized to assist the project management.
3. Please explain how the implementation support by UNDP fits the guidelines on the project and program cycle policy in particular whether it is not deemed as an executing function. Procurement by UNDP should be limited to some M&E activities where UNDP plays relevant roles (and the whole M&E budget seems to be handled by MOE according to the M&E plan). Consultants and auditing and other services are procured by UNDP and charged to GEF-funding without justifications.

Agency Response

07 October 2021:

As requested, supplies and the share of office rent (50%=$42,000) were moved from Component 2 to PMC. In compensation, to not exceed the PMC ceiling of 5.0%, a share of the Project Manager salaries was redistributed to Components 2 and 3, where further minor budget amendments were made to remain consistent with the approved Component subtotals.

The Total Budget and Work Plan and Budget Notes were amended in the PRODOC (Section VIII).

August 2021:

On the remaining item #1:

Indeed, it was an oversight in the prior resubmission that the driver costs were left under PMC. In the present new resubmission, we shifted also these to the technical components 1-4, mirroring what was done in the prior resubmission for the vehicle (30% each under Components 1-3, 10% under Component 4; representing a shift of a

total of USD 43,750 out of PMC). In compensation, the costs of the PM were shifted by the equivalent amounts to PMC, such that the distribution of the PM costs changed as follows:
. C1: from 10% to 5%
. C2: from 50% to 45%
. C3: from 10% to 5%
. C4: from 5% to 3%
. PMC: from 25% to 42%.

The Budget Notes 3, 12, 22, 31 and 38 in PRODOC Section VIII *Total Budget and Work Plan* were amended accordingly, and the related references to these budget lines in the GEF Budget Template in PRODOC Annex 27 were edited.

<u>May 2021:</u>

On 1.:

- Vehicles: Government and UNDP will mobilise one of the two cars (the one for Cairo) requested in the initial submission. However, a request to purchase one car was maintained in the budget with the associated costs, for work in the city of Sharm El Sheikh and especially the regular field work in the surrounding protected areas, which requires a 4WD. Noting that presently any purchase of cars from government resources must be approved by the Prime Minister, significantly complicating the purchase of cars for development projects in view of the many needs and priorities in the country. Car leasing was considered but discarded because not an established scheme in Egypt, and because experience shows that field work cars tend to reach their lifetime end by project end. Car renting was considered but discarded due to the high costs involved over the project?s duration of six years.
- PMU/LCU and Office Spaces: The Project Manager must be based in Cairo, which is essential for continuous engagement of central government ministries, donors and private sector stakeholders relevant to the project, to leverage political support and co-financing, embed its results in government policies and investments including by the private sector, and leverage replication of the project?s initiatives; this is proven best practice from past projects in Egypt that have led to relevant impacts and upscaling. However, Sharm El Sheikh is 6 h drive (500 road km) away from Cairo and with the project?s focus on the former and the vast majority of activities based in and around it, having a separate and fully functional project unit in Sharm El Sheikh is equally essential. Noting that in Sharm El Sheikh the local and national government offices do not have the space to accommodate the project unit. In Cairo, government offices will in 2021-2022 gradually relocate to the new administrative capital built north-east of old Cairo, and due to this unstable situation including the fact that there is no decision yet on the location of the Ministry of Environment, there is no visibility where the project unit could be located. After the relocation, government (MOE) will be in the position to host the unit. The PRODOC and budget was therefore adapted as follows: i) the cost of the project unit in Cairo will be funded by the project for the first three years (instead of the full six years) and then move into government-provided facilities following the completion of the government?s move to New Cairo; ii) the full costs for the project unit in Sharm El Sheikh were maintained. In this context, it should be noted that tele-working is not an option because the Egyptian administration has been fully operational throughout the COVID crisis and never went into tele-working modus.

On 2.: The Project Manager is generally expected to lead or oversee the project?s technical delivery as well, rather than simply coordinating expert project staff or consultants. The PM?s TOR in PRODOC Annex 7 was further elaborated, separating managerial tasks and technical tasks and adding detail regarding the latter to clarify the PM?s technical role under the different components. A reference to Annex 7 was added to the PRODOC TBWP budget lines entailing PM costs. PMC co-financing from government and private sector will be used in the implementation of the co-financing interventions identified in the PRODOC and co-financing letters; UNDP co-financing will be used to support the PMU costs directly.

On 3. ? UNDP Implementation Support and Procurement: Following extensive discussions within UNDP as well as with GEF SEC and Government, the project implementation arrangements were amended to Full National Implementation without procurement or payment support by UNDP. M&E and audit budgets will be handled by the MOE, with UNDP providing the limited support in line with its GEF Agency oversight role. The relevant sections in the PRODOC were amended accordingly: Section VII Financial Planning and Management (?308 deleted); TBWP and budget notes (43 and 44 pooled and renamed; references ?Procured by UNDP? removed from budget notes 1, 5, 10, 20, 29, 30, 32, 33, 41).

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request Jan 20, 2021: Yes.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

Aug 31, 2021: Comment cleared.

July 10, 2021: Indicator 10 on Table E needs to be filled on the portal, which is still missing, and there are many discrepancies on the Table. Please further explain why the indicator does not match the total area of the PAs supported by the project. Please address them as discussed, and also provide explanation on how indicators are derived with methodologies, under Table E.

Jan 20, 2021:

Indicator 1 and 2: The discrepancies identified earlier in the presentation of the PA indicators still remain. The explanation of the exaggeration of the target PAs areas done at PIF stage is explained as an error in conversion from Km2 to hectares, but the further reduction of PA activities to only 10% (195,000 hectares) of the total area of the existing PAs (1,950,000 hectares) is not justified. Besides, the document is unclear on why the proposed activities for enhanced biodiversity protection and strengthening management of PAs does not cover total areas of PAs, moreover given the allocation of 19.2% (US$1.196 million) of total GEF resources to this component.

Please, also ?provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided? in the space provided below the Core Indicators table.

Indicator 6: The total CO2 reduction remains almost the same. However, the direct emissions reduction is very small compared with the PIF stage while the main project activities are the same as the PIF. Annex 10 does not describe this change as the total energy savings (GWh) and renewable energy capacity (MW). Please further explain the rationale of these changes.

Indicator 10: The uPOPs reduction amount is missing. Please address.
It seems plastic waste will be reduced by 90 percent during the project. Please consider incorporating it in the relevant indicator.

Agency Response

August 2021:

1) On Core Indicator 10 and GEF Portal Entries:

It now appears that the PIF stage upload of Core Indicators (types, values, etc.) to the GEF Portal unfortunately contained several errors. These were now corrected, such that the Endorsement Stage entries/values on the GEF Portal are now consistent with those in the PRODOC and CEO Endorsement Request Word files. No changes were made to PRODOC and CEO ER.

The correction on the GEF Portal should also resolve the confusion regarding the targeted areas of terrestrial and marine PAs (Core Indicators 1 and 2), where several errors in the Portal upload were found. Noting that apart from the Portal upload errors, the already-provided explanation regarding the drop in PA area remains fully valid: Due to a km2-to-ha conversion error in the PIF stage core indicator table, the area of the targeted PAs had been exaggerated by a factor of 10. Please note the PIF Table B Indicator 3.1 where the total area of the 3 PAs was correctly given as 1,950 km2 ? which is 195,000 hectares. The 1,950,000 hectares erroneously given in the PIF Core Indicator Table F (1 and 2 combined) was an inadvertent mistake (adding an extra ?0?) - it does not match with the figure in PIF Table B and the actual legal extent of the 3 PAs (which is 195,000 ha and not 1,950,000 ha). This error in the Core Indicator tables was adjusted in the PPG to the correct ha values wherefore the project-end target was changed from 1,950,000 ha to 195,000 ha. There is no ?further reduction? in the targeted area: the project will target the whole 195,000 ha ? which justifies the assigned budget share. The correction on the GEF Portal now reflects this accurately.

2) Additional key data changes to PRODOC, CEO ER and GEF Portal

The start and closure dates were shifted backwards by one month in PRODOC and CEO ER and the GEF Portal was adjusted accordingly. Also, the duration was corrected on the GEF Portal, with GEF SEC support, from 60 months to 72 months.

3) Explanations on how indicators are derived with methodologies, under Table E.

As requested, key explanations were extracted from the PRODOC and consolidated in the GEF CEO-ER under Table F *Project?s Target Contributions to GEF 7 Core Indicators.*

May 2021:

On Indicators 1 and 2:

- The explanation provided in the CEO-ER remains fully valid: Due to a km2-to-ha conversion error in the PIF stage core indicator table, the area of the targeted PAs had been exaggerated by a factor of 10. Please note the PIF Table B Indicator 3.1 where the total area of the 3 PAs was correctly given as 1,950 km2 ? which is 195,000 hectares. The 1,950,000 ha given in the PIF Core Indicator Table F (1 and 2 combined) was an inadvertent genuine mistake (adding an extra ?0?) - it does not match with the figure in PIF Table B and the actual legal extent of the 3 PAs (which is 195,000 ha and not 1,950,000 ha). This error in the Core Indicator tables was adjusted in the PPG to the correct ha values wherefore the project-end target was changed from 1,950,000 ha to 195,000 ha. There is no ?further reduction? in the targeted area: the project will target the whole 195,000 ha ? which justifies the assigned budget share.
- Regarding the request for additional explanations on targets, methodologies, etc.: The Monitoring Plan in PRODOC Annex 3 provides details, and is supported by Annex 6 (METTs) and Annex 20 that specifically list the baseline and criteria used to measure indicators 16 (habitat sensitivity) and 19 (coral reef health). The Aichi Targets relevant to the project are listed in PRODOC ?233.

On Indicator 6 and Annex 10:

- The calculation of GHG emission reductions is provided in PRODOC Annex 10 *Details on the GHG Emissions Reduction Calculations*. They have been refined compared to the PIF using typical expected investments in public and hotel infrastructure as well as concerning waste prevention and minimization. Instead of a focus on large hotels only as suggested in the PIF, during the project preparation phase, a strategy was chosen that puts stronger emphasis and potential on replicability and therefore likeliness of sustainability of project results. This strategy results in slightly reduced direct energy saving targets comparing PIF (3.8 GWh savings) and PRODOC (2.2 GWH savings) but higher targets for PV comparing PIF (1.5 MW solar PV) and PRODOC (2.5 MW solar PV). Whereas direct emission reductions are reduced as a consequence of the alternative strategy, replication is expected to be much higher and therefore overall emission reduction is similar as reported in the PIF. The further replication impact of a wider spread mitigation strategy is expected to contribute to more stronger mitigation results in the longer term. See the clarifications added in PRODOC Annex 10, under *1) Climate change mitigation (CCM) workstream*, *Alternative scenario*.

On Indicator 10:

The UPOPs reduction amount had been available in all key sections in PRODOC and CEO-ER:
- in the PRODOC: in the Chemicals & Waste section of Section 3.4 *Global Environmental Benefits and Incremental Cost Analysis (Baseline vs Alternative Scenario)*, Project Results Framework and Annex 3 *Monitoring Plan* (Indicator 3), Annex 17 *Core Indicators* (Indicator 10), and in Annex 10
- in the CEO-ER: in Project Results Framework (Indicator 3) and Core Indicators (Indicator 10)

However, a new more explicit paragraph with a better explanation on the calculations was added to the Chemicals & Waste section of Section 3.4 *Global Environmental Benefits and Incremental Cost Analysis (Baseline vs Alternative Scenario)*:

*?Concerning UPOPs being released by open burning, a strict control and enforcement of waste management practices should lead to at least 95% reduction of UPOP from this source. Following the estimation (source: PIF) that 1,832 g-TEQ/yr to air and 621 g-TEQ/yr in residue are released from 21 million tons/yr of municipal waste in Egypt, this results in 0.117 mg TEQ/ton. Considering the total number of waste in Sharm El-Sheikh with 55,000 tons/yr, from which 40% are estimated to be burnt (~22,000 tons/yr), and the specific emission factor for TEQ of 0.292 mg/ton, the amount of UPOPs to be reduced is approx. 6.5 gTEQ/year: 22,000 [t/a] * 0.292 [TEQ mg/t] = 6.42gTEQ/yr.?*

And the following table was added to illustrate this further:

During these adjustments, an error was detected regarding the TEQ Total Project Lifetime Emission Reductions: because the project duration was extended from 5 years (PIF stage) to 6 years (PPG stage), the value and formula became 28.9 g-TEQ (6.42g/yr * 5yrs @ 90% reduction from yr2) instead of 23.4 g-TEQ. This change was implemented across all relevant sections in PRODOC and CEO-ER (Core Indicators, Project Results Framework, GEB/Incremental Cost Analysis, etc.)

On Plastic Waste:

The Project Results Framework includes Indicator 14 (*Amount of plastic waste prevented from illegal disposal into land and sea*), which was inspired by Core Indicator 5.3 *Amount of Marine Litter Avoided*. However, because we cannot provide a useful summary value for the (International Waters) Core Indicator 5 *Area of marine habitat under improved practices to benefit biodiversity*, we did not consider appropriate or necessary to use this additional core indicator ? considering also that the project already has 5 Core Indicators.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: While many relevant barriers are described, how the project addresses such barriers is not clear in this section and the other parts of the CEOER document.

Agency Response

May 2021:

The Theory of Change diagram (PRODOC Annex 9) was amended to address this concern. This now refers to the underlying, root and immediate causes and pinpoints the prevailing barriers, including horizontal and other specific barriers, by linking them to specific outcomes. The way how the project addresses barriers is referred to in PRODOC Section *3.2 Project Description and Expected Results*.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: The country?s current standards/regulations/plans and practices on relevant interventions besides specific projects in the country are not clearly described. Please add as relevant. Please consider including relevant regional/international projects relating to the scope of this project, on top of country-specific baseline projects.

Agency Response

May 2021:

On the former, three background reports prepared during the PPG were added to the PRODOC (Annexes 24-26) that reflected these issues.

On the latter, a comprehensive list of relevant projects had been included in Section 3.9 *Coordination and partnerships*, which was now further expanded.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

Aug 31, 2021: We note the below explanation. Comment cleared.

June 21, 2021: Thank you for detailed explanation.

Outcome 2.2: While understanding the general criteria of GEF funding and cost sharing mechanisms, "The following types of investments" under Annex 8 still includes technologies that may be installed without GEF contributions. As such, please examine the list with revised baseline technologies (so that already disseminated technologies in the country will be excluded) in an initial stage of the project implementation.

Jan 20, 2021:

? Overall: Linkages between components (1-3) are not entirely clear. Please clarify.

? ToC: Described barriers should be aligned with root causes and the project interventions. There should be clear linkages between barriers, project interventions to address such barriers, and outcomes from the project interventions and long-term goals outside the project. Please address these.

? Outcome 1.1: It is not clear how these feasibility studies are utilized in practice except that some outputs will be included in the Sharm El-Sheikh Development

Strategy. Please clarify the linkage with Component 2 (investment). If some of these studies are not linked with the investments under component 2, please explain how such studies are implemented. Please elaborate on the enforcement mechanisms of Sharm El-Sheikh Development Strategy and Action Plan.

? Outcome 1.2: Please clarify how the concept of sustainable waste management and business plan will be implemented with regulatory and financial support. How will the municipality government will enforce such a plan including increasing collection and transportation capacity, treatment facilities, and landfill sites (landfill site upgrading is in the co-financing letter). In developing a strategy and a long-term financing scheme, please explain how the project will ensure that such financing strategy and scheme will be built in the existing or new financing schemes.

? Outcome 2.1: Please clarify targeted participants to the trainings as they are ambiguous. It is not clear how the trainings are linked with other outputs under component 1 and 2 to achieve the objectives.

? Outcome 2.2: Some investments listed do not seem to need GEF?s financing given its economic benefits including indoor LED lighting. Please clarify what criteria will be used to determine investments as well as GEF financing, with payback time of these investments. Phasing down HFCs in the AC system is mentioned but it is not clear. Please also clarify the ratio between co-financing and GEF funding for the total investments.

? Outcome 2.3: Please clarify how many tons of waste and types of waste will be in the scope of this outcome. It would be helpful if there is a clear visual scheme that clarifies responsibility for each stakeholder and the flow of waste in the whole value chain of waste as well as any facilities will be deployed. Please clarify the linkage with the plan under the outcome 1.2. Please clarify how much uPOPs reduction will be achieved by this outcome out of the final indicator 10. Output 2.3.1 indicates it reduces GHG emissions as well, but it seems the amount is not calculated. Please address this in the Annex 10 and indicators, as appropriate.

? Component 3: The biodiversity component includes monitoring of ?biodiversity harmful economic practices? (outcome3.1 and output 3.1.1), but the document is unclear on concrete mitigation measures for these impacts. The impact from the economic activities, particularly tourism and associated investments (waste management, energy, desalination plant) on the PAs need to be thoroughly assessed and with clear mitigating measures in place. The new outcome added 3.4 Improved Protected Area community participation and benefit sharing from conservation and biodiversity-friendly tourism practices focus on training/demonstration of livelihood improvement activities, but it is not clear how those activities will lead to the proposed end-of-project target ?at least 40% increase in annual household income?, which seems quite ambitious even for the small number of beneficiaries (310 individuals in one village and 51 families in another village).

Agency Response

August 2021:

Baseline technologies and technologies eligible under Outcome 2.2:

A paragraph was added to PRODOC Annex 8 to reflect this and the GEF SEC comment.

During the initial stages of project implementation, the list of technologies will be reassessed and adjusted regarding baseline technologies, to define energy and resource efficiency/renewable energy technologies eligible for support. As described in PRODOC Annex 8, the GEF cost-sharing mechanism (see ?General conditions applying for pilot investments with GEF funds used for cost sharing?) will define a combination of several criteria to be met by applicants to receive financial support, including maturity of technologies put in place, amount of energy saved or renewable energy produced, and other hard and soft criteria (e.g. environmental benefits achieved, number of combined measures implemented, willingness to disseminate and promote good practice). From the assessments done during the PPG it became obvious that there is a lack of knowledge of engineers and facility managers in municipalities and tourism facilities concerning the necessary information of quality requirements in EE/RE installations on technologies being already (partly) implemented elsewhere in the country (e.g. LED lighting, refurbishment of cooling and heating systems, installations of PV systems, etc.), as well as information on qualitative suppliers available in the country, and their technical and financial benefits (cost-benefit, return on investment). Here, the project will provide support during feasibility, design and procurement stage (and hereby referring to good practice and TA support provided in other UNDP-GEF projects implemented in Egypt GEF #3832, 5064, and 4790).

It cannot be fully anticipated what the preferred combination of EE/RE technologies of the demonstration activities will be. The preferred technologies addressed for implementation will emphasize to cover minimum a combination of two EE/RE technologies (single measures will be not considered eligible), where the combined return on investment of a set of measures does not match market conditions.

May 2021:

Overall:

The linkages are manifold. First, the Sharm El Sheikh Sustainable Development Strategy provides an umbrella that brings together for the first time an integrated approach to urban and environmental planning, bringing together the different thematic areas (energy efficiency, renewable energy, clean transport, waste and chemicals management, biodiversity conservation). This falls primarily under Component 1. Already this will offer a framework for better integration of various aspects such as the reduction of impacts from planning and infrastructures on biodiversity ? such as reducing tourist diver impacts, boating impacts, or desalination plants releasing harmful brine into coral reefs. Under Component 2 this is then put in more detailed practice ? better waste management and water/chemicals by city and hotels favour biodiversity, UPOPs emissions reductions favour biodiversity. Healthy coral reef ecosystems (biodiversity) in return are critical to maintain the attractiveness of the tourism destination, to generate the interest and revenue for the city and private/hotel sector to provide the required investments in technological improvements.

Theory of Change:

Please see the related response above, per which the Theory of Change diagram (PRODOC Annex 9) was amended.

Outcome 1.1 ? feasibility studies:

The Sharm El-Sheikh Sustainable Development Strategy (SESDS) involves a long-term strategy and action plan for implementation of key infrastructure solutions (energy, transport, waste, tourism) in the future. For some of these solutions further conceptual studies and feasibilities are required that were beyond the scope of the PPG, to assess their technical, economic and market potentials and elaborate specific business cases.

The value of these feasibility studies will be to provide a broad scope of innovative clean tech solutions to be incorporated in the SESDS Action Plan. Some of these technologies/studies could result in concrete pilot investments within Component 2 ? e.g. application of distributed solar energy systems in hotels, or alternative transport modes in the city or at touristic facilities. While other solutions due to their technical and financial complexity may make sense only in the longer term (e.g. 5-10 years, beyond the project implementation) such as the implementation of district cooling solutions or alternative desalination concepts. (This additional explanation was added at the end of Output 1.2.1 in the PRODOC).

Outcome 1.1 ? enforcement mechanism:

Under the Project, the SESDS will be set up as an integrative stakeholder process coordinated by MOE (with PMU organizational and technical support) and reporting to the Project Board. Cross-cutting issues, including the setup of the relevant policy framework, planning requirements, financial mechanisms and MRV issues will be consolidated using the input from technical coordination groups and dialogue platforms. The SESDS will be presented to the local council and executive bodies concerned, at the level of the city, governorate and the national level, securing full endorsement. Refer to the description under Output 1.1.2 including Figure 7 (4-step approach) in the PRODOC. The enforcement of the SESDS, which will also go beyond the project duration, will be coordinated under the Presidential Office and through the Governorate and Municipality. It will consider a mix of policy instruments (partly developed under the GEF project), a monitoring mechanism (refer to Output 1.1.4 MRV system) and financial incentives, including the SESDS Financing Strategy (Output 1.2.2).

Outcome 1.2 ? implementation of waste management and business plan:

This comment refers to Output 1.2.1. The municipality of Sharm El-Sheikh will implement the concept components, partly by legal obligations, partly by understanding for environmental protection, partly to keep the region attractive for tourists. The administration has already demonstrated its capacity to act by concluding a contract for the proper treatment of waste at El Khanaseer. In addition, it is willing and able to oblige the collectors of the waste to deliver exclusively to the treatment plant. PRODOC Figure 8 and the newly added box with Figure 9 illustrate the current and future envisaged waste management scheme in Sharm El-Sheikh.

Outcome 1.2 ? financing strategy:

This comment refers to Output 1.2.3. In this section reference is made to previous attempts of the Ministry of Tourism and Antiquities to set up a Tourism Fund in 2015, which had to be abandoned due to the economic situation at that time. The Green Sharm Project will together with the MoTA and ETF develop a business model for setting up a long-term financing support scheme for hotels that is based on lending a portion of the necessary capital investment for either upgrading or installing new energy- and resource related infrastructure in hotels (e.g. energy efficiency, renewables, water efficiency, waste prevention and management) against specific criteria. Using respective co-financing from government and/or commercial financing sources, appropriate financing conditions at lower interest rates (compared to commercial interest rate) will be proposed for the benefit of developers of investment projects, ideally leading to a Fund solution (e.g. "Sustainable Tourism Fund") with financing sources being made available beyond this project.

New developments such as the COVID-19 Impact Fund set up by Egypt?s Central Bank in 2020 will also be considered in the setup of the financing mechanism. However, the specific role of the project under this Output will be limited to technical assistance and acting as a facilitator for further consultations; the actual establishment of any new lending (or guarantee) mechanism will primarily rely on the project?s financing partners.

Outcome 2.1:

The work on capacity development in Sharm El Sheikh (Outcome 2.1 *Institutional capacity developed for integrated urban planning in Sharm El-Sheikh to identify, design and implement innovative low-carbon, climate-resilient sustainability solutions* with Output 2.1.1 *Training of staff in governorate, municipality and hotels on design and implementation of relevant low-carbon measures and sustainable development strategies*) was placed under Component 2 but could alternatively have been included under Component 1 to which it is directly linked as well. This Outcome/Output foresees the development of a training needs assessment and training plan to deliver increased capacities at the institutional, managerial and technical levels at public and private entities coping with sustainable development planning and implementation. As indicated therein, a range of target groups will be involved in the capacity building activities: municipal/governorate staff, public officers/technical staff as well as technical staff/facility managers at hotels. Topics to be covered by the trainings are all to be linked to identified needs regarding the formulation and implementation of the Sharm El Sheikh Sustainable Development Strategy, including environmental mainstreaming to reduce harmful impacts from public and private entities and the implementation of pilot investments. PRODOC ?151 in the provides some examples of training activities: training of technical staff concerning design principles and technical specifications for energy efficiency, renewable energy, waste minimisation and resource efficiency investments, on conducting energy audits/assessments in hotels, incorporating green purchase criteria and selection specifications for alternative products (e.g. single-use-of-plastics). These are examples to be further developed during project implementation.

Outcome 2.2 ? GEF investment need:
Outcome 2.2 will support the implementation of a comprehensive set of energy efficiency and renewable measures in hotels. A competitive selection process will be introduced in cooperation with EHA, under which the project will select hotels and resorts that submit investment proposals and provide them with TA (to define technical options, prove the economic case, etc.) and/or cost-sharing financial contributions towards these investments. Please refer to PRODOC Annex 8 section ?*General conditions applying for pilot investments with GEF funds used for cost sharing?*. The final criteria for selection, the corresponding amount and % of GEF cost-sharing and the modalities and payback times will be defined during the project implementation phase.

Outcome 2.2 ? HFCs in AC system:

Phasing-out of HFCs is not a main focus of the project but eventually part of the potential pilot investments under Output 2.2.2

Outcome 2.2 ? ratio between GEF funding and co-financing for pilot projects:

Please refer to PRODOC Annex 8 for the related projections, which states as a general rule:

Minimum additionality of GEF financial contributions. The share of the GEF contribution towards the investment cost of each pilot investment will be determined on a case-by-case basis for each pilot investment, on the principle of incremental cost? i.e. the GEF contribution will not exceed the anticipated incremental cost of the low-carbon technology versus a baseline conventional technology for the particular pilot investment. In addition to the competitive process, an independent, third party financial expert will perform financial modelling in Excel to determine that the level of GEF contribution reflects minimum additionality. Overall, using this approach, the share of GEF contribution should not exceed 40% of the investment cost of the pilot investment.

Annex 8 moreover assigns specific GEF contribution envelopes for types of pilot projects, with an estimate of the additional co-financing to be mobilised under this cost-sharing mechanism during implementation towards the pilot projects.

For projects promoted by the municipality, a GEF contribution of USD 0.4 million shall be available for TA and pilot investments. The supported pilot/demonstration project that benefit from direct GEF cost-sharing shall collectively leverage at least USD 1-2 million in co-financing and with a potential to leverage another USD 5 million by the end of the project by their effective replication or scaling up.

For projects promoted by the tourism industry, a GEF contribution of USD 0.98 million shall be available for energy and resource efficiency, and another USD 0.45 million for renewable energy projects, both used for TA and pilot investments. The GEF cost-sharing mechanism shall leverage (in addition to the already committed co-financing sources) at least USD 5 million in co-financing of additional co-financing to be mobilized during the project, with a potential to leverage beyond end of project another USD 15-20 million through replication and scale-up.

For pilot activities related to improved waste management at hotels/resorts, a GEF contribution of USD 0.3 million is foreseen for TA support at hotels and another USD 0.5 million for improving solid waste management practices at municipal level (i.e. improving the technical development of the sorting facility at Wadi Khanaseer, as well as options for best treatment of separated collected organics).

Noting that this anticipated co-financing is not included in the submission because the investments/beneficiaries have not yet been selected ? it will be additional co-financing mobilised during the implementation period.

And finally, the tables in Annex 8 provide illustrative examples of pilot projects with hypothetical financial contributions from GEF and the selected beneficiaries, respectively.

Outcome 2.3 ? tons and type of waste

The PPG estimated a waste generation of 55,000 tonnes per year for Sharm El-Sheikh. This information had been omitted by accident in the original PRODOC submission and was now inserted in the section *CW ? GEF Increment and Global Environmental Benefits* of 3.4 *Global Environmental Benefits and Incremental Cost Analysis (Baseline vs Alternative Scenario)*. The project aims to reduce this amount by separate collection on the one hand and by sorting and composting the remaining waste on the other. The target value of both measures is a reduction of at least 50% of the waste. The remaining waste is primarily landfilled in an orderly manner (through an existing contractor) and could in the longer future be utilized introducing waste-to-energy solutions.

Outcome 2.3 ? waste flow diagram and linkage with Outcome 1.2:

Output 1.2.1 will develop a concept for sustainable waste prevention and management and a business plan to improve operations for collection, sorting, recycling and safe disposal of wastes in Sharm El Sheikh, including tourism facilities, and include it in the overall Sharm El-Sheikh Sustainable Development Strategy. The key elements of the municipal waste minimization and management will be assessed, and an innovative approach to the waste preventive management concept and business plan developed for the overall city. Output 2.3.1 will provide complementary TA support for the implementation of improved waste minimization and handling practices at municipal level and within hotels. As explained in the PRODOC, the project will develop a set of activities to organize green purchasing initiatives among hotels and tourism facilities and pilot an integrated municipal waste management system (separation-collection-transport-classification-packaging-recycling) that will help the municipality to enhance resource recovery from municipal organic wastes using 3R approaches (reduce, reuse, recycle/recover), regional and national institutions increase their knowledge on state-of-the-art waste management practices and acquire experience to implement and enforce it; including the execution of demonstration activities.

PRODOC Figure 8 showed the current and future desired waste management scheme in Sharm El-Sheikh. A box was now added to PRODOC Output 2.3.1 with a flow diagram to illustrate the initial waste amounts and amounts that could be reduced through separate collection, improved sorting and composting measures at the existing waste management facility of El Khanaseer.

Outcome 2.3 ? UPOPs emission reductions:

Please see the detailed answer provided above on Indicator 10.

Output 2.3.1:
Please refer to PRODOC Annex 10: *Details on the GHG Emissions Reduction calculations*, Section *2) Chemicals and Waste Component*. While there are no direct ER expected from CW under the project due to the fact that it will only support the conceptualisation and improvement of the organization of the waste management system in Sharm El-Sheikh, the consequential GHG emissions avoided over the 20 years after the project implementation have been calculated and are estimated to 276,072 tCO2eq. These are fully integrated in the Core Indicator 6 and Project Results Framework Indicator 2: Direct CCM 105,837 tCO2eq + Indirect CCM 898,094 tCO2eq + Indirect C&W 276,072 tCO2eq = 1,280,003 tCO2eq total.

Component 3:

The Protected Area work is complemented by addressing sector impacts on biodiversity through mainstreaming, working with municipality and private sector. Please refer to PRODOC Section *3.2 Project Description and Expected Results*, namely in the following Outcomes/Outpus/Activities:

- Output 3.1.1: *Protected Area planning and management strengthened to manage and mitigate biodiversity-harmful economic practices,* Activity 3: *Provision of technical assistance and support to identify suitable best practices and solutions*, which lists the mitigation measures for biodiversity harmful practices, namely: ?reducing impacts from construction (hotels, piers, marinas; planning and practices), reef dredging and siltation; integrated management planning and zoning; carrying capacity assessments; enforcing (seasonal) closures of specific parts of the marine and coastal environment to conserve areas that are critical to life histories of species; setting carrying capacity limits and

introducing a systems of permits to provide specific controls and/or limits to the boat numbers and boat capacities (diving and snorkelling boats and beyond, different access levels - beginner, advanced, etc.); setting and monitoring fishing access and harvest levels; preparing/updating guidelines for mooring including new anchoring systems; prohibiting or limiting harmful activities and practices, such as water-skiing, at least in vulnerable areas; monitoring; waste management. Performance indicators and certifications will be introduced to guide and assess the improvements, such as the ?Green Fins? initiative for diving centres (which conducts a baseline study of the environmental impact of its diving & snorkelling centre members on biodiversity & its yearly improvement, highlighting necessary policies and changes needed to reduce harmful impacts)?.
- Output 3.5.1 Activities 1, 2 and 3, as well as Output 3.5.2 Activities 1, 2, 3 and 4, which provide specific actions to be taken by hotels, hotel staff, tour operators and tourists to reduce impacts.

Moreover, given that this is an integrated multi-focal area project, other Components, Outcomes and Outputs deal with further, more generalised mitigation measures, such as
- Outcome 1.2 (Output 1.2.1) on waste management and safe disposal of waste and garbage and on the feasibility study regarding impact mitigation and zero liquid discharge plans for desalination plants;
- Outcome 2.3 on enhanced waste and plastic management including from boats.

Regarding Outcome 3.4, the project will be working with a small number of households (perhaps 100-125 households) that live within the PAs and currently depend to some extent on tourism and tourism services for their incomes (e.g. milk supply, fishing, work in tourism facilities, ecotourism etc.). These 2 villages are located in areas that are close to Sharm El Sheikh and have large tourism potential. Some households have started small-scale ecotourism facilities (boating services to visitors, etc.) and there is great scope to organize and provide training these to promote ecotourism. However, it is agreed that the project target may have been too ambitious, wherefore the project targets for annual household income increases due to sustainable livelihoods (Indicator 20, Project Results Framework) were halved, from 20 to 10% at mid-term and from 40% to 20% at project end.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: The alignment with CCM1-4 is not yet clarified in terms of how the project will promote renewable energy and other clean technologies, supporting relevant SMEs. BD1-1 replaced BD-1-3 while the funding from BD1-1 is none. Please adjust the funding allocations.

Agency Response

May 2021:

On CCM 1-4: Please refer to PRODOC Section *3.3 Alignment with GEF focal area strategy*, ?229, where the rationale for CCM 1-4 has been further clarified, and to Outputs 1.2.1, 2.2.2. and 2.2.3, which discuss activities on innovative renewable energy and energy efficiency infrastructure and further smart solutions supported by the project.

On BD 1-3: See the answer at the start of the Review Sheet above. There had been an error in Table A of the CEO ER, as the BD allocation had not been subdivided between BD 2-7 and BD 1-1 as planned. This was now adjusted: BD 2-7 was reduced from USD 1,775,056 to 1,532,793 while USD 242,263 were listed under BD 1-1. This is therefore now consistent with the rest of the PRODOC and CEO-ER.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: Please clarify how the co-financing will contribute to achieve the expected GEBs.

Agency Response

May 2021:

The co-financing table, which captures commitments from interested stakeholders to finance project-relevant interventions, has some, but limited, connection to GEB calculations.

For the GEB calculations, to use energy as an example, we estimate direct GEBs from energy investments to which GEF INV is contributed. Importantly, we assume that GEF INV typically represents only a share (e.g., 30%) of the total capital expenditures for these energy investments. In such cases, we include the direct GHG ERs from the entire investment in the submitted GEB figures, on the assumption that other sources of funding can address the remaining capital expenditures.

In the co-financing table, the line items representing private sector investment mobilized are aligned with the sectoral areas where GEF INV will provide support.

To be clear, and as stated above, it is also anticipated that other sources of funding - beyond the identified private sector co-financing investment mobilized - will also contribute to the total cost of the capital expenditures where GEF INV will provide support.

6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: Please see comments on indicators. Please also provide how some key assumptions are derived. For example, the assumed emissions factor (CO2t/MWh), either dynamic or static, may be missing except one mentioned for solar PV. UPOPs has 90 percent of reduction target while it is not clear if 90 percent is in line with the proposed interventions.

Agency Response

May 2021:

On Para 1: Assumptions on energy and water savings, renewable energy production and relevant GHG emission factors are described in PRODOC Annex 8 (tables ?Illustrative possible demonstration projects at municipality level? and ?Illustrative possible demonstration projects in hotels?) as well as in Annex 10. In Annex 8, footnotes are provided on the GHG EF for natural gas and electricity from grid (EF Natural gas: 0.2kg CO2eq/kWh, EF electricity: 0.519 kg CO2eq/kWh), in line with GHG emission calculation guidelines. These were also used in the calculations on direct and consequential ER provided in Annex 10, to which they were now explicitly added.

On Para 2: The project?s interventions and their consequent control by the municipality are expected to deliver the 90% reductions: for plastics and any kind of land and marine littering, since littering is to be gradually stopped by upstream waste product minimization and a complete and authorized waste collection, and for uPOPs by the same reason on the producers side (orderly waste collection, no need to burn it) plus prohibition of any kind of open burning within the responsibility of the waste operator at El Khanaseer.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021:

Innovation: While climate change mitigation, waste management, and protection of ecosystem are embedded in the project, it is not clear how the project creates synergies among these elements in an innovative manner. Please clarify.

Sustainability: Please elaborate sustainable financial schemes that ensure the sustainability of the project. Please describe plans for the future maintenance of PAs and investments once the five-year GEF grant is completed. How the PAs are going to be maintained? Are there any proposed mechanism for long-term financing of PA management and consolidation? The tourism industry is an interested party and can become an important supporter of PAs, please expound what is the project?s proposed sustainability strategy in this area.

Scaling up: Please explain how the project will expand generating GEBs outside the participating private sector entities in Sharm El-Sheikh. Knowledge management is not utilized for scaling up.

Agency Response

May 2021:

Innovation:

The innovation resides in the fact that all three key environmental sustainability components ? sustainable energy use and generation, waste management and biodiversity conservation, are integrated in one project and not treated separately, that investments on all of these axes are committed by the different government levels (central, governorate, municipal) involved. Synergies are provided by working as one project team on all these thematic axes, and by engaging all the different sector units especially in the municipal government such that these work together. And of course, a key innovation is the implementation of the integrated Sharm El Sheikh Sustainable Development Strategy (SESDS) and Action Plan.

Sustainability:

PRODOC Section 3.12 *Innovativeness, sustainability and potential for scaling up* was strengthened (?270-272) to address this comment. Please also refer to PRODOC Section 2.2 *The baseline scenario* sub-section *Protected Area Management and Finance*.

Upscaling:

PRODOC Section 3.12 *Innovativeness, sustainability and potential for scaling up* was edited and strengthened (?275-276) to address this comment.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Jan 20, 2021: Yes.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: Largely yes with a detailed plan and a report. Organizations who co-finance or conduct baseline projects should be included in the stakeholder engagement plan for smooth coordination. Please consider the inclusion of gender-related CSOs in relation to gender action plan, as appropriate. It is not clear how to engage with informal waste-related stakeholders and residents who might be impacted by waste management operation under the project. Please explain how the project will involve these stakeholders and revise the plan accordingly.

Agency Response

May 2021:

On Para 1: All co-financing organisations had already been included in the Stakeholder Management Plan in PRODOC Annex 4, however several references were clarified/strengthened in the section?s table, in rows 2 (EEAA), 12 (Municipality of Sharm El Sheikh), 14 (private sector: EHA and Waste Operator), and 23 (UNDP). Reference to gender-related was added to row 16 (NGOs/CSOs).

On Para 2: residents of the city will not be affected by the project?s work on waste management (other than benefitting from it) and are therefore not included as a dedicated group in the stakeholder engagement plan. In contract, informal waste pickers are dealt with in detail in the Environmental and Social Management Framework (PRODOC Annex 11, separate). Here some key extracts:

Waste-pickers. There is a long tradition of waste-picking in Egypt and it is recognized as key to successful waste management, particularly in the absence of formal arrangements. The interpretation of available satellite images using GoogleEarth and site visits showed active waste-picking, including the presence of constructions at the waste site. Interviews suggested that the higher value hard-plastic component of the waste is systematically picked, bundled, and transported for resale in Cairo, and that a significant portion of the organic waste is already reused by local communities to feed livestock. There is no information available regarding the number of waste-pickers involved, the number of persons whose livelihoods depend on the waste value chain, or the revenue generated by the existing waste value chain, and no breakdown of who benefits from this revenue (waste-pickers, transporters, resellers). There is also no information available regarding prior formal or informal agreements between waste-pickers and local authorities. It is likely that the hands-off management of the waste site since 2011 has created legacy issues that the Project and Zahret Ganoub Sinai will be confronted with, particularly since waste-pickers are not mentioned as stakeholders in the lease, and are not protected under national laws and regulations.

*MoE/EEAA and the PMU/SESO will oversee the preparation of an ESIA and ESMP**[1]**[1] by competitively selected qualified consultants, based on ToRs reviewed by the relevant UNDP SES Officer, including an audit of the current situation. The ESIA and ESMP will be funded by the Project during Project implementation. It will UNDP?s SES requirements, including but not limited to pollution, labour, occupational health and safety, community health and safety, a survey of the livelihoods dependent on the* *current waste management situation, such as waste-pickers and users of the organic waste. If necessary, MoE/EEAA and the PMU/SESO will oversee the preparation by a competitively selected consultants with Project funds of a separate Resettlement Action Plan (RAP) for displaced or affected persons (see Appendix E for ToRs that meet UNDP?s SES).*

A row on informal waste pickers was added to the Stakeholder Management Plan table in PRODOC Annex 4 to highlight this further.

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[1] The Project must also ensure that an English version of the ESIA and ESMP are available for review by the relevant SES officer

Gender Equality and Women?s Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Jan 20, 2021: Yes.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: While some engagements with the private sector are described in Annex 4, it is not clear how replication and scaling-up by the private sector (e.g. hotel, tourism, energy, transportation and waste management industries) will be embedded in the project activities. The transport sector is referred but how the project will engage with them is not described. There are two private co-financiers but the engagements with them are not described in particular under the component 2.

Agency Response

May 2021:

See answer to Item 7 above

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021: There are some missing elements in this section. Please address.

1. COVID-19: The risks and measures should be more elaborated at this stage, from communications to investments to separation of waste. Please provide more detailed analysis (risks and opportunities) and measures to address the risks based on the COVID-19 project design and review considerations circulated to GEF Agencies last year.
2. Risks related to climate change should include the increase of energy consumption from transport, recycling and other activities related to waste management.
3. Risks on finance should include a risk not being able to accumulate necessary co-financing from the private sector or the government.

Agency Response

May 2021:

On 1.: The risks analysis and responses to the COVID-19 situation were further elaborated in PRODOC *Annex 5: UNDP Risk Register*, Risks 9-11, which incorporates also the social and environmental risks identified in *Annex 12: UNDP Social and Environmental Screening Procedure (SESP)*.

On 2.: Additional risks related to climate change were added in PRODOC Annexes 5 and 12, specifically focusing on climate change impacts on solar rooftop and the impact of increased transport on climate change.

On 3.: An additional risk (8) related to risk to co-financing was added to Annex 5, although this risk is considered low given past experience and strong engagement of the government in the project.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Previous comments cleared.

Jan 20, 2021: Most project activities are within Sharm El Sheikh or adjacent areas while PMU and LCU are separated without adequate justifications. Please provide rationale and explore further options. Please also see comments related to budget in the review sheet on this issue. Proposed implementation support service needs to be reconsidered. In terms of coordination with relevant GEF projects and other initiatives, how the project will coordinate with them is not fully described in the table under the ?3.9 Coordination and partnerships.? For example, with regard to ?UNDP Low Emission Capacity Building Project (LECB),? the coordination part just mentions that ?The project supported the preparation of a Low Emission Development Strategy (LEDS) for Tourism Sector in Egypt completed in 2018-2019.?

Agency Response

May 2021:

Regarding the 1st paragraph, please see the answers already provided above regarding PMU/LCU, budget and implementation support.

Regarding the 2nd paragraph, additional details were added where required/indicated in the table in PRODOC Section 3.9 *Coordination and partnerships*.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: Egypt?s NDC and its alignment is not described.

Agency Response

May 2021:

Egypt to date only published its Intended NDCs, in November 2015, prepared under the LECB project (see PRODOC Section *3.9 Coordination and partnerships*). A brief reference to the INDC had been included in PRODOC Section *3.6 Consistency with national convention strategies/plans/reports/assessments*, ?240 ? which was now expanded. It is noted that Egypt?s INDCs do not include any quantitative targets.

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comments cleared.

Jan 20, 2021:
1. How the project will learn from lessons learned of previous projects and experiences including those in other countries should be elaborated.
2. Some knowledge products, for instance Biennial ?Egyptian Green Tourism Award? ceremony, marketing/branding strategy and training assessment, seem not directly linked with knowledge management. Please review and revise them and add descriptions with timelines.
3. It is not clear how the project will capture replicable knowledge and lessons learned from the investments and technical assistances under the relevant components and utilize such knowledge within stakeholders in Sharm El-Sheikh and beyond. Please add relevant knowledge products and a sharing scheme during the project period at least.
4. Please also explain how the co-financing part will contribute to the KM plan and clarify if there are some products covered by co-financing. Please also clarify the budget of the KM part (excluding M&E part), with unique deliverables from this component.

Agency Response

May 2021:

On 1.:

A paragraph on the sharing of experiences from past projects was added to PRODOC *Annex 21: Knowledge Management Strategy and Plan*

On 2.:

The list of KM products in PRODOC *Annex 21* was edited and non-KM products removed; noting that this draft KM action plan will be reviewed and finalised (with further details such as descriptions and timelines) after project inception when the KM officer has been recruited.

On 3.:

New text on the lessons learnt knowledge products and their dissemination was added to PRODOC *Annex 21: Knowledge Management Strategy and Plan*, noting that this draft KM action plan will be reviewed and finalised (with details such as calendar) after project inception when the KM officer has been recruited.

On 4.:

The Ministry of Environment, Municipality of Sharm El Sheikh and EHA will all play key roles in the dissemination of the project?s knowledge products, which is an implicit minor part of part their co-financing. Their co-financing will however not contribute to the completion of these knowledge products.

The knowledge products and dissemination events listed in Annex 21 are mostly spread across the technical components 1-3. The only unique KM deliverable under Component 4 is the final project dissemination workshop. The KM share of the Component 4 total budget corresponds to a pro rata estimate of the costs for the PM, KM & Comms Officer, travel and the final project dissemination workshop. The KM share in Component 4, after clarification and recalculation is now USD 65,000.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Jan 20, 2021: Yes, please see relevant comments in this review sheet in particular relating to Risks.

Agency Response

May 2021:

The social & environmental safeguards documents (PRODOC *Annex 12: UNDP Social and Environmental Screening Procedure (SESP)* and the separate *Annex 11: Environmental & Social Management Framework (ESMF)* as well as *Annex 5: UNDP Risk Register* were further strengthened for this resubmission.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: Yes. However, the total budget of M&E does not match the budget in Annex of TBWP, which is $185,000.

Agency Response

May 2021:

Several changes were made in the budget (PRODOC TBWP) to reflect the changes requested in the Review Sheet. In addition, the assignation of KM and M&E costs was clarified and recalculated. M&E cost is now USD 160,000 and KM cost USD 65,000, for the same total of USD 225,000 as before. In the PRODOC, Section VIII. Total

Budget and Work Plan (TBWP), M&E Cost Table in Section V. Monitoring and Evaluation (M&E) Plan as well as the GEF Budget Template in Annex 27 were streamlined.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: Economic benefits on the tourism industry are described. However, social benefits including improvement on health and livelihood can be elaborated.

Agency Response

May 2021:

The social and socio-economic benefits are highlighted in several sections in the project document. The dedicated section in PRODOC (Section 3.5 Local and national project beneficiaries and benefits) and CEO-ER were expanded.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

June 21, 2021: Comment cleared.

Jan 20, 2021: Some of end of project targets do not match the final outcomes. For instance, 4WM of solar PV was included in the end of project target while the indicator 6.4 is 2.5MW. Please address these discrepancies.

Agency Response

May 2021:

The discrepancies (resulting from oversights in the original submission) between indicator target values under PRODOC Annex 17: *GEF Core Indicators at Baseline* and Section V *Project Results Framework* were addressed by updating the target values in the latter, now consistent with the calculations elsewhere in the PRODOC. This was also reflected in the CEO-ER.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Oct 12, 2021: Comments cleared.

Sep 6, 2021: In addition to comments on co-financing and budget from policy/fiduciary perspectives, please address the below.

1. Project Expected Implementation Start date is Sep 1, 2021. Please amend taking into account the 4-weeks circulation period.

2. Institutional arrangements, Consistency with National Priorities, Knowledge Management and M&E (budgeted M&E plan is mandatory) are not in Portal ? there are only references to ProDoc. While the narrative in ProDoc may be too long, it is necessary to include the main parts in Portal.

July 10, 2021: Please address the remaining comments above.

Jan 20, 2021: Not at this stage. Please address the comments above. Please also include the Checklist for CEO Endorsement Template duly filled out for this project.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	**1/20/2021**	
Additional Review (as necessary)	**7/10/2021**	
Additional Review (as necessary)	**8/31/2021**	
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations