



## PROJECT IDENTIFICATION FORM (PIF)

**PROJECT TYPE: FULL SIZED PROJECT**

**TYPE OF TRUST FUND: THE GEF TRUST FUND**

### PART I: PROJECT IDENTIFICATION

<b>Project Title:</b>	Mainstreaming the conservation and sustainable use of biodiversity into tourism development and operations in threatened ecosystems in Egypt		
<b>Country(ies):</b>	Egypt	<b>GEF Project ID:</b>	5073
<b>GEF Agency(ies):</b>	UNDP	<b>GEF Agency Project ID:</b>	4590
<b>Other Executing Partner(s):</b>	Ministry of State for Environmental Affairs (MSEA) through the Egyptian Environmental Affairs Agency (EEAA) and Nature Conservation Sector (NCS).  Ministry of Tourism (MoT) with the Egyptian Tourism Authority (ETA) and Tourism Development Authority (TDA).	<b>Submission Date:</b>	August 13, 2012 Resubmission: September 09, 2012 2 <sup>nd</sup> resubmission: January 10 2013
<b>GEF Focal Area (s):</b>	Biodiversity	<b>Project Duration:</b>	48 months
<b>Name of parent program (if applicable):</b> <b>For SFM/REDD+ <input type="checkbox"/></b>		<b>Agency Fee (\$):</b>	244,562

### **A. FOCAL AREA STRATEGY FRAMEWORK:**

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative GEF Financing (\$)	Indicative Co Financing (\$)
BD2	Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks	Output 1. Policies and regulatory frameworks (2) for production sectors  Output 2. National and sub-national land-use plans (3) that incorporate biodiversity and ecosystem services valuation	GEFTF	800,000	1,150,000
BD1	Outcome 1.1: Improved management effectiveness of existing and new protected areas.	Output 1. New protected areas (1) and coverage (at least 30,000 ha in new PAs and 15,000 ha in expanded existing PAs) of unprotected ecosystems.	GEFTF	1,651,750	8,607,009
Sub Total				2,451,750	9,757,009
Project management cost				122,588	682,991
<b>Total project costs</b>				<b>2,574,338</b>	<b>10,440,000</b>

### **B. PROJECT FRAMEWORK**

<b>Project Objective:</b> To mainstream biodiversity conservation into tourism sector development and operations in ecologically important and sensitive areas					
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing (\$)	Indicative Co Financing (\$)
1. Changing the trajectory of tourism development and operations to safeguard biodiversity	TA	1. Direct adverse impacts of tourism infrastructure development on biodiversity and land/sea-scapes (primarily loss and severe degradation of critical habitats in both terrestrial and marine ecosystems) are avoided, reduced or compensated in at least the c. 10,000 km <sup>2</sup> of ecologically sensitive areas (including c. 2324 km <sup>2</sup> inside protected areas) exposed to development pressures: a) at least 90% of new tourism-related infrastructural developments and hotels are consistent with SEA recommendations and apply rigorous EIAs whose conclusions are respected in the permitting process; b) at least a 50% reduction in environmental	1. Coherent and effective legal, policy, regulatory and institutional frameworks in place at the national and sub-national levels for multi-sectoral land-use planning at the landscape level, focusing on the tourism and real estate/construction sectors and on the resulting multiple pressures on biodiversity: a) a national-level policy mainstreaming committee overseeing policy and planning coherence between tourism development and environmental/biodiversity management; b) Strategic Environmental Assessments conducted to inform tourism development plans about spatial areas where tourism development and/or operations are desirable/acceptable from the biodiversity standpoint, where they may be permitted subject to	800,000	1,150,000

		<p>infractions during the construction and operational phases achieved through monitoring and enforcement;</p> <p>c) unsustainable infrastructure development in critical habitats inside and adjacent to protected areas, especially through coastal ribbon development for the mass tourism market, is prevented.</p> <p>In the three targeted regions - the north-western Mediterranean coastal belt, the southern Red Sea coastal belt and Siwa Oasis/PA:</p> <p>2. Demonstrated adoption of and compliance with the selected sustainable and biodiversity-friendly tourism certification systems by at least 30% of new tourism-related infrastructural developments, hotels and tourism service providers, as well as by at least 90% of NB/BFT operators, so as to reduce the biodiversity impacts caused by inappropriate practices from tourists and tourism establishments, most notably disturbance effects affecting sensitive animal and plant species, habitat degradation and over-exploitation of resources.</p> <p>3. Maintenance of good conservation status</p> <p>a) in the southern Red Sea coastal belt: for coral reefs, seagrass beds important also for the Dugong <i>Dugong dugon</i> (Vulnerable) and coastal habitats including mangroves and beaches used for nesting by the Endangered Green Turtle <i>Chelonia mydas</i> and Critically Endangered Hawksbill Turtle <i>Eretmochelys imbricata</i>; and forest groves including the Red Sea Fog Woodland</p> <p>b) in the north-west Mediterranean coastal belt: for the unique coastal vegetation, oolitic calcareous ridges and dunes, saline depressions and saltmarshes, and the limestone ridge habitats bordering the coastal plain to the south west,</p> <p>c) in Siwa Oasis and PA: for vulnerable oasis and desert habitats representative of Egypt's Western Desert ecosystems, Slender-horned Gazelle <i>Gazella leptoceros</i> (Vulnerable), Dorcas Gazelle <i>Gazella dorcas</i> (Endangered), and Cheetah <i>Acinonyx jubatus</i> (Vulnerable).</p>	<p>management-mitigation-offsetting, and where they should be altogether avoided;</p> <p>c) biodiversity concerns and biodiversity offsetting requirements integrated in EIA and tourism-related landscape planning; regulatory, institutional and financial arrangements for tourism-related biodiversity offset mechanism established to define offset activities/outcomes and site selection and create a supply/demand database;</p> <p>d) strengthened capacity at the MSEA/EEAA/NCS, MoT/TDA for integrating biodiversity into SEAs, EIAs and related regulations in tourism planning and permitting, and for compliance monitoring and enforcement;</p> <p>e) a biodiversity monitoring and evaluation mechanism or process to assess disturbance of habitats and key species from tourism and related pressures, determine acceptable limits of change, and provide management recommendations;</p> <p>2. Frameworks and tools for fostering adoption by tourism operators of best-practice standards for sustainable tourism and nature-based/biodiversity-friendly tourism (NB/BFT):</p> <p>a) new national certification systems and verification mechanisms for hotels and tourism operators created, or existing international certification systems and verification mechanisms selected – and operationalised including through MoT/TDA/MSAE endorsements and campaigns;</p> <p>b) economic/fiscal and other incentives (e.g. subsidies, tax deductions, promotion through national or regional government tourism materials/websites) and penalties (e.g. special taxes), to advance the adherence of private sector and local community businesses to the certification systems.</p>		
2. Strengthening the PA system and its management in three target regions of high biodiversity value exposed to tourism development and activities	INV	<p>In the three targeted regions – the north-western Mediterranean coast, the southern Red Sea coast and Siwa Oasis/PA:</p> <p>1. One new PA (min. 30,000 ha) designated, spatially configured and emplaced, and the boundaries of 2 of the existing 5 PAs (at least 15,000 ha added to the total of 50,000 km<sup>2</sup>) in the three regions expanded, in areas facing immediate or medium-term tourism development pressures expected to adversely affect biodiversity assets, but in which representative PA coverage is lacking.</p> <p>2. Pressures from tourism controlled or reduced in c. 2,324 km<sup>2</sup> of ecologically sensitive areas inside the existing and new PAs exposed to tourism development pressures, and reflected in PA Management Effectiveness Tracking Tools (METTs) demonstrating satisfactory improvements, particularly in relation to scores on</p> <p>a) tourism planning and visitor management</p> <p>b) a reduction of the direct and indirect impacts from tourism</p> <p>c) revenue generation</p> <p>d) relations with local communities</p>	<p>1. Egypt's PA system updated and expanded in the three target regions</p> <p>a) gazettelement of the new PA(s), especially in the north-west Mediterranean coastal belt;</p> <p>b) expanded boundaries of existing PAs;</p> <p>c) management framework in place for all new and existing PAs, depending on specific site needs: staffing, participatory management planning, establishing multi-stakeholder Management Board;</p> <p>d) physical demarcation of boundaries;</p> <p>e) basic infrastructure and equipment in place (i.e. administrative office and ranger posts) for new PAs;</p> <p>f) community-based integrated land and resource management plans developed and implementation initiated;</p> <p>2. Institutional and technical capacities emplaced in the new and existing PAs, to effectively manage and service tourism flows, minimise adverse impacts on biodiversity, and maximise positive opportunities for protected area and biodiversity management, through</p> <p>a) newly developed or strengthened/updated management plans with streamlined decision making processes;</p> <p>b) interpretation facilities for sensitising tourists, operators and local populations to regulations and good practices in tourist activities and souvenir</p>	1,651,750	8,607,009

		3. PA Financing Scorecard demonstrates progress towards meeting the finance needs to achieve effective management.	shopping; c) control and prevention of harmful activities; d) tourism-related sales of sustainable handicrafts increasing employment and income for local communities.  3. Site-specific effective PA financing systems based on an integration into Egypt's PA system and national PA financing strategy and on gate and tourism operator concession fees, ecotourism taxes, and on biodiversity offset and reinvestment schemes involving the tourism industry.		
Sub Total				2,451,750	9,757,009
Project management cost				122,588	682,991
<b>Total project costs</b>				<b>2,574,338</b>	<b>10,440,000</b>

**C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)**

Sources of Co-financing	Name of Co-financier	Type	Amount (\$)
National Government	Government of Egypt	Grant	2,300,000
GEF Agency	UNDP	Grant	1,040,000
Bilateral Aid Agency (ies)	Italian Cooperation	Grant	3,000,000
Bilateral Aid Agency (ies)	European Union	Grant	4,000,000
Private Sector	Private Company	Grant	100,000
<b>Total indicative co-financing</b>			<b>10,440,000</b>

**D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES):**

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA	Country name/Global	Project amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
UNDP	GEF	Biodiversity	Egypt	2,574,338	244,562	2,818,900
<b>Total GEF Resources</b>				<b>2,574,338</b>	<b>244,562</b>	<b>2,818,900</b>

## **PART II: PROJECT JUSTIFICATION**

### **A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

#### **A.1.1. THE GEF FOCAL AREA STRATEGIES:**

Tourism currently contributes about 11.3% of the Egyptian GDP and provides employment to some 3.5 million Egyptians. The country has ambitious tourism development plans, hoping to receive up to 25 million international visitors by 2020 up from a past maximum of 12.8 million. In addition Egypt, with a population of 82 million, has a large number of domestic tourists and a large real estate market. The growth of the tourism and real estate sectors, together with the indirect pressures resulting from this growth, is putting significant pressures on biodiversity. The objective of this project is to mainstream biodiversity conservation objectives into the development of tourism infrastructure and tourism operations, thereby reducing the multiple impacts on biodiversity in ecologically important and sensitive areas, while catalysing more sustainable nature-based tourism to benefit biodiversity and local economies. The project will strengthen the national institutional and regulatory framework for managing pressures on biodiversity, while targeting three carefully selected regions where the pressures are growing: 1) the southern Red Sea coastal belt between Qosseir and the northern half of Elba National Park to Shalateen towards the Sudanese border (350 km); 2) the north-west Mediterranean coastal belt between Omayed Biosphere Reserve near El Alamein and the Libyan border (400 km); and 3) Siwa Oasis with its protected area representative of the Western Desert ecosystem.

In working towards its overall objective, the project will contribute to Biodiversity Strategic Objective 2 "Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes, and sectors", specifically Outcome 2.2: "Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks". The project will catalyse the development and adoption of effective and coherent regulatory measures and the institutional framework needed to avoid, reduce, restore and offset the adverse impacts of physical tourism infrastructure development on biodiversity. This work, which will strengthen the framework for land use planning and licensing will be accompanied by compliance monitoring and enforcement mechanisms, and the roll out of market-based arrangements for tourism-related biodiversity offsetting in Egypt. Second, the project will foster the

establishment of best-practice nature-based/biodiversity-friendly tourism (NB/BFT) products and services benefiting local people, businesses and biodiversity at the same time. This will at the national level entail the development of new, or the selection of pre-existing, certification, verification and incentive mechanisms, and their adoption by operators in the three target regions in particular. The project also advances Biodiversity Strategic Objective 1 “Improve sustainability of protected area systems”, specifically Outcome 1.1: “Improved management effectiveness of existing and new protected areas”. It will gazette one new PA and expand the area of two of the five existing PAs in the three target regions, as no go areas for physical development. In addition, the project will strengthen the management of these protected areas, especially with regard to the management of tourism and related financing opportunities including visitor fees and PA reinvestment schemes by the tourism industry. At the local level the project will in this context develop and implement integrated land and resource management plans together with local communities dependent on these resources, with a view to reducing the multiple indirect impacts of tourism on PAs, such as the intensification of grazing pressure or firewood collecting.

The project will contribute towards the achievement of a number of the CBD Aichi Targets

- 2 and 5, by ensuring that in Egypt - regional and local economic development plans and tourism sectoral plans better integrate biodiversity concerns in their planning and implementation, especially by avoiding, reducing, restoring or offsetting their adverse impacts from physical infrastructure development.
- 6 and 7 by introducing sustainability measures into the supply chains providing tourism and associated businesses with food produce, especially from local agricultural and fisheries.
- 11 by declaring additional protected areas and increasing or instigating effective PA management systems.

## **A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS.**

**Egypt’s National Development Plan (NDP).** The 6<sup>th</sup> Five Year Plan for Egypt highlights tourism as one of seven foundational economic sectors underpinning Egypt’s development. The plan calls for an almost doubling of the capacity and income generated by the tourism sector. Government policies on development have remained unchanged since the January 2011 revolution. In July 2012, the Ministry of Planning and International Cooperation issued the “National Income Doubling Plan”, which identifies tourism as “one of the high priority and important services in Egypt, because of its ability to absorb labour and increase national income and provide foreign currency, in addition to integrated relations that connect this activity with other economic activities like agriculture, industry and service”. The project is consistent with Egypt’s NDP and the Income Doubling Plan in as far as it will enhance the sustainability of tourism – while the sector is set to significantly grow over the coming decade(s), there is an urgent unmet need to balance economic growth with biodiversity conservation considerations and address trade-offs.

**Egypt’s National Sustainable Tourism Strategic Plan 2020 (NSTSP).** Commissioned by the national Tourism Development Authority (TDA) in 2007 and developed with support from the UN World Tourism Organisation, this comprehensive plan provides a suitable entry point for mainstreaming biodiversity considerations into the future development of tourism in Egypt. The plan has set a number of ambitious goals to achieve high sustainable tourism growth. By 2020 it envisages a target of 25 million international visitors per year (c. doubling current numbers, with a milestone target of 16 million by 2017) and a 30% increase in the average per capita yield. In order to meet these objectives, it identifies actions to capitalise on Egypt’s comparative tourism advantages and approaches development in a sustainable manner through a focus on product diversification. To achieve this, the government has taken steps to create a favourable legislative and regulatory environment and encourage investment in the tourism sector, as well as modernising tourism infrastructure. The project is consistent with the NSTSP, in as far as that: (i) it will contribute to the further diversification of the tourism product by advancing high premium nature-based/biodiversity-friendly tourism and the creation or selection of certification mechanisms; this will also help increasing the average per capita yield targeted through the NSTSP; (ii) strengthen the outlook for the long term sustainability of the Egypt tourism product, by avoiding/reducing/restoring/offsetting the adverse effects of tourism development and operations on biodiversity, and thereby help safeguard Egypt’s huge but dwindling natural heritage, particularly in the regions targeted by the project; (iii) contribute to reducing poverty levels in under-privileged rural communities adjacent to tourism developments, by creating opportunities for them to participate in tourism ventures – especially NB/BFT.

**Egypt’s National Biodiversity Strategy and Action Plan (NBSAP),** submitted to the CBD in 1998, recognised the many risks posed by tourism on biodiversity and cited hunting, off-road vehicle use and the development of infrastructures as some of the related threats, indicating that coastal regions are “under intense threat of tourism development”. The NBSAP underlined the need for “laws governing environmental affairs and tourism” but also calls

for promoting “the utilization of certain protected areas as a high premium, ecologically sensitive tourism resource”. The NBSAP calls for the further development of “the management and infrastructure of the protected area network, including the development and implementation of management plans. These plans should address the integration and development needs of local communities, the sustainable utilization of the resources which they contain, [and] the potential for eco-tourism”. The project is consistent with the NBSAP and these elements especially by working on strengthening the “laws governing environmental affairs and tourism”; establishing a regulatory environment (certification and verification systems) for the furtherance of NB/BFT, much of which will be directed at protected areas; and strengthening the management effectiveness of protected areas in the target regions. This will seek to harness the prospective conservation benefits from tourism, including for local communities, but also to manage potential visitor pressures.

## **B. PROJECT OVERVIEW**

### **B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:**

#### **Global significance of Egypt’s biodiversity**

Egypt can be divided into four physiographic regions: the Western Desert, Nile Valley, Eastern Desert and Sinai. While 4% of the country are agricultural lands, 96% are hyper-arid, arid and semi-arid deserts. The country’s biodiversity is of global significance due to the fact that it is situated at the juncture of four bio-geographical realms, namely the Irano-Turanian, Mediterranean, Saharo-Sindian and Afrotropical regions; and due to the diversity of landscapes and topographic features, which range from the rugged mountains of South Sinai and the Eastern Desert (up to 2641 m), over featureless gravel plains including the Qattara Depression (134 m below sea level), to the freshwater habitats along the Nile River. The 2450 km of coastline on the Red Sea and the Mediterranean is a storehouse of highly distinct marine ecosystems, with high biodiversity. The Red Sea and the Nile River represent two major bio-geographical corridors, and represent globally important flyways and resting points for migratory birds in the boreal spring and autumn. The Egypt Biodiversity Country Study estimated that Egypt hosts approximately 18,000 terrestrial and marine species, including more than 2,000 species of flowering plants. In general terrestrial species richness and endemism are modest, but three areas stand out – the mountains of the southern Sinai, the north-western Mediterranean coastal belt towards Libya, and the south-eastern Gebel Elba on the border to Sudan. Species diversity and endemism are pronounced in the marine realm particularly in the Red Sea (e.g. up to 29 fish species are exclusively found in Egyptian waters). Egypt hosts a sizeable number of species listed by IUCN as needing conservation attention. At least 345 species of threatened animals are to be found in the country, including the globally Vulnerable Barbary Sheep *Ammotragus lervia*, Nubian Ibex *Capra nubiana*, Four-toed Jerboa *Allactaga tetradactyla*, Lappet-faced Vulture *Torgos tracheliotos*, Marbled Polecat *Vormela peregusna*; the Endangered Slender-horned Gazelle *Gazella leptoceros*, Egyptian Vulture *Neophron percnopterus*, Green Turtle *Chelonia mydas*; and the Critically Endangered Hawksbill Turtle *Eretmochelys imbricate*, African Wild Ass *Equus africanus*, and Egyptian Tortoise *Testudo kleinmanni*. Threatened plants include the Endangered Gebel Elba Dragon Tree *Dracaena ombet* and the Critically Endangered Argon Palm *Medemia argon* found on desert mountains and in desert oases, respectively.

#### **Egypt’s protected area network**

Protected areas (PAs) have been the most effective tool for biodiversity conservation in Egypt to date. The coverage of the protected area network has grown over the last three decades to include 30 protected areas covering 148,023 km<sup>2</sup> (c. 15% of the nation’s total land area). A management effectiveness evaluation of Egypt’s protected area system in 2006 concluded that Egypt has declared a relatively good proportion of its land as PAs and that the ecological and social benefits offered by Egypt’s PA system are high. Notwithstanding this, a fair number of PAs in Egypt are chronically under-resourced, far below the norm even for developing countries. The PA system is vulnerable as a result of insufficient on-the-ground presence, poor law enforcement, over-exploitation of natural resources, and demands on PA managers. Despite many recent improvements, site planning still tends to be poor, with only half of the protected areas having formal management plans. Also, even where good local relations prevail, local people are normally not involved in management decisions and may not support the PA status. In addition, PA system coverage of some threatened habitats remains low. Another ten areas across Egypt have therefore been identified by EEAA as candidates for further expansion of the PA system – including five in the three regions targeted by the project.

## Threats to biodiversity by the tourism sector in Egypt

Tourism – especially mass tourism – threatens biodiversity in tourism development zones, but also within both operationalised and planned protected areas. Pressures vary across the landscape in time and space: some areas only experience seasonal impacts; and while some areas are currently not heavily impacted, there is no guarantee that they remain so in future. The threats from tourism may be divided into direct and indirect categories. The former include: (1) First and foremost, the development of hotels, holiday homes and related other tourism infrastructure such as roads leading to the loss, degradation and fragmentation of natural ecosystems. This includes the on-site destruction of natural habitats during hotel and road construction and extensive scarring of adjacent landscapes, the dredging/smothering and mining of coral reefs, and the widespread uncontrolled disposal of building debris. As well as off-site extraction of building materials, especially sand and stone (along Egypt's north-west Mediterranean coast the unique coastal calcareous dunes hosting endemic flora are being heavily quarried). This is especially relevant as tourism development often occurs in or near ecologically valuable areas. The loss of connectivity between different habitat blocks poses a significant risk to biodiversity in Egypt and undermines the utility of PAs as critical storehouses of biodiversity. (2) Unsustainable activities by tourists and operators in sensitive environments including within designated and planned protected areas causing disturbance and habitat degradation. Pressures on biodiversity stem from off-road vehicle use, plant collection and trampling, uncontrolled trekking and climbing, hunting and fishing, reef impacts from diving, boat anchoring, etc. This is a particular concern for Egypt's arid vegetation (which is often sparse and fragile given shallow soils and slow growth rates), for coral reefs and for highly sensitive animal species such as the endangered Slender-horned Gazelle. In highly frequented areas already the sheer numbers of visitor leads to habitat disturbance, such as at the dive sites in Ras Mohamed National Park, asking for effective visitor management. (3) Solid waste accumulation. Hotels generate a significant amount and diversity of solid waste, which is often dumped in ecologically sensitive areas. This has changed animal behaviour – waste dumps attract scavenging species such as vultures and gulls – and results in the accumulation of plastics and toxic compounds in the ecosystem and food chain. (4) Unsustainable abstraction of surface and groundwater water resources. Excessive use of surface water especially in wadis is a serious problem as it threatens the fragile and disappearing natural habitats and often rich biodiversity these contain. And (5) Effluent discharges including from desalination. In spite of improvements in individual recent upmarket developments, hotel complexes and related urbanised areas still emit largely untreated discharges into the environment causing pollution affecting biodiversity. Also, seawater desalination is becoming an increasingly frequent response to growing water scarcity but can add additional complications: the residual saline brine, which also contains residual chemicals and heavy metals, can cause local biodiversity impacts upon disposal.

Indirect threats to biodiversity include the following: (6) Increased access due to road development. The placement of roads around tourism regions/zones provides easier access to ecologically important areas. Unless planned to incorporate biodiversity values and adequately monitored, this could have the inadvertent effect of increasing pressures exerted by both tourists and residents (e.g. poaching, better access for pastoralists). (7) Increased exploitation pressures on natural resources. The demand from tourism establishments and newly established local residents – as well as changes from nomadic to sedentary lifestyles in Bedouin tribes in particular – can lead to such increased exploitation by local populations, leading also to encroachment on protected areas. Along the Red Sea coast and including in Elba and Wadi El Gemal National Parks local communities have begun exerting pressure in the form of wood collection for charcoal making to meet demands from nearby coastal hotels for barbecue charcoal. Similarly an increase in agriculture and animal grazing can occur to satisfy rising demand for food produce from tourism, causing additional pressure on biodiversity and potentially leading to habitat degradation. Over-fishing and destructive fishing practices have already led to a significant degradation in many of Egypt's coral reefs. (8) The displacement of local populations to make place for tourism development leading to consequential pressures on other areas, including protected areas.

Of all the above impacts/threats, the most critical and irreversible impact of tourism development in Egypt is the deployment of physical infrastructure, when it occurs in ecologically sensitive areas of high biodiversity value. Much of Egypt's tourism sector growth is reflected in infrastructure development in the Nile Valley and along the country's extensive coastlines on the Red Sea and Mediterranean. The coastal developments typically occur in a narrow ribbon that is continuous in the already fully developed areas, and intermittent in areas undergoing expansion. Already almost 35% of the 510 km of coastline west of Alexandria, 20% of the 1100 km of Red Sea coast (between Suez and the Sudanese border) and 35% of the 250 km along the Gulf of Aqaba have been converted into tourist resorts and holiday homes. The intermittent nature of the expansion/growth pattern however brings along that only few long stretches of

undeveloped coastline remain. The tourism sector's ambitious expansion plans imply that these trends will likely continue unabated and that the development gaps between individual projects will progressively be closed. In this context, it is worth noting that the expansion and strengthening of Egypt's protected area system over the last years has been an encouraging trend. However PA representativeness and coverage remain incomplete, management often weak and tourism development pressures on ecosystems both outside and inside protected areas are mounting.

### Project target areas and threat situation

The project will enact on-the-ground measures in three carefully selected target regions containing five existing<sup>1</sup> and five candidate<sup>2</sup> PAs: (1) the southern Red Sea coastal belt between Qosseir and the northern half of Elba National Park to Shalateen towards the Sudanese border (350 km) and (2) the north-western Mediterranean coastal belt between Omayed Biosphere Reserve near El Alamein and the Libyan border (400 km), which together contain the most pristine remaining natural coastlines of Egypt in priority biodiversity areas; and (3) Siwa Oasis with its protected area as a key representative of the Western Desert ecosystems. Together these boast c. 10,000 km<sup>2</sup> of ecologically sensitive biodiversity-priority areas (including c. 2324 km<sup>2</sup> inside protected areas) that are increasingly exposed to pressures from unsustainable tourism development<sup>3</sup>.

*Southern Red Sea coastal belt (Red Sea Governorate):* One of Egypt's three top biodiversity areas, the region holds two important PAs – Wadi El Gemal and Elba National Parks – that cover marine, coastal and terrestrial ecosystems. In terms of marine species and habitat diversity, the region holds healthy coral reefs, important sea-grass beds (composed of up to 11 of the 12 species present in the Red Sea) important also for Dugongs (VU), and coastal habitats including mangroves and beaches used for nesting by Green Turtle (EN) and Hawksbill Turtle (CR). The region (and especially Elba NP) tops the list for Egypt in terms of overall terrestrial biodiversity, holding species like the Gebel Elba Dragon Tree (CR), Barbary Sheep (VU), Nubian Ibex (VU), the two endangered vulture species, and also five Important Bird Areas and the country's only share of a WWF Globally Endangered Habitat – the Red Sea Fog Woodland. This region is not yet highly developed for tourism and the two National Parks contain a representative sample of its coastal and marine habitats. Moreover a series of site-specific interventions have reduced the impacts of some tourism-related practices (such as infilling and boat anchoring in coral reefs). However, the pressures in the region are mounting significantly – most importantly because of the tourism plans of the TDA and the private sector include large-scale developments along the entire coast, including within and immediately adjacent to the two NPs.

*North-west Mediterranean coastal belt (Matruh Governorate):* The western Mediterranean coastal belt extends from Alexandria westward to the Libyan border and from the seashore inland for about 50 km. The region harbours Egypt's highest plant species diversity: it contains 50 % of the country's total flora including 154 species confined to this belt, globally threatened species such as the shrub *Ebenus armitagi*, and two Important Plant Areas (Saloum, Western Mediterranean Coastal Dunes). These occur in the characteristic natural habitats - oolitic calcareous ridges and dunes, saline depressions and salt-marshes, coastal plains, and limestone ridge habitats. The region is also home to the Egyptian Tortoise (CR). The terrestrial habitats in the region are largely degraded due to unsustainable land use especially overgrazing. The marine and coastal habitats – especially important *Posidonia* seagrass beds and other benthic habitats – in contrast stand out for their good condition. This region is arguably the most critically threatened by tourism and real estate development of all of Egypt's biodiversity priority areas. The region's coastline is being converted at a rapid rate, and the characteristic coastal habitats are at risk of gradually disappearing. These are represented in only one fully established conservation area, El Omayed Protectorate, which has already been degraded by the conversion of the beachfront section into hotels and real estate complexes – in spite of considerable site-specific conservation investments and its designation as a UNESCO Man and Biosphere Reserve and a Specially Protected Area under the Barcelona Convention. The only other designated protected area in the region, Saloum, is not yet operationalised and also primarily a marine protected area with a terrestrial/coastal belt of only c. 1 km depth.

*Siwa Oasis and Protected Area (Matruh Governorate):* The government and tourism sector have over the past years increased the promotion of inland destinations, to diversify the economic opportunities in currently marginal areas.

<sup>1</sup> Siwa, Saloum, Omayed, Wadi El Gema, Elba

<sup>2</sup> Saluga & Ghazal, Ras El Hekma, Qattara Depression, El Qasr in Matruh Governorate; and the Red Sea Reef MPA.

<sup>3</sup> The estimate of 10,000 km<sup>2</sup> corresponds to TDA lands and adjacent land along the Mediterranean and Red Sea – c. 750 km in length x c. 10 km in depth, in addition to an estimated 2500 km<sup>2</sup> of off-site lands (quarries, etc.) also benefiting from improved management. The sum of the terrestrial areas of PAs that are adjacent to or included in TDA lands and other tourism development areas in the three target regions is c. 50,000 km<sup>2</sup> (Elba 35,600 km<sup>2</sup>; Wadi El Gemal 7450 km<sup>2</sup>; Siwa 7800 km<sup>2</sup>; Saloum 383 km<sup>2</sup>; Omayed 758 km<sup>2</sup>). Of these an estimated 2324 km<sup>2</sup> (76 km<sup>2</sup> Saloum, 588 km<sup>2</sup> Omayed, 800 km<sup>2</sup> Wadi El Gemal, 760 km<sup>2</sup> Elba, 100 km<sup>2</sup> Siwa) of mostly critical areas (coastal belt, desert oases) are exposed to infrastructure development.



One of these areas is Siwa Oasis towards the Libyan border in the Western Desert, marketed as a unique cultural heritage of Egypt surrounded by the vast Siwa Protected Area with its characteristic and vulnerable desert ecosystems. Here as well the direct and indirect adverse impacts from tourism are becoming noticeable. Pressures prevail to develop the oases also inside Siwa PA for agriculture and infrastructure. This is compounded by poor development planning, inappropriate water and land management and little controlled tourist activities - which are leading to the gradual degradation of the fragile desert habitats. The Siwa area is the foremost and most variable representative of Egypt's Western Desert ecosystems with its unique oases, reed beds, salt marshes, sandy habitats, plains, wadis, cliffs and Acacia groves. They function as refuges and ecological stepping stones including for mobile mammal species of global interest such as Slender-horned Gazelle (VU), Dorcas Gazelle (EN), and Cheetah (VU).

### **The baseline project and barriers**

To reduce the aforementioned threats from unsustainable tourism development and forestall the consequential impacts on biodiversity in Egypt, the project will alter the trajectory of tourism development in the country and render tourism operations more biodiversity-friendly. At the same time the project will harness the opportunities more sustainable forms of tourism offer for biodiversity and local community development and thereby contribute to the quality diversification of Egypt's tourism product. Action will be needed on several levels and fronts: (1) at the national and regional landscape levels – by mainstreaming biodiversity into regulations, spatial and tourism development planning and related investment strategies, to influence (avoid/reduce/restore/offset) the deployment of high-impact tourism developments in ecologically important and sensitive areas, this being the most fundamental irreversible direct threat; and by the concurrent designation of new protected areas and the adaptation of existing protected area boundaries; and (2) at the local site level in existing and prospective tourism zones, especially protected areas and adjacent areas of ecological significance, where physical development is set to occur and where there is a need to change the operational aspects of tourism through additional management interventions to address further direct and indirect threats on biodiversity; this will also entail enhancing the management in concerned protected areas.

The following first details the current baseline investments followed by an analysis of the barriers that have obstructed a more biodiversity-friendly development pattern in the past and that the here-proposed project seeks to address.

### **The tourism sector in Egypt**

Egypt's tourism industry is among the most diverse and vibrant in the world, and has been one of the most important and fastest growing components of Egypt's economy over the past decade. It currently contributes about 11.3 % (2010) of the Egyptian GDP, employing some 3.5 million Egyptians (about 12 % of Egypt's workforce). International tourist arrivals in Egypt recently reached 12.8 million generating some 12.5 billion US\$ annually and involving some 80 supporting industries. Travel receipts constituted around 21.4 % of foreign currency earnings in 2010, ranked second only after petroleum exports. In addition Egypt with its 82 million inhabitants provides for an important national tourism and holiday home real estate market that has been growing at rates of above 10% per year – more than 5 million Egyptian citizens can afford high-priced vacations, and even lower-income earners try to travel within Egypt at least once per year. Tourism represents 4% of total investment and 13% of total investment of production services in Egypt. Total investment between 1982 and 2007 in tourism sector development amounted to US\$ 5.8 billion, of which c. 85% came from private sector investors. In 2008, MoT aimed to attract between US\$ 7 and 12 billion of private sector investments for the subsequent five years, and in 2012, the Egyptian President indicated that US\$ 20 billion would be invested into tourism under the nationwide Nahda (Renaissance) Project. The budget for tourism promotion and branding alone is around US\$ 50 million per year. The rise in government-driven investment and the resulting continuing construction and development boom are mirrored in the growth of hotel establishments and holiday home complexes. The total number of hotels and tourist villages in Egypt reached 1,490 in 2008 up from 1,207 hotels in 2004, a 23.4% increase. Lodging capacity increased from 148,000 rooms in 2004 to 211,000 rooms in 2008, a 42.5% increase at an average annual growth rate of 9.3%. The vast majority of this growth has taken place along Egypt's coasts. Tourism in Egypt is predominantly focused on recreational sun & beach mass tourism (86% of international arrivals and also the largest share of domestic tourism), and to a secondary degree on the country's outstanding cultural heritage. However, with a few notable exceptions the country's natural heritage continues to be severely undervalued with regard to its role in defining landscape attractiveness underpinning all non-urban tourism destinations, its role in providing natural resources to tourist facilities, and its importance as unique asset for nature-based/biodiversity-friendly tourism (NB/BFT). Indeed NB/BFT and ecotourism are still in their infancy and have not achieved their



potential as viable economic activities particularly for local and indigenous communities that are closely dependent on natural resources and are often only marginally included in mainstream tourism opportunities.

#### The baseline project: tourism management

The MoT and TDA will play a central role in the continuing expansion of tourism in Egypt. The TDA oversees landscape level planning of tourism infrastructure projects/zones and supplies the plots of public land it administers at nominal prices to private investors. During the permitting process, the TDA also commissions the required EIAs, together with the EEAA to whom any construction plans endangering the environment must be presented for approval. To that end, the EEAA published a comprehensive set of regulations for new construction and development, prohibiting the destruction of the natural coastline, tidal flats and coral reefs. Informing and strengthening these decision-making processes is therefore fundamental for ensuring that biodiversity needs are taken into account in tourism development at an early enough stage – and that the mitigation hierarchy is applied: to avoid, reduce, restore and offset impacts. Similar risks and opportunities exist at the regional level, for instance through the “Regional Vision and Tourism Development Planning for the North West Coast Region of Egypt: Ras El Hekma – Matrouh” recently approved by the TDA. Aimed at including the North-West Coast region on the international tourism map, the plan has identified 100 km of coastline between Marsa Matruh and Ras El Hekma as a “destination for environmental tourism”. The EU has just approved a new project (US\$ 860,000) in this regard under the European-Mediterranean Environment Programme aimed at “implementing sustainable tourism projects to enhance local economy and offer jobs in the North Coast of Egypt to decrease illegal migration while conserving local identity on the principles of sustainability and based on traditional resources and activities”, with the project focused on “detection, conservation and implementation of historical, architectural, cultural heritage; recovery and implementation of traditional production activities so to conserve and implement historical memory and identity of the area; implementation of sustainable transportation inside a wider Mediterranean network”. However, this project does not specifically target biodiversity conservation. In this region and context, the here-proposed project will equally engage the North-west Coast Demining and Development Project (NWCDDP, Phase II), which the EU funds with US\$ 23 million and which is jointly implemented by UNDP and the Ministry of Planning and International Cooperation. NWCDDP will expand WWII mine clearance operations, and open up and develop new areas for tourism and other economic purposes in Matruh Governorate, providing significant opportunities for introducing sustainability measures and biodiversity aspects – including the designation of new protected areas – already at the planning stage. This will be achieved also in conjunction with the improved SEA and EIA application processes fostered by the here-proposed project.

#### The baseline project: the protected area system in the target landscapes

Between 2004 and 2008 Egypt spent an average of US\$ 2.4 million per year in the management of its protected area system from its national resources, in addition to an average of US\$ 3.1 million contributed annually by international donors. While international donor support has dropped since, the national annual investment stood at US\$ 2.8 million in 2011-2012. With regard to income, between 2004 and 2008 a yearly average of 1.6 million tourists generated an average US\$ 3.4 million annually from the country’s PAs of; the figure now stands at US\$ 4.1 million/year. While huge opportunities remain to increase income, this equally implies that Egypt reinvested a smaller amount into the PA system than it actually generated. This is currently being addressed by a UNDP/GEF project working on Egypt’s PA Financing, in general and specifically in a number of PAs – including Wadi El Gemal covered also by the here-proposed project.

Both national and foreign donor projects including by the EU, USAID, Italian Cooperation, UNDP/GEF and World Bank/GEF have worked on the tourism/protected area interface in the past. However these projects focused either on the setup and management of specific sites, or on improving PA financing frameworks. Past efforts to more systematically align tourism development with biodiversity needs and Egypt’s PA system have been fragmented, failed to address the underlying drivers, and made no significant difference. Indeed, the relationship between protected areas and tourism development remains fragile, as is exemplified by Wadi El Gemal National Park – the establishment of the National Park in 2003 averted the linear development scenario already foreseen by TDA, wherefore it today boasts some of the last undisturbed natural beaches on the Southern Red Sea coast; but the NP is now precisely therefore facing substantial renewed pressure from tourism planners. Current TDA plans and activities also include the development of the still fairly pristine coastal belt of Elba National Park near the Sudanese border. Such major development challenges cannot readily be addressed through a site-specific approach and enhanced PA management only, but ask for a more systemic approach.

With regard to the project's target regions, the NCS planned to spend approximately US\$ 1 million annually on the management of the five existing PAs, four of which are operational on the ground and one (Saloum) is currently being operationalised. No funding is foreseen for the designation of additional PAs. The capacity of these PAs would remain too limited for effectively engaging tourism sector stakeholders to reduce adverse operational impacts at the site level, for servicing and managing visitor flows, for generating revenue from tourism, and for promoting biodiversity-friendly/ecotourism activities. The Egyptian Environmental Affairs Agency will therefore contribute at least US\$ 2.3 million to the project's activities. In addition the EEAA through NCS will work towards an alignment of the next phase of the Egyptian-Italian Environmental Cooperation Programme (projected at US\$ 5.8 million) with the project, to strengthen management infrastructure in the concerned PAs.

#### Barriers to mainstreaming at the national and regional landscape levels

1. The importance of biodiversity, natural landscapes and sustainability is still insufficiently understood and appreciated, even though they are key factors underpinning the long-term competitiveness of the Egyptian tourism product.
2. The legal and regulatory framework relevant in the context of tourism planning and permitting is not sufficiently strong and coherent, and the institutional framework not sufficiently capacitated and mandated, for effectively mainstreaming biodiversity management. Vertical and horizontal coordination between relevant stakeholders (national vs. regional, inter-ministerial) is weak. Restrictions on tourism projects are implemented primarily through the EIA process overseen by EEAA and TDA. However, even if rigorously conducted, EIAs as site and project-specific tools cannot assess cumulative impacts of different developments over larger areas. In addition, biodiversity aspects are not sufficiently reflected in EIA. So although EIA regulations exist for new infrastructure developments that prohibit the destruction of the natural coastline and coral reefs, these have not had the desired impact – as evidenced by tourism investment plans continuing to contemplate large-scale ribbon developments along coastlines even inside national parks. Although an increasing number of initiatives have begun to refer to a reduction of the environmental footprint, and the NSTSP and also regional tourism and development strategies refer to sustainability, the overall land use allocation practice has in practice not led to a change in the trajectory of tourism development. Indeed, only a few years ago laws for hotel and other infrastructure development were reviewed so as to eliminate restrictive procedures for licensing to boost private sector investment. This indicates that trade-off decisions are not balanced but dominated by aggressive tourism development interests, pre-empting alternatives, mostly at the expense of Egypt's biodiversity. A more strategic, cross-sectoral land-use planning approach – guiding the placement of hotel infrastructure and associated infrastructure – is therefore also needed to balance short-term economic gain, which mostly results in ecosystem degradation, with long-term prospects safeguarding biodiversity and protected areas. In this context, a framework for avoiding/reducing/restoring/offsetting impacts has not yet been developed but would be timely in light of the large scale tourism developments foreseen; this could also include reinvestment by companies into biodiversity management.
3. Implementation, monitoring and enforcement of relevant SEEA/NCS and MoT/TDA policies and regulations on sustainability and biodiversity in tourism planning and operations are largely missing. It is hence necessary to clarify and streamline responsibilities, and strengthen the mandates in these regards in the respective agencies.
4. Finally, voluntary mechanisms and incentives to promote good corporate environmental stewardship and investment in biodiversity-friendly tourism ventures are lacking. High level declarations promoting ecotourism so far resulted in few concrete ecotourism outcomes, and have also not stemmed large scale development in critical ecosystems.

#### Barriers to protected area management relating to tourism development

1. There are gaps in PA coverage resulting from (a) a lack of gazetted areas, most importantly in the north-western Mediterranean coastal belt, and (b) outdated or otherwise inadequate boundaries.
2. At a rate of only US\$ 19 per km<sup>2</sup>, the finance provided to protected areas in Egypt in general and the target regions in particular remains exceedingly low (the world average lies at US\$ 160/km<sup>2</sup>). While financial support to Egypt's PA system is expected to increase over the coming years as a result of the ongoing UNDP/GEF PA Financing Project, a funding gap is likely to remain. With a few notable exceptions, for many PAs in Egypt this translates into a poor

presence on the ground, in terms of PA boundary delimitation, infrastructure including for fee collecting and sensitisation, management capacity and planning, visitor flow management and the enforcement of regulations.

3. Inadequate or lacking capacity, PA infrastructure (signage, demarcation, visitor/interpretation facilities, water management facilities) and tools (PA management and business plans, brochures, guidelines) for engaging local-level stakeholders (tourism businesses, local authorities) and convincingly promoting biodiversity-friendly tourism alternatives, and for managing visitors more effectively to mitigate the direct and indirect impacts of tourism; this will require both control and enforcement measures and voluntary mechanisms (including certification/verification and incentive/penalty schemes).

4. Insufficient capacity, tools (PA financing plans, ecotourism-based business plans, guidelines) and tourism sector support, for building effective PA financing systems and harness tourism-related revenue streams.

## **B.2. INCREMENTAL/ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) ACTIVITIES AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) TO BE DELIVERED:**

The objective of the project is “To mainstream biodiversity conservation into tourism sector development and operations in ecologically important and sensitive areas”. The project will build on and strengthen on-going initiatives in Egypt to conserve globally significant biodiversity by mainstreaming biodiversity into the overall tourism planning and regulatory frameworks at the national and regional levels, and more specifically into the operational aspects of tourism at the local level in three carefully selected target regions and the five protected areas they contain. The project will ensure that the substantial investments by the government and private sector in realising Egypt’s ambitious National Sustainable Tourism Strategic Plan 2020 and related regional tourism development plans expressly reflect biodiversity management needs and concerns. In doing so a win-win outcome is sought for biodiversity conservation and long-term economic prospects, whereby the adverse impacts on biodiversity by mass tourism are avoided/reduced/offset whilst key biodiversity and landscape assets are maintained and used in the diversification and sustainable growth of the country’s tourism sector. Tourism in Egypt is currently primarily a threat to biodiversity; yet it could equally turn into an opportunity if and where properly managed. Most importantly by further developing carefully managed nature-based/biodiversity-friendly tourism ventures and harnessing these as source of vital revenue for biodiversity conservation and PA management. But also as a way to further increase the recognition of biodiversity in tourism sector decision-making. The project will thus positively connect biodiversity with sectoral economic opportunities and the broader development agenda in Egypt.

The justification and evidence-base for mainstreaming biodiversity into tourism sector development is three-pronged. Firstly, the biodiversity-related MEAs and particularly the CBD have for long requested Parties to mainstream biodiversity into sectoral policies and planning. The CBD Strategic Plan for Biodiversity for 2011-2020 captures this prominently in its Goal A “Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society”. The here-proposed project fully falls under this item, with tourism in particular being a rapidly growing high impact sector that at the same time offers interesting opportunities for biodiversity. Secondly, a number of technical and policy publications have underlined the importance of and approaches to reconciling tourism and biodiversity, such as the 2007 CBD User Manual on Managing Tourism & Biodiversity and the 2009 CBD Good Practice Guide on Tourism for Nature and Development. Thirdly similar projects by UNDP and others have proven that such mainstreaming of biodiversity can be useful and effective in reducing negative impacts and achieving positive conservation outcomes. Some notable examples, compiled from different regions, are the:

- UNDP-GEF Project “Atoll Ecosystem Management and Coral Reef Conservation in the Maldives”, which assisted in mainstreaming biodiversity into the National Development Plan and several other plans, including the Tourism Master Plan. The project played an important role in banning shark fishing nationally. It surpassed its original objective to establish three PAs within the Baa Atoll by supporting the declaration of six areas that cover over 3,700 ha.
- UNDP-GEF Project “Mainstreaming and Sustaining Biodiversity Conservation in three Productive Sectors of the Sabana-Camagüey Ecosystem” in Cuba, which successfully established new regulatory control and enforcement frameworks that led to major changes in negative practices in the targeted area, such as the banning of unsustainable fishing practices including bottom trawling. With project support, the Government converted large fishing areas – totalling over 333,000 hectares – into zones under a special use and protection regime. The project also played a key role in eliminating unsustainable solid waste and waste water management practices, especially in the tourism sector; by facilitating regulatory measures to support the establishment of solid waste and waste

water treatment plants in all the hotels of the area. These and other measures promoted by the project have contributed to lower pressures on the sensitive ecosystems of the Sabana Camaguey area.

- UNDP-GEF Project “Mainstreaming Biodiversity Management into Production Sector Activities in the Seychelles”, which focuses on the two major economic sectors of the Seychelles, fisheries and tourism, both of which have important biodiversity impacts. The project, which is halfway through implementation, has been working towards integrating biodiversity conservation into the business operations of the two sectors, which have responded by gradually adapting better practices with regard to both infrastructure development and operational aspects. Most activities are focused on areas outside of formally protected areas, which have been the focus for much of the prior efforts at biodiversity conservation in the Seychelles. The project involves the development and roll-out of the Seychelles Sustainable Tourism Label certification scheme.
- UNDP-GEF Project “Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta (BioKavango)” in Botswana, which had one outcome focused on the tourism sector such that it directly contributes to biodiversity conservation objectives in the Okavango Delta. Like in the here-proposed project, work covered a range of activities, from the systemic to grass-roots levels. Together with the Botswana Tourism Organization, the project supported the development and adoption of the Botswana Ecotourism Certification System (BECS), drafted in accordance with international benchmarks. Uptake of the BECS among operators in the Okavango Delta was encouraging and reflected by increases in sustainability investments. Additional relevant outputs were a willingness-to-pay study amongst tourists and related work on biodiversity finance that could lead to the creation of an Okavango Delta Fund. Lastly a participatory land use management plan, including tourism development and the monitoring of resources by local rangers was developed and implemented.
- UNEP-GEF Project on “Mainstreaming biodiversity conservation into tourism through the development and dissemination of best practices” in three areas of Ecuador (Mindo, Galapagos) and Belize (Cayo), showcased amongst UNEP-GEF’s “20 Projects to Showcase 20 Historic Years of Environmental Finance”. Implemented with several partners organisations the project worked with businesses, governments, NGOs and community leaders to incorporate biodiversity conservation practices into the tourism industry. The project developed models for good practices, provided workshops and published materials in sustainable tourism, to guide communities and businesses, including hotels, tour companies and cruise lines. The project in an independent evaluation received highly satisfactory ratings in various categories, including on relevance and effectiveness. Evidence was found that the project induced lodging and tour operators to adopt some of the recommended best practices and to form a corps of businesses dedicated to sustainable tourism.

The political evolution and transition to democracy Egypt has witnessed since the January 2011 revolution provides an important additional justification for this project. It is a timely new opportunity to engage in Egypt’s large-scale tourism industry – at a moment in which existing policies and structures are prone to be gradually revisited over the coming years – in order to tackle some of the challenging issues that previously have been difficult to address.

The here-proposed project addresses the afore-mentioned barriers through two components:

### **Component 1 – Changing the trajectory of tourism development and operations to safeguard biodiversity**

In order to drive the mainstreaming of biodiversity, this component will most importantly strengthen the legal, policy, regulatory and institutional frameworks at national and sub-national levels used to plan, license and oversee tourism and related real estate developments in Egypt at the landscape level. It will to that end facilitate the setup of an effective national-level policy mainstreaming mechanism to achieve better policy and planning coherence between tourism development and environmental/biodiversity management in particular. Strategic Environmental Assessments of the impacts of tourism development on biodiversity will be commissioned to inform tourism development plans about spatial areas where tourism development and/or operations are acceptable from the biodiversity standpoint, where they may be permitted subject to management-mitigation-offsetting, and where they should be altogether avoided. This component will also leverage a more effective integration of biodiversity concerns, and of biodiversity offsetting options and requirements, into EIA guidelines and tourism-related landscape planning. Moreover, this component will catalyse the further development of regulatory, institutional and financial arrangements needed for a functioning tourism-related biodiversity offset mechanism, through which offset activities/outcomes and site selection can be defined, and projects be brokered; this will therefore also require the setup of a supply/demand-oriented database. To support the above the project will strengthen institutional monitoring and enforcement mechanisms. Specific capacity will be developed for each of the above elements as required.

Project interventions will also provide for voluntary measures to be taken up by tourism operators themselves (experience showing that both ‘carrots’ and ‘sticks’ are needed to encourage mainstreaming). To that aim this component will advance the use of best-practice standards for sustainable tourism and nature-based/biodiversity-friendly tourism (NB/BFT) through (1) the creation of new national certification systems and verification mechanisms for hotels and tourism operators, or the selection of existing international certification systems and verification mechanisms, actively endorsed and promoted by the MoT/TDA/MSAE; and (2) the rollout of economic/fiscal and other suitable incentives (subsidies, tax deductions, promotion through national or regional government tourism materials/websites) and penalties (e.g. special taxes) to advance the adherence of private sector and local community businesses to the certification systems. The certification schemes should take into consideration WTO’s “Recommendations to Governments for Supporting and/or Establishing National Certification Systems for Sustainable Tourism”, and allow companies that apply good practice to be recognized for their efforts. The project will also broker the systematic adoption of these best-practice standards and certification systems by tour operators at national, regional and especially local levels<sup>4</sup>. It will equally provide guidance to local communities in the target areas wishing to engage in NB/BFT ventures for livelihood, by assessing potential services and products (e.g. hotels, eco-lodges, environmental camp sites, eco-products and environmentally-friendly transportation) with regard to their viability. Lastly, an open access biodiversity monitoring and evaluation mechanism or process will be established to allow tourism planners and biodiversity managers at all levels to assess disturbance of habitats and key species from tourism-related pressures, to determine acceptable limits of change, and provide management recommendations; the process/mechanism should address the needs of the TDA and EEAA/NCS, and exploit synergy opportunities to the maximum by linking with related initiatives, most importantly with the NCS staff in charge of NBSAPs, CBD Clearing-House Mechanism and National Reports.

## **Component 2 – Strengthening the PA system and its management in three target regions of high biodiversity value exposed to tourism development and activities**

This component of the project will consist of three overarching interventions. Firstly, the identification, gazettelement and operationalisation of one new PA in the north-west Mediterranean coastal belt, to set aside valuable yet currently unprotected habitat types under pressure from tourism infrastructure development; and a reassessment and amendment of the boundaries of at least two of the existing PAs (Saloum, Omayed) for the same purpose. This first requires a thorough stocktaking in ecologically important zones exposed to tourism development. For all new and existing PAs in the target regions, this will involve the formulation/updating and implementation of PA management frameworks and of community-based integrated land and resource management plans (ILRMP) which in several Egyptian PAs have proven successful for securing community support and better conservation outcomes. The ILRMP will ensure that tourism demand does not cause adverse indirect impacts on local land use and resource exploitation inside these PAs – they govern land access and use by local populations, natural resource exploitation, and waste and water management; they determine sustainable off-take, prescribe management measures, and are the reference for monitoring and enforcement. Secondly, this component will build the capacities of all the new and existing PAs in the target regions with regard to the management and servicing of tourism flows; the prevention or reduction of biodiversity impacts from inappropriate tourism activities (e.g. off-road vehicle use, boat anchoring in coral reefs) through better control and enforcement; and the provision of trails and interpretation facilities for tourists operators and local populations to

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<sup>4</sup> Tourism operators will adopt voluntary NB/BFT certification schemes for ethical reasons, for short-term business reasons, or for long-term business reasons. The most common approach will be the desire for immediate short-term differentiation in a competitive market, to attract more visitors and/or charge premium prices and/or reduce costs. In this context, the principal advantages conveyed by certification to businesses are the added marketing value towards the consumers (through brand recognition or de novo appreciation of the certification; however, NB/BFT certification benefits will be small if compared to quality certification); preferential treatment by government (access to protected areas and natural resources, inclusion in promotion campaigns, economic or other incentives, training and technical assistance); preferential treatment by other businesses along the supply chain (right of first refusal, pre-requisites for suppliers or clients such as large tour operators choosing sub-contractors); reduced resource consumption; and management benefits (the educational process leading to certification trains and motivates the company team on sustainability matters). Under the ethical approach, business adopts certification because it believes in the better cause. In the long-term business approach, tourism operators submit to voluntary certification schemes because they realise that it is for their own good to adopt better practices to safeguard biodiversity assets for the sustainability of their business model. Interestingly, the three rationales will differ in their attitude towards the wider promotion of the certification scheme. In a crowded market, a company seeking differentiation will be interested in running a strong widely known certification brand – but it will not be interested in that a directly competing nearby business adopts the same certification as it would reduce its competitive edge. In some cases the certification of an entire destination will become a viable option in which case nearby businesses may opt to compete together; but also here the said destination is not interested (in the case of a crowded market) in that a nearby competing destination adopts the same standard. In contrast, a company interested in the long-term sustainability of its business model will look favourably at other nearby businesses adopting the same certification scheme, as this supports its own cause. Altogether it therefore appears that the most promising approach to promoting the wide adoption of certification schemes will benefit from the integration of long-term sustainability considerations. In a still growing under-saturated market, however, these theoretical limitations will apply less. For governments, the main advantages of certification are that it can help to: raise the market profile and image of a destination in terms of its quality and environmental standards; provide a way of encouraging the industry to raise standards in specifically identified areas; and potentially lower regulatory costs.

indicate regulations and good practices in tourist activities, souvenir shopping, etc. At the same time, this component provides the basic capacity and infrastructure to subsequently harness the positive opportunities sustainable tourism offers for PAs and biodiversity management, and for local communities through for instance the sale of locally produced sustainable handicraft. Thirdly, this component will seek to reinforce the financing systems of the targeted PAs, to maximise the income generated for biodiversity from tourism<sup>5</sup>. This will involve both traditional site-specific measures targeting primarily eco-tourists and PA visitors, such as through upgraded gate fee collecting schemes, or more innovative mechanisms such as tourism reinvestment schemes.

### **Global Environmental Benefits (GEB)**

This project's GEB derive from the fact that it addresses the direct and indirect threats to globally significant biodiversity caused by the current and future growth of tourism. The project will inform and influence the placement of infrastructure and internalise ecosystem and biodiversity conservation into tourism development planning and tourism operations, thereby seeking to safeguard valuable biodiversity areas in three regions of high biodiversity in which tourism is expected to increase substantially over the coming years. These regions comprise (1) Egypt's still most pristine coastlines in Wadi El Gemal and Elba NPs, located in Egypt's most biodiverse area in both the terrestrial and marine sense; (2) Egypt's most diverse and threatened flora and most pristine coastal and marine Mediterranean habitats along the north-western Mediterranean coastal belt; and (3) Egypt's foremost PA in the Western Desert (Siwa), which is facing mounting visitor numbers, the risk of conversion of rare oasis habitats for tourism and agriculture, disturbances to vulnerable desert species, and where the development pattern of Siwa Oasis located just in between the different blocks of the PA is increasingly taking an unsustainable route. The project will also address habitat disturbance and degradation caused by inappropriate activities in sensitive sites and protected areas – which will help maintain or improve the conservation status of sensitive species.

### **B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS.**

This project supports the Egyptian government's strategy to diversify its touristic product and increase the per capita yield per tourist, by fostering greater attention to and investment in sustainable and nature-based/biodiversity-friendly tourism. At the same time, the expected change to a more regulated and environmentally-friendly tourism development trajectory will help maintain the country's natural heritage – the landscapes and biodiversity that are the underlying foundation of the majority of non-urban tourism destinations – and thereby render Egypt's tourism sector as a whole more competitive and its growth more sustainable, especially in the long term. The project will intervene at an opportune moment of the implementation of Egypt's National Sustainable Tourism Strategic Plan 2020, and at a moment of political and institutional evolution in the wake of the January 2011 revolution. With the project's support and interventions at both the systemic and local levels, the revenues generated by NB/BFT are expected to grow at a greater pace and gain a greater share of the tourism market. The project will catalyse investments in NB/BFT based on sound economic, social and ecological guidelines and feasibility assessments as well as on a modern and strong legal and institutional set up, allowing the private sector and local communities to engage in this type of economic activity.

The project will also seek the reduction in poverty rates in the tourism areas in and around protected areas through its reinvestment schemes geared towards community tourism and conservation initiatives, combined with community-based integrated land and resource management plans. The project will increase employment rates in the tourism sector and allow the diversification of employment from a current pattern based on auxiliary and temporary employment in hotels and restaurants to one that involves more innovative and independent nature-based employment and investment opportunities. It will in this context also directly give rise to enhanced employment and economic opportunities for local populations – and particularly women. These aspects will be specifically addressed 1) in the promotion of NB/BF tourism; 2) by demonstrating and sharing best practices and building capacities on how local economies can benefit from NB/BFT; and 3) by collaborating with community-based women's associations.

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<sup>5</sup> In Wadi El Gemal National Park the project will not work on issues related to PA financing systems, as this aspect is covered by another UNDP-GEF project under implementation; work on other outputs will be accordingly reinforced.



## Sustainability:

The project will inform and shape the policies and investments of several Government agencies and parastatal institutions involved in and responsible for tourism sector development and the management of natural resources and land use, including in Egypt's PA system. Moreover, the project will transform the investment practices of private sector investors. Collectively, the planned interventions will ensure that tourism development is avoided in several key biodiversity areas, and that impacts from both the development and operational phases are reduced, mitigated and offset as necessary elsewhere, thus reducing pressures on biodiversity. This will change the development trajectory of the tourism sector – ensuring the compatibility of these economic practices with biodiversity management into the future. The participating institutions have confirmed their commitment to sustain the new management measures that will be put in place under the project – and which render mainstreaming sustainable over the longer term. The project will make the necessary provisions for ensuring the adoption and implementation of the regulatory / enforcement framework and the incentive system for biodiversity mainstreaming, by strengthening the capacities of institutions vested with the responsibility for implementation. The project strategy will anchor the policy and regulatory reform process in the MoT (including TDA) and MSEA (including SEEA and NCS) – which together are responsible for tourism planning and marketing and licensing major developments. The project will specifically enhance the capabilities of these ministries and agencies, to take biodiversity needs into account in development planning. In addition, measures are proposed to strengthen the capacity of (i) of the most relevant regional governments (Governorates, see Section B.5) holding tourism development zones with important biodiversity assets, as they are co-responsible for land use planning and management and must also approve physical development plans; and (ii) of key local stakeholders in the three target regions. This approach will ensure effective sustainability of the landscape-level mainstreaming frameworks established by the project.

### B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS:

Risk	Level	Mitigation
Vested interests – especially from financial investors and the construction sector (who do not benefit from a more sustainable approach to tourism) but also from selected tourism operators – will oppose the adoption and enforcement of stricter environmental regulations and practices in the deployment of tourism infrastructure, and therefore work to undermine the political backing currently secured by the project and hinder the achievement of its objectives.	M-H	Egypt has set very ambitious targets for the expansion of its tourism industry. The achievement of these targets relies on long term competitiveness which for a significant proportion of the Egyptian tourism offer depends on good environmental quality standards, which in turn rely on landscape and biodiversity features. To complement the foundational engagement from the MSEA and EEAA, the project has secured the participation of the MoT and TDA and other relevant ministries. During project implementation, the project will mitigate the risk of waning political support and obstruction from vested interests by maintaining a continuous constructive and informed high-level dialogue with key decision-makers and by engaging all concerned stakeholders, including policy makers, the private sector and community members, to convey the importance of systemic planning changes aimed at balancing economic development and environmental/biodiversity matters. Recent efforts such as the “Green Sharm Initiative” already demonstrate a growing awareness that is also reflected in the National Sustainable Tourism Strategic Plan 2020. The appointment, since the project was initially conceived, of a new Minister of Tourism who in his past roles already was very active on tourism sustainability, and who already expressed his full support to UNDP regarding the project, augurs well for the project.
Political unrest and security concerns threaten the consolidation and further development of tourism in Egypt, undermining the value creation needed for the tourism sector to willingly adopt a more sustainable business model.	M	The uniqueness of Egypt's cultural heritage and the diversity of its tourism products and markets render the tourism sector fairly resilient to national or regional political unrest. According to MoT statistics even the January 2011 revolution and its aftermath led to only a 30% reduction in international arrivals to Egypt, with some regions such as the Red Sea being even less affected. The outbreak of war is a remote threat not considered here.
Nature-based/biodiversity-friendly tourism certification/verification mechanism is not taken up given a plethora of alternatives that businesses can freely chose from	M-H	Government (MoT/TDA and ETA) endorsement of the project's central leading certification and verification mechanism in Egypt linked with high level visibility of subscribers in promotional website and materials will give the mechanism developed by the project special weight.
The private sector and/or local communities are not willing to invest or engage in biodiversity-friendly tourism services and products.	M-L	The risk mitigation strategy of the project includes the following: (i) engaging local communities in income and job creation activities relating to conservation will encourage them to participate in the project activities; (ii) ensuring increased regulations and surveillance - relating to policy enforcement but also to certification and standards; (iii) clear business plans and economic valuations which will confirm the feasibility of biodiversity-friendly tourism products and services and make them attractive; (iv) complementing regulatory with voluntary measures (code of practice and certification system) to recognize good corporate citizenship – which will be linked into national tourism marketing campaigns to secure visibility; and (v) further incentives promoting good performance.
Long-term changes in climate will exacerbate or present additional and unforeseen challenges for biodiversity conservation in Egypt as a whole and in the targeted regions in particular	L	The objective of the project is to support biodiversity conservation efforts and alleviate current and future threats and pressure, including those presented by climate change. The project will climate-proof its activities ex ante and adopt adaptive management approaches as required. Well-designed measures taken to protect biodiversity are amongst the most valuable options to increase the resistance and resilience of species and ecosystems to climate change.

## B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES:

Several key institutions will be directly involved in the design and execution of this project. These include: the **Ministry of State for Environmental Affairs (MSEA)** through the **Environmental Affairs Agency (EEAA)** responsible for environmental regulations and management. The EEAA through its senior management is Egypt's Operational Focal Point for the GEF. The MSEA/EEAA will be the government implementing partner and lead on the high-level partnership with the other ministries, especially the Ministry of Tourism. The EEAA will be pivotal in the project for better integrating biodiversity in the development permitting processes as it oversees EIAs. It also oversees the **Nature Conservation Sector (NCS)**, which is part of the EEAA and hosts the CBD National Focal Point and is in charge of the biodiversity monitoring and management in Egypt's, in protected areas but also in production landscapes through sectoral engagement. In the project, the NCS will identify and advance key biodiversity conservation issues and priorities that are relevant in the context of tourism development and operations. NCS will also be instrumental in identifying and gazettement new and expanded protected areas, in enhancing the management of existing PAs and in engaging local-level stakeholders. The second key government partner in the project is the **Ministry of Tourism (MoT)** with its affiliated agencies the **Egyptian Tourism Authority (ETA)** and **Tourism Development Authority (TDA)**, responsible for supporting and promoting the tourism industry, for establishing a coherent legal, regulatory and enabling framework for tourism development, and for allocating public lands for tourism development projects. The MoT and TDA are therefore critically important in the context of avoiding/reducing/offsetting impacts of tourism projects at the planning and development stages. The **ETA**, responsible for Egypt's overall tourism product is relevant in the promotion of sustainable and nature-based/biodiversity-friendly tourism operations and the adoption of related certifications and verification mechanisms. The **Ministry of Agriculture and Land Reclamation** will through the **Desert Research Centre/Sustainable Development Center for Matrouh Resources** support the project's activities on integrated land and resource management plans. The **Ministry of Planning and International Cooperation (MPIC)** oversees the Italian-Egyptian Debt Swap for Development and the EU-funded Demining & Development of the North West Coast<sup>6</sup>, both of which are executed with UNDP. The **Ministry of Defense and Military Production (MoD)** is present in and oversees important tracts of lands, some of which hold valuable natural habitats in good condition. Moreover, ongoing and planned demining operations will over the coming years open up important new spaces for tourism and other economic development – especially across Egypt's north-western region. The project will therefore closely coordinate with MoD. Egypt's **Governorates** oversee administration and development in the country's 27 regions. The project's systemic mainstreaming and land use planning efforts will have implications for and therefore engage all the governorates in which tourism and biodiversity interests coincide. But the project will be relevant especially for Matruh Governorate (for the north-western Mediterranean coastal belt and Siwa) and Red Sea Governorate (for the southern Red Sea coast). The project will also engage key stakeholders from the **private sector** – nationally in the context of systemic mainstreaming (spatial planning, sustainable tourism certification scheme), and locally with regard to the adoption and implementation of sustainable biodiversity-friendly operations and PA reinvestments schemes; this will include national and local-level business companies and also the Egyptian Tourism Federation (ETF) which represents five tourism industry business associations and must by law be consulted in tourism policy development. Lastly the project will engage **CSOs** (e.g. Hurghada Environmental Protection Association, Nature Conservation Egypt) and **local communities** in the design and implementation of the project's site-level components, such as the establishment and/or strengthening of NB/BFT enterprises and products and land use management plans. The successful collaboration between the Ministry of Tourism and the ETF represents a good model of public-private partnership. The **GEF Small Grants Programme** will also be solicited to support local initiatives in the targeted PAs to complement the project's activities.

## B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

Initiative	Objective	Coordination with project
UNDP/GEF “Strengthening the Financial and Management System of Protected Areas”	The project objective is the establishment of a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs. It should achieve this objective by: (i) strengthening legal, policy, regulatory and institutional frameworks that facilitate revenue generation,	The here-proposed mainstreaming project will complement the PA finance project by: enhancing the legal framework and oversight mechanisms that tourism development and operations in particular must abide by, and related spatial planning; rendering tourism operations more sustainable in the three target areas; revising the boundaries of PAs that have been designated but not yet implemented on the ground; identifying new PAs as required; safeguarding key landscape and

<sup>6</sup> <http://www.egyptmineaction.com/web/en/>

	revenue retention and other aspects of sustainable PA financing and management are established and functional; (ii) ensuring that levels of financial resource mobilization are adequate for effective conservation-oriented management of Egypt's PA system; (iii) establishing business planning and cost-effective management systems ensuring the effective allocation and management of mobilized resources. Total budget is US\$ 3.9 million.	biodiversity assets for Egypt's long-term tourism prospects and hence also as revenue sources for the PA system; enhancing the recognition and sustainable use of biodiversity in tourism activities and related marketing. The here-proposed project will not develop systemic tools for enhanced financial flows, however will as part of its strategy apply those frameworks developed in the PA Finance project and implement them at the local level in different geographic areas. Tools and lessons learnt will be adapted from the PA financing project through coordination via the respective project management units.
UNDP/GEF "Mainstreaming conservation of Migratory Soaring Birds (MSB) into key productive sectors along the Rift Valley/Red Sea flyway"	The aim of this regional project is to mainstream biodiversity considerations into those sectors along the flyway that pose the greatest risk to the safe migration of these birds in Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Lebanon, Palestinian Authority, Saudi Arabia, Sudan, Syria, Yemen. The project also promotes activities which could benefit from these birds, such as ecotourism. The sectors addressed are most importantly hunting, agriculture and especially tourism, waste management and energy (wind farms placement). Total GEF funding is US\$ 6.7 million.	While the tools developed, the contacts forged and the lessons learnt in the MSB project will be used and adapted by the here-proposed mainstreaming project, concrete overlaps between the two projects are in fact not as strong as the project titles may imply – duplication/overlap is limited and synergy/complementarity maintained. In Egypt the MSB project focuses on the management of waste in specific hotspots along the Red Sea coast, on the placement and operations of wind energy farms, on pollution and on the promotion specifically of bird watching, focusing on the entire Red Sea flyway but especially around the key migration bottlenecks – which in Egypt is the crossing from Sinai to the Egyptian/African mainland. The MSB project does not deal with systemic aspects, tourism infrastructure development, PA and sustainable land management and the impact from tourism operations. The primary concerns of MSBs will hence only marginally be addressed directly under the here-proposed mainstreaming project; however the MSB project will directly benefit from the additional systemic leverage and on the ground work. Coordination will be achieved by involving the MSB project management unit in the planning and implementation of this mainstreaming project.

## **C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:**

### **C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:**

UNDP-Egypt will commit \$1,040,000 as co finance to this initiative.

### **C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:**

UNDP, as the Development Programme of the United Nations, has a key role to play in making the trajectory of development more sustainable. This is also reflected in its Ecosystems and Biodiversity Programme – which counts with two signature programmes of immediate relevance to the here-proposed project, namely to (1) Strengthen PA Management and (2) Mainstream biodiversity conservation objectives into economic sector activities. This project will furthermore benefit from UNDP's global efforts in the field of sustainable tourism. Properly shaped, tourism can generate opportunities for growth and human development, sustainable poverty reduction, and incentives for environmental protection. In partnership with UN agencies and other organizations, UNDP has been implementing pro-poor interventions in support of the tourism sector under its poverty reduction, private sector and environment programs. UNDP is currently implementing projects in 48 countries that work with the tourism sector. These projects are strengthening the capacity of countries around the world to develop sustainable tourism ventures, and to manage the adverse effects that tourism may have on the environment if unregulated. Projects have made important strides in creating enabling environments for sustainable eco-tourism; developing certification standards for tourism and its related products; and partnering with the private sector, local organizations and others to create jobs for poor communities. Countries with such tourism-focused projects in the Arab States region include Morocco and Jordan, allowing regional specificities to be captured by the here-proposed project in Egypt, and an exchange of lessons.

UNDP's Country Office in Cairo is a key player in environmental management in Egypt and has been working with the national government for the last 15 years to establish new protected areas, develop and implement PA management and financing plans, train PA managers/rangers, and strengthen relevant legal and institutional frameworks and capacity (especially at NCS). UNDP and the Italian Cooperation recently completed a joint programme supporting Egypt's PA system and are presently planning for a new phase that will complement the activities of the here-proposed project. Meanwhile, UNDP is working with the NCS on the initiation of Egypt's 2nd National Biodiversity Strategy and Action Plan. This project falls under UNDAF Goal 3 on Environmental Sustainability and Outcome 3 on strengthening national capacities to mainstream climate change into national development plans, including Output 3.1


on the promotion of sustainable use of natural resources for income-generation and improving livelihoods and Output 3.2 on empowering local governments and communities to better manage natural resources including biodiversity and ecosystems. The project is also in line with UNDP Country Programme Outcome 29 on the empowerment of governments and local communities to better manage biodiversity and the ecosystem services it provides. UNDP Egypt has a strong track record in project implementation. The Environment Team consists of two Senior Officers, a Junior Officer, and an Assistant, and oversees a portfolio with a total budget of approximately \$40 million. The Environment team is moreover assisted by the UNDP Regional Service Centres for the Arab States, in Cairo and Bratislava.

### **PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY (IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the Operational Focal Point endorsement letter(s) with this template).

<b>NAME</b>	<b>POSITION</b>	<b>MINISTRY</b>	<b>DATE</b>
Dr. Fatma ABOU SHOUK	Acting CEO of EEAA / GEF OFP	Egyptian Environmental Affairs Agency (EEAA), Ministry of State for Environmental Affairs	07 August 2012

**B. GEF AGENCY (IES) CERTIFICATION**

<b>This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.</b>					
<b>Agency Coordinator, Agency name</b>	<b>Signature</b>	<b>Date (MM/DD/YYYY)</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email Address</b>
Yannick Glemarec, UNDP/GEF Executive Coordinator		January 10, 2013	Yves de Soye, EBD RTA	+421 2 59337 332; +421 911 360 250	yves.desoye@undp.org