

PART I: PROJECT INFORMATION

Project Title: Mainstreaming the conservation and sustainable use of biodiversity into tourism development and operations in threatened ecosystems in Egypt			
Country:	Egypt	GEF Project ID: ¹	5073
GEF Agency:	UNDP	GEF Agency Project ID:	4590
Other Executing Partner:	Ministry of State for Environmental Affairs (MSEA)	Submission Date:	February 24, 2015
GEF Focal Area:	Biodiversity	Project Duration(Months)	48
Name of Parent Program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/>	N/A	Agency Fee (\$):	244,562

A. FOCAL AREA STRATEGY FRAMEWORK

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Co-financing(\$)
BD-2	Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.	Output 2.1. Policies and regulatory frameworks (number) for production sectors.	GEFTF	785,500	2,650,000
BD-1	Outcome 1.1: Improved management effectiveness of existing and new protected areas.	Output 1.1. New protected areas (one) and coverage (45,000 hectares) of unprotected ecosystems.	GEFTF	1,666,250	43,650,000
Sub-total				2,451,750	46,300,000
Project management cost				122,588	2,900,000
Total project costs				2,574,338	49,200,000

B. PROJECT FRAMEWORK

Project Objective: <i>To mainstream biodiversity conservation into tourism sector development and operations in ecologically important and sensitive areas.</i>						
Project Component	Grant type	Expected Outcomes	Expected Outputs	Trust Fund	Grant amount (\$)	Confirmed cofinancing (\$)

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	TA	Outcome 1: Direct adverse impacts of tourism infrastructure development on biodiversity and land/seascapes (primarily loss and severe degradation of critical habitats in both terrestrial and marine ecosystems) are avoided, reduced or compensated in at least the 10,000	Output 1.1 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, to avoid, reduce, mitigate and offset adverse impacts of tourism pressures on biodiversity	GEFTF	785,500	2,650,000
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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.		protected areas) exposed to development pressures Outcome 2. Reduction of 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.	practice standards for sustainable tourism and nature-based/biodiversity-friendly tourism (NB/BFT)			
<p>Component 2: Strengthening the protected area system and its management in three target regions of high biodiversity value exposed to tourism development and activities.</p> <p>This component of the project will consist of three overarching interventions. Firstly, the identification, gazettelement and operationalisation of one new protected area 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 protected areas (Saloum, Omayed) for the same purpose. Secondly it will build the capacities of all the new and existing protected areas 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. Thirdly, this component will seek to reinforce the financing systems of the targeted protected areas, to maximise the income</p>	TA	<p>Outcome 3: 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 km2) in the three target regions expanded, to include critical habitats 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>Outcome 4: Pressures from tourism controlled or reduced in c. 2,324 km² of ecologically sensitive areas inside the existing and new PAs exposed to tourism development pressures.</p> <p>Outcome 5: PA Financing Scorecard demonstrates progress towards meeting the finance needs to achieve effective management.</p>	<p>Output 3.1: Gazettelement of the new PA(s), especially in the north-west Mediterranean coastal belt, and expansion of boundaries of existing PAs.</p> <p>Output 4.1: Institutional and technical management framework in place in the new and existing PAs, depending on specific site needs: staffing, capacitation, physical demarcation of boundaries, basic infrastructure and equipment, participatory management planning, multi-stakeholder management boards, etc.</p> <p>Output 4.2: Effective management and servicing of tourism flows, minimising adverse impacts on biodiversity, and maximising positive opportunities for protected area and biodiversity management.</p> <p>Output 4.3: Community-based integrated land and resource management plans developed and implementation initiated.</p> <p>Output 4.4: Local communities engaged in NB/BFT ventures for livelihood including services and products (e.g. hotels, eco-lodges, environmental camp sites, eco-products and environmentally-friendly transportation and managed hunting tourism where appropriate).</p>	GEF TF	1,666,250	43,650,000

		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	46,300,000
Project Management Cost (PMC)²			GEF-TF	122,588	2,900,000
Total project costs				2,574,338	49,200,000

C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$). Please include confirmed co-financing letters for the project with this form.

Sources of co-financing	Name of co-financier	Type of co-financing	Co-financing amount (\$)
National Government	Government of Egypt	In-kind	200,000
GEF Agency	UNDP: Italian Cooperation	Grant	3,900,000
GEF Agency	UNDP: EU	Grant	4,700,000
GEF Agency	UNDP: Emirati Bird Breeding Center for Conservation	Grant	40,000,000
GEF Agency	UNDP: TRAC	Grant	100,000
Private	Verona Land - Gorgonia Resort	In-kind	300,000
Total co-financing			49,200,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY³

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ⁴	Total c=a+b
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Grant Resources						

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount(\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	259,500		259,500
*National/Local Consultants	251,000		251,000

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No.

² For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.:

1. 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”.

A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities: N/A

A.3 The GEF Agency’s comparative advantage: N/A

A.4. The baseline project and the problem that it seeks to address: N/A

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

2. The final project design (Project Document) has retained all the main elements of the PIF, however with changes in wording and placement. Outcomes 1 and 2 in Component 1 as well as Outcome 4 in Component 2 were modified with regard to semantics: the Outcomes in the PIF had included indicators and targets, these were kept yet moved into the indicators and target sections in the Project Results Framework; what was left is only the description of the expected Outcome.

3. For example: PIF Outcome 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*” was changed to “*Reduction of 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*”, while the rest was moved into the indicator (“*Demonstrated adoption of and compliance with the selected sustainable and biodiversity-friendly tourism certification systems*”) and target (“*at least 30% of new tourism-related infrastructural developments, hotels and tourism service providers*”) sections in the Project Results Framework.

4. In a similar manner the entire Outcome 3 of the PIF (*Maintenance of good conservation status a) in the southern Red Sea coastal belt: for coral reefs, seagrass beds important also for the Dugong Dugong dugon (Vulnerable) and coastal habitats including mangroves and beaches used for nesting by the Endangered Green Turtle Chelonia mydas and Critically Endangered Hawksbill Turtle Eretmochelys imbricata; and forest groves including the Red Sea Fog Woodland; 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; c) in Siwa Oasis and PA: for vulnerable oasis and desert habitats representative of Egypt’s Western Desert ecosystems, Slender-horned Gazelle Gazella leptoceros*

5. Additional Outputs have been added to Component 2 Outcome 4 to reflect a) a dedicated focus in one of the three target areas (the north-western coastal region) on a captive breeding and reintroduction centre, to be established in the context of a sustainable Houbara Bustard hunting scheme; the centre and hunting scheme are entirely co-financed yet fully aligned with the original project's objectives and outcomes; and b) the role of local communities in the protected area system in Egypt and biodiversity management *per se*. There are a number of reasons for increasing the prominence of local community participation in the project ranging from i) local people in all the project sites have longstanding and historical claims to many of the biodiversity resources ii) Bedouin Law to a large extent has precedence (within these societies) in many of these areas and provide a powerful mechanism for enforcing agreed rules relating to biodiversity use (in a sense biodiversity is already mainstreamed in their laws) providing these resources have a focused value which under the right conditions can provide protection in areas where the state cannot currently enforce its laws iii) barriers to local community entry to the tourism market are considerable and it is necessary to build in safeguards if the project is to not further disadvantage these communities.

6. The integration into the project of the breeding centre and hunting scheme, financed by the Emirati Bird Breeding Center for Conservation (with US\$ 40,000,000), has led to a significant increase in project co-financing. Increases in co-financing commitment, if compared to the PIF, can be observed also for the private contribution, and the EU's and Italian Cooperation's contributions via UNDP. In contrast, the Government had to reduce its contribution to the project and also UNDP reduced its contribution from core resources.

7. The overall project framework looks as outlined in the following paragraphs 8-14. For a detailed information narrative on each of these Components and Outcomes, such as on Outputs and related activities, **please refer to paragraphs 128-201 in Section 2.1 of the Project Document:**

8. **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.

9. **Outcome 1:** Direct adverse impacts of tourism infrastructure development on biodiversity and land/seascapes (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 km² of ecologically sensitive areas (including c. 2324 km² inside protected areas) exposed to development pressures.

10. **Outcome 2:** Reduction of 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.

11. **Component 2: Strengthening the PA system and its management in three target regions of high biodiversity value exposed to tourism development and activities - the north-western Mediterranean coast, the southern Red Sea coast and Siwa Oasis/PA.** This component of the project will consist of three overarching interventions. Firstly, the identification, gazettelement and operationalisation of one new protected area 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 protected areas (Saloum, Omayed) for the same purpose. Secondly, it will build the

reinforce the financing systems of the targeted protected areas, to maximise the income generated for biodiversity from tourism⁶.

12. **Outcome 3:** 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 km²) in the three target regions expanded, to include critical habitats in areas facing immediate or medium-term tourism development pressures expected to adversely affect biodiversity assets, but in which representative PA coverage is lacking.

13. **Outcome 4:** Pressures from tourism controlled or reduced in c. 2,324 km² of ecologically sensitive areas inside the existing and new PAs exposed to tourism development pressures.

14. **Outcome 5:** PA Financing Scorecard demonstrates progress towards meeting the finance needs to achieve effective management.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

15. The risk table has been updated as below based on further assessment and development work during the PPG stage. The wording, levels of risk, and mitigation measures have been adjusted and been made more detailed (see below). For example the level of risk from, and additional risks related to, the political instability and social unrest has been upgraded and the uncertainty and unpredictability of the operational environment are reflected in the risk matrix along with the measures, in particular the use of scenario planning, to address the collective and inherently political challenge, included in the project design to address these risks. See risk matrix below:

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
ENVIRONMENTAL 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	High	Moderately likely	Moderate	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 <i>ex ante</i> 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. Scenario planning provides a basis for planners to ask “what if questions” and provides a sound basis for understanding risks and hazards. It was initially designed to address complex and unpredictable systems and is therefore useful in preparing for the impact of climate change. Unforeseen events such as droughts might impact upon the project but as the project is addressing to some extent local livelihoods such events should provide an impetus for local communities to participate in non-agricultural livelihoods which will be <i>relatively</i> disconnected from such events.
POLITICAL ACUTE Political unrest and security concerns threaten the consolidation and further development of tourism in	High	Moderately likely	Moderate	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

creation needed for the tourism sector to willingly adopt a more sustainable business model.				some regions such as the Red Sea being even less affected. The outbreak of war is a remote threat not considered here, however the risk of continued instability and unrest remains high. At the local level the project is working to strengthen governance and to empower local communities and provide them with greater livelihood security. While this cannot mitigate against larger political issues, strengthening local and Governorate-level planning and decision-making may provide a reasonable mitigation against external pressures. Given the pressing need to provide economic growth and employment this project does aim to increase the value of the tourism sector, to improve the quality of this sector and to ensure that it is sustainable. However, this needs to be measured against the urgent and short term political needs to open the industry up to outside investment. Clearly a worsening of the political and security situation in Egypt is likely to have a knock-on effect on the tourism sector which might lead to a hiatus in investment. These impacts are most likely to be felt in the mass tourism sector and there is anecdotal evidence that the more sophisticated, ecologically aware end of the tourism market continues to travel to destinations even when there is instability.
POLITICAL CHRONIC Egypt is undergoing a transformation in governance. However, there are underlying structural challenges such as the rule of law, corruption, and weaknesses such as in the banking and construction sectors. Many of the interventions within this project require a level-playing field and transparency (e.g. enforcement of rules and regulations, transparency in revenue collection and distribution, eco-certification, etc.).	High	Highly likely	High	UNDP is uniquely positioned through its Country Programme to assist in strengthening governance. This project will be guided by scenario planning which is a powerful cognitive tool that has been developed to address systems with high levels of uncertainty and unpredictability. For instance it was used as a tool for conflict resolution during South Africa's transition from Apartheid to a new democratic disposition in the early 1990's. The very nature of GEF projects is that they operate in risky environments therefore it is important that the scenario planning remains core to the progress of the project.
POLITICAL ACUTE Given Egypt's strategic geographical position the Military plays an important role and security is a critical issue. All three project areas are in geographical locations considered sensitive by the Military and subject to restrictions on movements of none-military personnel at times. Already in the past local community ecotourism efforts and initiatives were abandoned after the Military intervened on security grounds.	High	Highly likely	High	The PEB will establish good communications with the Military to ensure that they are kept informed of the project and fully understand its aims and objectives and that the project's activities are completely transparent to the security services at all times. The Military will also be engaged through the UNDP-managed and EU-financed demining project.
STRATEGIC Vested interests – especially	High	High	High	Egypt has set very ambitious targets for the expansion of its tourism industry. The achievement of these

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.				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. Moreover the project will invest considerable resources in scenario planning as a means to effect change in the way individuals, institutions and organisation think and behave and to allow them to visualize plausible future scenarios should they continue to behave in a “business as usual” manner. Therefore the project is very much about tackling this underlying issue of self-interest and has the “tools” and the resources to address it.
STRATEGIC Nature-based/biodiversity-friendly tourism certification/verification mechanism is not taken up given a plethora of alternatives that businesses can freely choose from.	High	Moderately Unlikely	Moderate	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 the required visibility and weight.
STRATEGIC The private sector and/or local communities are not willing to invest or engage in biodiversity-friendly tourism services and products.	High	Moderately Unlikely	Moderate	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. The PM and the CTA will also be encouraged to identify substantive technical assistance early on in the work planning to ensure that technically capable and experienced human resources are available to drive this promotion.
STRATEGIC	Moderate	Moderately	Moderate	The project is <i>process-oriented</i> . Overcoming these

<p>overcome. The project is not based upon a win-win premise. For instance investors who have already bought land may have restrictions imposed upon them, the enforcement of EIAs may be seen as unfair and the delays in processing claims means that this is not a clear-cut issue. Vested interests of current institutions and owners of land may delay or prevent substantial adjustment of mandates or structure. Thus, consensus on long term strategic objectives for tourism and biodiversity cannot be reached within the project time frame.</p>				<p>economic development in/through the tourism sector are at the core of the projects activities. Awareness raising and communications with stakeholders will be targeted at reaching a consensus on the way forwards.</p>
<p>STRATEGIC Building of sufficient capacity and practical know-how within essential state institutions and local authorities will take too long to allow project sustainability-</p>	Low	Moderately likely	Low	<p>One of the main lessons learned by UNDP and other development partners in the region is that to change and reform existing institutions and mind-sets is an extremely time consuming process if it is to be achieved effectively. This has been a clear lesson from most of UNDP and other development actors' initiatives in the area and a key reason for many projects to not achieve the full results expected. Thus it is of paramount importance that in the project a realistic timeframe for the systematic implementation of the various project activities is planned in order to mitigate this risk. This is an additional reason why the timeframe of four years has been considered necessary. The scenario planning exercise is designed to do exactly this, to change individuals and institutional mind-sets. Any extensions to the project necessary to achieve better outcomes on such high-level transformational outcomes should be viewed favourably if legitimate.</p>
<p>STRATEGIC Project lacks capacity to facilitate multi-stakeholder interests in addressing an adaptive challenge (see PRODOC Annex 3). Scenario planning is a powerful and useful tool. However, like other such tools it requires facilitation by individuals and institutions with considerable intellectual capacities and experience. There is no set methodology in scenario planning and its success depends on the facilitator(s) adapting the process and being confident to raise challenging issues. Daring to ask challenging questions like “<i>what if?</i>” is a fundamental part</p>	High	Unlikely	Low	<p>There are only a few institutions globally capable of handling a scenario planning exercise on this scale and this complexity. The project has allocated sufficient funds to attract a substantive institution and facilitation team. Furthermore, the venue for the scenario planning will be within one of the larger tourism developments in order to ensure that it has sufficiently high profile and is able to attract and accommodate key decision-makers. Scenario planning has already been carried out in developing the CBNRM system in SKP, Southern Sinai. During this exercise a number of national facilitators in the NCS received preliminary training. This project will use this opportunity to further build the national capacities in order to ensure sustainability.</p>

STRATEGIC Egypt is in a phase of rapid changes. Therefore the circumstances during the design of the project may change fundamentally before the project's inception.	High	Highly Likely	High	A five-month Inception Phase and the support of a CTA have been integrated into the project's design. Following the inception of the project the scenario planning exercise provides a tool to adapt the project. The project should also be allowed to use the MTR in the event that there are significant changes in circumstances to adapt the project's strategy accordingly. This may mean that the project can "call in" the MTR ahead of the midterm point if the project is encountering difficulties.
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A.7. Coordination with other relevant GEF-financed initiatives:

16. In addition to the coordination arrangements outlined in the original PIF (UNDP-GEF Strengthening the Financial and Management Systems of the Protected Areas and the Mainstreaming Conservation of Migratory Soaring Birds into Key Productive Sectors Along the Rift Valley/Red Sea Flyway) the project will also ensure coordination of efforts and share practical experience with a number of other relevant projects such as the UNDP-GEF NBSAP project particularly in areas of policy, baseline surveys of habitats and species and monitoring and maintaining a database. In this context, efforts will be made to share plans and experience on a regular basis in order to maximize impact. The technical teams of both projects will be invited to join with national agency and other key players in regular meetings of the project's core team of technical experts.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation

17. A number of points need to be addressed with regards to stakeholder involvement in this project. These are largely related to issues of scale and complexity; the scale at which the project is interacting both spatially and institutionally and the number, diversity and motivation of the different and complex stakeholder relationships.

18. Given the economic power of different stakeholder groups, and the political changes the country has witnessed since early 2011, stakeholder interests and motivation are likely to be highly dynamic and operating at different scales within the project. This is further complicated by the selection of three geographically separated, and socially and economically different project sites.

19. Given this complexity it is important to consider stakeholder participation at both the national level and the three local levels.

20. Considerable resources have been made available for participatory workshops, meetings and other means of enabling a broad participation in the project's activities. Component 1 is much about getting the stakeholders together, recognizing there is a shared challenge and providing a means to develop a common approach and vision for the future. The project and the use of scenario planning explicitly recognizes that it is not possible to have a "win-win" solution to the challenges facing tourism and biodiversity conservation and it will be necessary at times for individuals and groups to override self-interest for a common good.

21. Therefore the scenario planning is in itself a risky, but necessary, inclusion in the project's strategy. Risky in the sense that it will be hard to evaluate in terms of tangible outputs but necessary to ensure that stakeholders are able to participate and that the project's outputs have the desired real and high-level effect.

Environmental Affairs Agency (EEAA), Ministry of Environment	<u>Influence:</u> The EEAA is the central institution concerned with environmental protection and coordination in Egypt. EEAA's responsibilities include: a) administering to the provision of Laws No. 4 (1994) and 102 (1983); b) setting up of general environmental preservation policies and programs; c) adjusting and drafting environmental legislation; d) preparation of environmental studies, standards, specifications and conditions for the control of environmental pollution, and e) management of the protectorates. The agency has the lead role in the preparation of the National Plan for Environmental Protection, National Oil Spill Contingency Plan, the National Biodiversity Strategy and National Coastal Zone Management Framework Program.	
Nature Conservation Sector (NCS)	<u>Interest:</u> Primary, statutory agency charged with managing the protected areas system and biodiversity outside the protected areas system <u>Influence:</u> The NCS is the central institution concerned with protected areas management and biodiversity conservation and coordination in Egypt. NCS's responsibilities include: a) administering to the provision of Laws No. 4 (1994) and 102 (1983), and developing national plans for biodiversity conservation and protected areas management and management operation for protected areas and biodiversity in Egypt.	The NCS will play a key role in the project being almost wholly responsible for component 2 and for biodiversity issues <i>per se</i> . The NCS is currently involved in an institutional restructuring and reform process (facilitated by the PA Financing project). The outcome of this is at present uncertain but it is broadly accepted that this will result in it becoming an autonomous General Authority with powers to retain revenues generated within the protected areas. The NCS will develop the SEA and ensuring compliance with EIA legislation.
Tourism Development Authority (TDA), Ministry of Tourism,	<u>Interest:</u> Primary, statutory autonomous agency with substantial jurisdiction authority over tourism development areas and tourism planning. <u>Influence:</u> TDA's roles are to: a) provide support for coherent private sector tourism development; b) provide institutional framework for environmentally sound private investment participation in tourism development, and c) to help safeguard the resources of Egypt from environmental development degradation. TDA has the authority to acquire and sell tourism development lands and retain the income; to charge fees for the assessment and monitoring of projects; and to borrow, repay loans, and receive grants from national and international institutions. The TDA is a driving force behind the tourism development along the Red Sea having jurisdiction over the large tracks of coastline that it sells to investors. The TDA has strategically located local offices which provide information and promotional materials and also play a role in facilitating the release of visitors permits.	The TDA is pivotal to the project and should be considered as an equal participant with the NCS because it is largely responsible for the implementation of the NSTSP and therefore critical to the success of large parts of component 1.
Egyptian Tourism Promotion Authority (ETA), Ministry of Tourism,	<u>Interest:</u> Primary, tourism policy and marketing agency. <u>Influence:</u> The ETA comes under the jurisdiction of the Ministry of Tourism (MOT). Established in 1991, the ETA has responsibility for planning, coordinating, and promoting new tourism development projects within the framework of the country's general policy and its economic plan.	The ETA is a critical stakeholder and should be instrumental in ensuring that the experience from the project is converted into national tourism policy The ETA while not directly involved in land allocation for tourism would play a critical role in marketing NB/BFT and would be the natural home and grantor for certification schemes.
Ministry of Defence and Military Production	<u>Interest:</u> The Ministry of Defence and Military Production (MoD) is primarily concerned with national security issues and all the project areas fall within what can be considered sensitive areas (e.g. close to national borders, etc.) <u>Influence:</u> Present in and oversees important tracts of lands, some of which hold valuable natural habitats in good condition.	The project will therefore closely coordinate with the MoD.

General Authority For Fish Resources Development (GAFRD)	<p>Interest: The statutory authority in charge of regulating and developing fisheries and fish resources in Egypt.</p> <p>Influence: The GAFRD has a large interest in any management measures that might affect the fish production in any region.</p>	To be defined
Ministry of Agriculture	<p>Interest: The MoA and several of its subsidiary organizations are actively involved in the region.</p> <p>Influence: The MoA through the Desert Research Center is finalizing an agreement for a local community development project in the southern part of the Eastern Desert with funding from the World Food Program, which could involve the introduction of widespread water harvest measures (e.g. small dams in Wadis) and drilling shallow wells, etc.</p>	To be defined
Governorate Administration	<p><u>Interest</u>: Local administration, infrastructure, social and economic development.</p> <p><u>Influence</u>: Although the responsibilities and powers are centralized in sectoral ministries, the Governorates have budgets and administration, social and economic development at the provincial level. The Governorate controls the local administration of two municipalities. Within the Governorate boundaries, the Governor has the responsibilities for co-coordinating activities of different ministries, promoting tourism development construction, for issuing building permits and for selling municipal and Governorate controlled land within the town limits. All municipal zoning, tourism projects and building permits are authorized and issued by the Governorate.</p>	The Governorates are responsible for much of the development that takes place within the locality and ensuring that the strategic and local aspirations are complementary
Non-Governmental Organizations (NGO) and Civil Society Organizations (CSO)	<p><u>Interest</u>: Various from conservation, community empowerment and mobilisation, awareness and conservation education.</p> <p><u>Influence</u>: NGOs and CSOs can play important roles in supporting biodiversity conservation and sustainable use practices in target areas.</p>	The NGO community will act as a multiplier for the project experience. NGOs in Egypt are constrained in their operations, in particular in their ability to receive funds from outside of Egypt. However, UNDP has worked well with NGOs on a number of projects and is trusted by the Government and the NGO community. The Nature Conservation Egypt (NCE) is well-respected nationally and can support both component 1 & 2 in particular in providing a voice for the conservation NGO community in the scenario planning. At a lower level Associations and other recognised civil society organisations are important in enabling local community representation and to some extent participation in the tourism market (e.g. around WGNP).
Higher Council for Antiquities	<p><u>Interest</u>: Statutory agency in charge of archaeological sites</p> <p><u>Influence</u>: Influential agency with responsibility for surveying and protecting antiquities and archaeological sites, many of which are either included in the protected areas system or are tied to the development of a desert tourism product and face similar pressures from tourism use..</p>	Will advise on the antiquities sites
Ministry of Interior	<p><u>Interest</u>: Concerned with security.</p> <p><u>Influence</u>: The Ministry of Interior has under its authority the Police (including its various branches). It is the executive authority for Egyptian civil legislation.</p>	Ensuring that project outcomes are in line with security requirements
Border Guards	<p><u>Interest</u>: Security.</p> <p><u>Influence</u>: The Border Guards have the responsibility of protecting all border regions of Egypt, including its coasts. Border Guards control access to the marine environment, and they request the</p>	Ensuring that project outcomes are in line with security requirements

Private Sector and Investors	<p><u>Interest:</u> Largely profit and in some few instances sustainability, product diversification and social and environmental responsibilities.</p> <p><u>Influence:</u> The private sector represented by large and medium size enterprises delivering different visitors services and operations. Investors and beneficiaries (hotel owners, tour operators, dive boats, guides, desert safari companies, etc.) of the areas ecosystem have a direct stake in the ecological state of the region, and should have an interest in maintaining a high quality environment in the region.</p> <p>An important assumption should be that there will be inequalities in the means and the manner in which the different private sector interests can and will influence the project and the process.</p>	The private sector is a key stakeholder in the project. Changing the mindset of this sector (there are a very small number of operators who already see the benefits and are indeed already implementing some of the measures albeit on an unequal playing field)
Local communities and resource users		
Siwa (An important aspect of this project and the lessons learned from the SKP CBNRM project is to not label local resource users simply as the “local community” and to avoid making unsubstantiated assumptions about how these groups arrange their affairs and their internal governance and traditional resource use systems.)	<p><u>Interest:</u> Varied and complex: cultural identity, self-determination, livelihood, economic, amongst others.</p> <p><u>Influence:</u> Considerable and varied. Over some aspects the community has considerable influence and in other areas they are largely disenfranchised and excluded from decision-making. Like most local communities in Egypt, there is a traditional local customary law “aurf”, where people used to solve their problem through customary laws. It is still applied to everybody, but when they fail to solve a problem with “aurf”, then they employ civil laws system. Each tribe is ruled by a sheikh, who was elected with the consent of all members of the community, whose decisions is always taken after consultation with representatives of the same social group and in harmony with the thought of the community, has a normative value for members of the tribe itself. One of functions of this social structure is that relating to land management, particularly the allocation of those uncultivated areas. The allocation of land is made by the sheikh to members of the community. The sheikh is also responsible for debts incurred by members of his tribe, and can take action to dispose of the debtor's assets, usually portions of arable land equal to the amount of debt. Another important function performed within the social group is the settlement of disputes, for which a cost is always predictable. The office of sheikh is attributed to the individual from the time of his appointment until his death and the appointment of the new sheikh can occur only by unanimous decision of the tribes. The strong sense of belonging to the individual's social group, and the consequent desire not to arise in conflict with it, contribute to the organization that still represents the nerve system of relationships between individuals inside the oasis.</p>	<p>Local communities will play a critical role in the project. Effectively they will be amongst the primary beneficiaries but also will take on considerable responsibilities for the management of biodiversity resources</p> <p>Traditional Law is very strong and generally there is compliance with the traditional norms. This makes it a powerful tool for managing resources. In many aspects biodiversity or natural resources are already mainstreamed within these traditional rules. In Siwa protected area the principle threats to biodiversity are low and largely due to irresponsible tourism. Incorporating the traditional norms of the Siwa people within the planning framework for the protected area through formalised agreements and providing them with some authority as well as responsibility can, under the right conditions, enhance the conservation management.</p>
Marsa Matruh	<p><u>Interest:</u> Varied and complex: cultural identity, self-determination, livelihood, economic.</p> <p><u>Influence:</u> Considerable and varied. Over some aspects the community has considerable influence and in other areas they are largely disenfranchised and excluded from decision-making. Like most local communities in Egypt, there is a traditional local customary law “aurf”, where people used to solve their problem through customary laws. It is still applied to everybody, but when they fail to solve a problem with “aurf”, then they employ civil laws system. Each tribe is ruled by a sheikh, who was elected with the consent of all members of the community, whose decisions is always taken after consultation with representatives of the same social group and in harmony with the thought of the community, has a normative value for members of the tribe itself. One of functions of this social structure is that relating to land management, particularly the allocation of those uncultivated</p>	<p>Local communities will play a critical role in the project. Effectively they will be amongst the primary beneficiaries but also will take on considerable responsibilities for the management of biodiversity resources.</p> <p>The Matruh occupy the land between Siwa and Saloom much of which is the area important to houbara bustards although the status of this population is not clear. Currently they are involved in hunting, in particular providing services to visiting groups of Gulf State hunters mostly using falcons. With the current (and future) resources available to the NCS it is unlikely that these activities can be curtailed.</p>

	of debt. Another important function performed within the social group is the settlement of disputes, for which a cost is always predictable. The office of sheikh is attributed to the individual from the time of his appointment until his death and the appointment of the new sheikh can occur only by unanimous decision of the tribes. The strong sense of belonging to the individual's social group, and the consequent desire not to arise in conflict with it, contribute to the organization that still represents the nerve system of relationships between individuals and provides a strong basis for the development of CBNRM systems.	enabling environment for managed hunting. Mainstreaming would entail developing the enabling environment within the formal policy and legal framework to recognise and support the traditional use systems which are arguably extant within the Matruth traditional laws.
Local communities and resource users: Red Sea coast	More ethnically diverse than the North West project areas. The tribes are highly structured communities. Each of the three tribes has a Head Sheikh who represents the tribe as a whole and is based in Shalatein. The tribes are comprised of clans, which are further subdivided into families inhabiting different territories. Each of the clans has its own sheikh who is subordinate to the Head Sheikh.	
The Ababda	<p>Interest: Varied and complex: cultural identity, self-determination, livelihood, economic.</p> <p>Influence: The Ababda are an indigenous tribe to the southern Eastern Desert, predominately found in the northern sections of the Elba PA. Their territory is mainly north of Shalatein to Quseir as far west as the Nile Valley, with small numbers found south to Sudan. Although related to and similar in customs to the Bisharia, they are considered Arab in origin and speak a dialect of Arabic. Like the Bisharia, they are a sedentary to semi-nomadic people subject to seasonal movements. They are known to coexist and maintain good relations with the Bisharia.</p> <p>This group are mostly closely associated with the Wadi el Gemal National Park and have interests in entering the recreational dive market, amongst others.</p>	<p>Local communities will play a critical role in the project. Effectively they will be amongst the primary beneficiaries but also will take on considerable responsibilities for the management of biodiversity resources.</p> <p>WGNP already has very close links with the Ababda and to a large extent is informally using the traditional systems and recognises that they have historical interests in the protected area. The Ababda have been disadvantaged in many ways by the tourism development along the RSC. Formalising arrangements through a CBNRM system for resources outside the NP will provide a framework for greater collaboration inside the NP and will provide opportunities to mainstream tourism into their existing resource use management systems.</p>
The Rashayda	<p>Interest: Varied and complex: cultural identity, self-determination, livelihood, economic.</p> <p>Influence: The Rashayda are non-indigenous tribe inhabiting the coastal plain. Originally, from Saudi Arabia, the tribe was expelled in 1846 and settled along the Red Sea coast of Sudan south to Eritrea. Families from the Rashayda tribe were residing in the Halaib when Egypt took over the administration of the area. The Egyptian government does not officially recognize Rashayda and their movement is restricted, confined to the coastal plain south of Shalatein. The Rashayda are more affluent than Bisharia and Ababda tribes playing a pivotal role in the camel trade and other trade between Egypt and Sudan. Relations between the Rashayda and the other tribes are strained as the Rashayda are often perceived as outsiders.</p>	<p>Local communities will play a critical role in the project. Effectively they will be amongst the primary beneficiaries but also will take on considerable responsibilities for the management of biodiversity resources.</p> <p>The Rashayda and Ababda are not spatially separated and have a close relationship although the former extend much further north along the RSC and appear to be able to interact with modern tourism more easily. It would be important to include these two groups in any community-based activities along within this particular project area.</p>

B.2 Describe the socio-economic 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 (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

22. 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

on and supporting the drive to recover economically and to provide a more transparent and sustainable institutional and business environment – which entails the implementation of Egypt's National Sustainable Tourism Strategic Plan 2020. 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.

23. 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 and removing barriers to local community participation in the tourism sector. 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.

24. However, it is important to be cautious about making predictions about increased employment. It is reasonable to assume that this may take place, or that better quality employment may result, but this must be measured against, for instance, potentially reduced hotel building activity, etc. Arguably, a more sophisticated, higher value and more diverse tourism market is more likely to be resilient to both internal and external disruptions to the market and there is likely to be greater capture of tourism revenue at the local level. At any rate the aim of the project is to prevent economic development from discounting the environment which given that these are highly risky environments (in terms of rainfall, vulnerability to the impacts of climate change, etc.) will provide greater livelihood security in the long term.

B.3. Explain how cost-effectiveness is reflected in the project design:

25. The cost effectiveness is most clearly demonstrated in component 1 and to a lesser extent (geographically) in component 2. High level mainstreaming of biodiversity into sector policies and investments are amongst the most cost-efficient biodiversity investments, if effective.

26. The proposed project intersects the current trend in tourism development at a number of strategic points. Firstly through strengthening 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 where it will have the greatest effect. If unchecked the degree of impacts will be enormous. Yet the timing leaves a suitable window for positive orientation. To some extent the present hiatus in tourism infrastructure (hotels) development has provided a window of opportunity. However, there is tremendous governmental pressure to develop the economy and this is likely to drive the implementation of the NSTSP. Currently the strategy has little to offer by way of biodiversity conservation gains, indeed it could be read that these resources can be discounted and this is a very real and urgent risk which needs to be addressed. Later interventions will require larger investments to stem the growing impacts when developments are already on their way. Investment into PAs cannot alone prevent the negative impacts because tourism is becoming more and more prevalent along the entire coastline in particular. The scenario planning is expected to achieve the most long-lasting and widespread cost-effectiveness because, if handled properly, it will affect the way that decision-makers think about the future. For what is a relatively small investment it has the potential to change the way in

27. The strengthening of the protected area system is an essential step to pre-empt negative impacts damaged in the most critical areas. Establishing CBNRM systems in parallel will internalise a part of the cost of conservation (or sustainable use) within the system at a local level, where local communities will protect biodiversity resources in return for the benefits of wise management.

C. DESCRIBE THE BUDGETED M & E PLAN:

28. Please refer to Paragraphs **239-266 and Table 3** (M&E Activities, Responsibilities, Budget and Time Frame) in Section 6 MONITORING FRAMEWORK AND EVALUATION in the Project Document.


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

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 form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE
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 CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date	Project Contact Person	Telephone and email addresses
Adriana Dinu Executive Coordinator UNDP-GEF		February 24 2014	Yves de Soye & Doley Tshering, Regional Technical Advisors, Ecosystems & Biodiversity	YdS: +90 538 229-5896, yves.desoye@undp.org TS: 66 (0)2 304 9100 ext. 2600., doley.tshering@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Please refer to Section 3 (starting after paragraph 226 on page 57) in the UNDP Project Document.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

1. From GEF Secretariat

The GEF Sec Review Sheet sent upon clearance of the PIF did not include any comments that needed to be addressed during the PPG Phase i.e. for CEO Endorsement.

2. From STAP

The STAP Review of the PIF did not include any comments that needed to be addressed during the PPG Phase i.e. for CEO Endorsement.

3. From GEF Council

Comment from the United States:

This appears to be a worthwhile project, and we particularly commend the laudable objectives under Component 2. We would like to know, however, if 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” (page 13) will require new legislation or can be implemented through some other means.

Answer: Law 4/1994 for the Environment (amended by Law 9/2009) assigns a major role to EEAA in the management of the licensing and permit system for activities undertaken in and around protected areas. Importantly this Law calls for the establishment of an environmental protection fund and a system of incentives to encourage the protection of the environment. This law can therefore be the basis for new provisions and regulations that will be required to orient the economic/fiscal and other incentives and penalties that the project will promote and develop together with the key ministries and the private sector. The legal/regulatory aspect will be complemented by other means that are more of strategic nature, such as the models and sub-niches the tourism industry (government and private sector) develop, and the promotion the national tourism authorities can provide for environmentally leading tourism ventures, leveraging visibility, price premiums and additional national and international clients.

Comments from Germany:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- The project proposal at this stage does not include any information on the tourism services to be offered in the three target regions. We request a more detailed description of the proposed tourism services in the final project document to evaluate the feasibility of the project and the extent to which conservation and sustainable use of biodiversity and local community development can be integrated into the project;

positive opportunities for tourism market diversification, better valuation of natural assets and biodiversity, and jobs and livelihoods for local populations. Mainstream tourism services that will be provided in the **Siwa region in the Western Desert** comprise visits to unique archaeological / cultural heritage sites in and around Siwa, an old desert oases now turned a modernised small city on the large Lake Siwa, and isolated hotels offering desert tranquility and relaxation. This is combined with tours into the surrounding desert and protected areas by jeep, quadbike, camel or on foot. Illegal bird and gazelle hunting tours also take place. The tours include visits to other smaller yet uninhabited oases and lakes that represent important water points for wildlife (and livestock) in the area. There are therefore significant opportunities to turn these not-too-well managed desert/oases tours that almost disregard the existence of the (poorly marked and promoted) Siwa PA into more nature-friendly undertakings. Mainstream tourism services that will be provided in the **Southern Red Sea region** include an international airport in Marsa Allam; an integrated city “Port Ghalib”, to include hotels, bazars, yacht marina, with sun & beach services and scuba diving, local communities will be fully involved and there will be schools and low cost housing for them; moreover the Ministry of Tourism will start developing services in the interior, in Marsa Shagara, Foukary and Hankouram, to include, bazars, shopping centres and safaris. This will all include sites and services adjacent to or inside protected areas. For tours into the interior, which is mostly desert and mountains, local communities are best placed to act as tour guides. Scuba and skin diving tours to encounters with coral reefs, sharks, dugongs and dolphins can be much improved; the still relatively little-developed southern Red coast harbours the most valuable remaining sites along the Egyptian coast given the degradation in areas more to the north; however regulations in Egypt, and especially in the remote areas, can be much improved. A better management of the tourism flows is key to protect these assets, together with a promotion of more conscious behaviour. In Egypt’s **north-western region and coast**, the situation is similar to that of the southern Red Sea coast; only that the development pressure is much higher and the coastal ribbon development more advanced. Ten further tourism centres are in the planning, together with one further large scale marine resort due to attract boats from the wider Mediterranean. The offer is mostly centred on sun & beach. A cultural/medical/lifestyle centre will provide training and employment for local communities for collecting, packaging and marketing medicinal plants and medicinal mud. The project will be able to link this mainstream coastal tourism with the more nature-oriented desert tourism in the interior, including with longer tours to Siwa Oases and Siwa PA. It will also work on better management of sports fisheries and diving operations, and on coastal excursions where these affect valuable habitats. The two existing PAs (Omayed and Saloum) along the coast will be equipped to better receive visitors. The Houbara Captive Breeding and Reintroduction Centre and the sustainable hunting scheme it will establish in the region will provide for a different clientele, with important opportunities for local employment in habitat management and hunting operations. The EU recently approved a new project 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”, which will link nicely to the GEF project.

- The proposed project aims at establishing a multi-stakeholder platform. Regarding the project’s component 2 (“stakeholder engagement”), we would like to request more information on the engagement approach of local communities in the final project document. Additionally, we consider it necessary to precisely define the structure, inclusiveness, and engagement approach of local stakeholders at the level of each region. Besides determining sustainability advocates in the three targeted regions and protected areas, we highly recommend to engage the latter to share their know-how and experience in embedding sustainability into their businesses;
- Answer: The project has two main stakeholder engagement axes – dealing with the central and governorate-level government agencies and tourism businesses, on the one hand, and with local stakeholders, on the other hand. The engagement of local communities group will build directly on the positive experience from a UNDP-GEF Medicinal Plants Conservation Project in St Katherine PA in the southern Sinai (GEF ID 776); the notion of community engagement and is omnipresent in the project and described extensively in the

- Re. Pt. B2a): No new certification systems should be planned, while the National Tourism Ministry is considering using the Green Star Hotel Standard as a national benchmark. If this is not possible, any new system should be oriented towards it or be aligned with it.
- *Answer: Indeed all relevant existing initiatives will be considered, and synergies will be exploited and alignment assured to the best degree possible. The Green Star Hotel Grading System (certification scheme), developed together between Egypt's Ministry of Tourism, GIZ and a number of private companies in Egypt, has been piloted in El Gouna with some success. It is therefore clearly a starting base, and the project will consider this and work with the operators involved. However the Green Star Hotel Grading System is mainly focused on operational aspects of the actual hotel, and will require extensions to a) ecotourism and NB/BFT tourism i.e. integrating biodiversity more clearly, and b) to extend into NB/BFT accessible also to smaller-scale providers. It therefore needs to be complemented, and the Government of Egypt through the project will focus on developing a national-based scheme, preferred over an international "off-the-shelf" scheme for a number of reasons including because the process of establishing the grading and certification scheme builds sector and consumer confidence and it can be tailored to the specifics of the Egyptian niche market (e.g. desert tourism, etc.). The project will complement the certification scheme with guidelines. Regionally the Morocco rural tourism quality assurance and eco-certification program provides a useful example of how successful these schemes can be. Accessibility of the scheme will need to be a key feature both to ensure that it has an impact upon biodiversity conservation and it is increasingly demanded by the travel industry as a prerequisite.*

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS⁷

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: \$60,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component 1: BASELINE STUDIES AND STAKEHOLDER CLARIFICATION	34167	28,333.53	0.00
Component 2: STAKEHOLDER ENGAGEMENT AND INSTITUTIONAL CAPACITY	11667	86.83	11016.99
Component 3: PROJECT STRATEGY AND BUDGET	14166	14,908	5,655
Total	60,000	43,328	16,672
Balance over budgeted amount	0		

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used). Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A