

**PROJECT PREPARATION GRANT (PPG)****PROJECT TYPE: Full-sized Project****TYPE OF TRUST FUND: GEF Trust Fund****Submission date:** 8 March 2013**Re-submission date:** N/A**GEF PROJECT ID: 5073****GEF AGENCY PROJECT ID: 4590****COUNTRY: EGYPT****PROJECT TITLE:** Mainstreaming the conservation and sustainable use of biodiversity into tourism development and operations in threatened ecosystems in Egypt**GEF AGENCY: UNDP****GEF FOCAL AREA(S): BIODIVERSITY****A. PROJECT PREPARATION TIMEFRAME**

Start date of PPG	01 March 2013
Completion date of PPG	30 April 2014

B. PROPOSED PROJECT PREPARATION ACTIVITIES**Describe the PPG activities and justifications:**

This PPG is being requested to establish the baseline and GEF incremental benefits for the project " Mainstreaming the conservation and sustainable use of biodiversity into tourism development and operations in threatened ecosystems in Egypt" as well as to clarify stakeholder inputs and roles and responsibilities.

Co-financing for the PPG activities has been secured from the Government of Egypt through the Italian Debt for Development funds. In addition, in-kind contribution from the government will be in the form of previous and ongoing background studies that are prepared under the Italian Debt Swap projects. Project activities will be carried out together with partners to enable full cost-sharing and involvement in project design. All project partners will be involved in the project design phase through one-on-one consultations, and participation in project development workshops in order to ensure full ownership of the project.

The following activities will be undertaken through the PPG, grouped under three different project components.

COMPONENT 1: BASELINE STUDIES AND STAKEHOLDER CLARIFICATION

Essential baseline assessments will be conducted to concretise opportunities, mechanisms and risks for mainstreaming biodiversity in tourism development in Egypt. The following information will be collected:

- Baseline assessment of biodiversity in tourism development regions and protected areas, with a focus on threats to biodiversity resulting from tourism-related infrastructure development and activities. All targeted tourism development regions and protected areas (five existing and five candidate PAs) will be included in this assessment, namely (1) the southern Red Sea coastal belt between Qosseir and the northern half of Elba National Park in 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 areas as a key representative of the Western Desert ecosystems. Mapping of the exact targeted areas will be conducted as part of the PPG, candidate PAs will be analysed regarding the potential for gazettement (especially in the north-west Mediterranean coastal belt), and existing PAs will be assessed regarding the potential for expansion. Biodiversity status and pressure indicators and their targets will be established. This will include the completion of PA Management Effectiveness Tracking Tools and Financing Scorecards.
- Baseline assessment of tourism development plans and activities, looking at the whole country but with a special focus on the targeted three regions and protected areas. This assessment will identify and map: (1) relevant policies (e.g. national and regional/provincial tourism development plans, national and regional/provincial development and

land-use plans, EIA and SEA frameworks, biodiversity and PA strategies and plans), laws, regulations and guidelines and their adoption/implementation; (2) mechanisms that authorise tourism development and monitor and enforce adherence to the related regulations; (3) relevant institutions, processes, investments, projections, areas of potential conflict with other sectors especially biodiversity conservation; and (4) relevant stakeholders at the local, provincial and national government levels, in the private sector (tourism, construction, fisheries, etc.) and in local communities, identifying their interests and stakes and their willingness to engage. The assessment will determine the most suitable entry points, sustainability advocates (“champions”) and processes, based on both national experience and international benchmarking, for effectively mainstreaming biodiversity into tourism development planning and operations, and will explore/propose suitable mechanisms for enforcing tourism regulations in Egypt, including the required institutional structures and staffing. It will also include the completion of the Biodiversity Mainstreaming Scorecard.

- Baseline assessment of opportunities offered by both mainstream and sustainable tourism (i.e. tourists and related businesses) for biodiversity conservation and local community development. Assessments will be done on several levels and fronts: (1) at the national and regional landscape levels; (2) at the local site level in existing and prospective tourism zones, especially protected areas and adjacent areas of ecological significance. This will entail opportunities and mechanisms for biodiversity/PA financing, for biodiversity offsetting, for adaptive and enhanced management of PAs and tourism operations to address direct and indirect threats on biodiversity. It will furthermore entail an assessment of market options based on tourism arrivals and willingness to pay for premium-price ecotourism and nature-based/biodiversity-friendly tourism products, and thereupon the identification of economically viable products and their marketing strategies in Egypt. The interests of local populations in the target areas in ecotourism and nature-based/biodiversity-friendly tourism will also be assessed – with a view to supporting community-based sustainable livelihoods development.
- Baseline assessment of mechanisms and institutions establishing tourism standards and certification in and relevant to Egypt, and of existing global and national relevant standards and certification schemes, in view of developing an ambitious and appropriate certification system for nature-based/biodiversity-friendly (ecotourism) enterprises, products and services.

COMPONENT 2: STAKEHOLDER ENGAGEMENT AND INSTITUTIONAL CAPACITY

This assessment will provide information that will result in a clear definition of roles and responsibilities for mainstreaming:

- Establishment of a multi-stakeholder platform, once the relevant stakeholders have been identified (see above), to help design and implement the project as well as to contribute to the project financially and in kind. Special attention will be placed on defining the role of local communities.
- Institutional capacity assessment of key stakeholders relevant for mainstreaming biodiversity into tourism planning and operations: key actors to be involved include the Ministry of Tourism, the Tourism Development Authority (TDA), the Egyptian Tourism Authority (ETA), the Ministry of State for Environmental Affairs (MSEA), the Egyptian Environmental Affairs Agency (EEAA), the Nature Conservation Sector (NCS) and the provincial authorities. The assessment will also look at representatives of the private sector (especially key tourism, construction, fisheries businesses) and local stakeholders at the level of each tourism development region/zone as well as the mechanisms they have to influence decision making.

COMPONENT 3: PROJECT STRATEGY AND BUDGET

Under this activity, the project details will be finalised (drawing on results from activities under the above Components 1 and 2) including implementing arrangements, roles and responsibilities for different institutions, financing and quantified indicators against which the project success will be evaluated. These activities will pave the way for effective and efficient implementation of the project and also ensure sustainability. Specific activities for this component to be funded by the PPG include:

- Articulation of the implementing strategy/arrangements, including: institutional arrangements to support project implementation; costs of management unit; inputs required for implementation (key project staff and consultants and their terms of reference, equipment, travel, etc.); development of financing plan including securing co-finance letters/commitments.
- Finalisation of the Strategic Framework after validation of details of project outcomes, outputs and activities and the results of the studies undertaken under Components 1 and 2. This will include further definition of project risks mitigation measures; indicators and quantified targets - including biodiversity/ecological, environmental, economic, organizational, and efficiency indicators.
- Costing of the expected Outcomes and Outputs, including detailed incremental-cost analysis as per GEF guidance:

<p>precise definition of baseline projects, activities, budgets, goals and co-financial links to GEF outcomes; definition of GEF incremental value per outcome and output; presentation of results of the incremental cost-analysis in matrices.</p> <ul style="list-style-type: none"> • Formulation of monitoring strategy for the project to track project progress and effectiveness. • Assessment of social and economic and financial sustainability of project outcomes including gender aspects. 					
List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing(b)	Total c = a + b
Component 1. BASELINE STUDIES AND STAKEHOLDER CLARIFICATION	<ul style="list-style-type: none"> • Assessment of biodiversity in targeted tourism development regions and protected areas, with a focus on threats to biodiversity resulting from tourism-related infrastructure development and activities. Map the exact targeted areas. Establish suitable biodiversity status and pressure indicators and their targets. Analyse candidate PAs regarding the potential for gazettelement (especially in the north-west Mediterranean coastal belt), and assess existing PAs regarding the potential for expansion. Complete Management Effectiveness Tracking Tools and Financing Scorecards for the targeted PAs. • Assessment of tourism development plans and activities in Egypt with a special focus on the targeted three regions and protected areas. Identify and map: (1) relevant policies, laws, regulations and guidelines and their adoption/implementation and enforcement; (2) mechanisms that authorise tourism development and monitor and enforce adherence to the related regulations; (3) relevant institutions, processes, investments, projections, areas of potential conflict with other sectors especially biodiversity conservation; and (4) relevant stakeholders at the local, provincial and national government levels, in the private sector and in local communities, identifying their interests and stakes and their willingness to engage. Determine the most suitable entry points, sustainability advocates (“champions”) and processes, based on both national experience and international benchmarking, for effectively mainstreaming biodiversity into tourism development planning and operations. Explore/propose suitable mechanisms for enforcing tourism regulations in Egypt, including the required institutional structures and staffing. Complete the Biodiversity Mainstreaming Scorecard. • Assessment of opportunities offered by both mainstream and sustainable tourism for biodiversity conservation and local community development - at the national and regional landscape levels and at the local site level in existing and prospective tourism zones and protected areas. Identify opportunities and mechanisms for biodiversity/PA financing and biodiversity offsetting, and for adaptive and enhanced management of PAs and tourism operations to address direct and indirect threats on biodiversity. Assess market options based on tourism arrivals and willingness to pay for ecotourism and nature-based/biodiversity-friendly tourism products, and identify economically viable products and their marketing strategies in Egypt. Assess the interests of local populations in ecotourism and nature-based/biodiversity-friendly tourism – with a view to supporting community-based sustainable livelihoods development. • Assessment of mechanisms and institutions establishing tourism standards and certification in and relevant to Egypt, and of existing global and national relevant standards and certification schemes, in view of developing an ambitious and appropriate certification system for nature-based/biodiversity-friendly (ecotourism) enterprises, products and services. 	GEFTF	34,167	117,333	151,500
Component 2. STAKEHOLDER ENGAGEMENT AND INSTITUTIONAL CAPACITY	<ul style="list-style-type: none"> • Establish a multi-stakeholder platform to help design and implement the project as well as to contribute to the project financially and in kind. Special attention will be placed on defining the role of local communities. • Institutional capacity assessment of key stakeholders (MoT, TDA, ETA, MSEA, EEAA, NCS, provincial authorities, key private sector companies, local communities) relevant for mainstreaming biodiversity into tourism planning and operations • Identify mechanisms that private businesses and local 	GEFTF	11,667	43,333	55,000

Component 3. PROJECT STRATEGY AND BUDGET	communities have to influence decision making.				
	<ul style="list-style-type: none"> • Articulation of the implementing strategy/arrangements, including: institutional arrangements to support project implementation; costs of management unit; inputs required for implementation (key project staff and consultants and their terms of reference, equipment, travel, etc.); development of financing plan including securing co-finance letters/ commitments. • Finalisation of the Strategic Framework after validation of details of project outcomes, outputs and activities and the results of the studies undertaken under Components 1 and 2, to include further definition of project risks mitigation measures; indicators and quantified targets - including biodiversity/ ecological, environmental, economic, organizational, and efficiency indicators. • Costing of the expected Outcomes and Outputs, including detailed incremental-cost analysis as per GEF guidance: precise definition of baseline projects, activities, budgets, goals and co-financial links to GEF outcomes; definition of GEF incremental value per outcome and output; presentation of results of the incremental cost-analysis in matrices. • Formulation of monitoring strategy for the project to track project progress and effectiveness. • Assessment of the alternatives to the project strategy and establishing the cost-effectiveness analysis of the preferred strategy and suite of activities. • Assessment of social and economic and financial sustainability of project outcomes including gender aspects. • Definition of the replication strategy for project activities at the national level. 	GEFTF	14,166	47,334	61,500
Total Project Preparation Financing			60,000	208,000	268,000

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee (9.5%)
Grant Amount	60,000	5,700
Co-financing	208,000	
Total	268,000	5,700

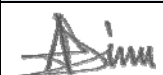
D. PPG AMOUNT REQUESTED BY AGENCY (IES), FOCAL AREA (S) AND COUNTRY (IES)

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (9.5%) (b)	Total c = a + b
GEFTF	UNDP	Biodiversity	Egypt	60,000	5,700	65,700
Total PPG Amount				60,000	5,700	65,700

E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for GEF Grant (PW)	GEF Grant Amount (\$)	Co-financing (\$)	Total (\$)
Local consultants	22	22,000	66,000	88,000
International consultants	6	18,000	72,000	90,000
Workshop		9,600	30,000	39,600
Travel		8,400	28,000	36,400
Miscellaneous		2,000	12,000	14,000
Total PPG Budget		60,000	208,000	268,000

F. GEF AGENCY CERTIFICATION

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.					
Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Adrian Dinu, Officer-in-Charge and Deputy Executive Coordinator, UNDP - GEF		March 8, 2013	Yves de Soye, EBD RTA	+421 911 360 250	yves.desoye@undp.org

Annex A

Consultants Financed by the GEF Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/Person Week ¹	Estimated PWs ²	GEF Budget	Tasks to be Performed
Local	Biodiversity Expert	1,000	6 GEF 24 Co-finance	6,000	<ul style="list-style-type: none"> • Conduct baseline assessment of biodiversity in targeted tourism development regions and protected areas, with a focus on current and potential threats to biodiversity resulting from tourism-related infrastructure development and activities. • Analyze available historical data and regional data to assess likely key trends in biodiversity resources and the impact of tourism. • Identify key gaps and needs in biological monitoring data. • Together with GIS Expert, carry out geo-referencing studies to confirm tourism regions and PA; including details on coverage of critical ecosystems such as endemic vegetation zones, faunal migration routes and distribution of threatened and other major species. • Establish suitable biodiversity status and pressure indicators as part of the project's M&E, and provide specific baselines and targets for the identified indicators. • Analyse candidate PAs regarding the potential for gazettement (especially in the north-west Mediterranean coastal belt), and assess existing PAs regarding the potential for expansion. • Complete the Management Effectiveness Tracking Tools for the individual PAs in the targeted regions and collaboratively develop time-based targets for improving the METT scores. • Complete Financing Scorecards for the targeted PAs.
Local	Biodiversity GIS Expert	1,000	4 GEF 8 Co-finance	4,000	<ul style="list-style-type: none"> • Together with the Biodiversity Expert, carry out geo-referencing studies to confirm tourism regions and PA; including details on coverage of critical ecosystems such as endemic vegetation zones, faunal migration routes and distribution of threatened and other major species. • Translate field and other data into a user friendly GIS data planning format, and prepare baseline maps for the targeted regions that show tourism regions/zones and plans, different categories of biodiversity threats/pressures, the distribution of biodiversity and key biodiversity areas and relevant ecological corridors, existing PAs, opportunities for PA gazettement
Local	Tourism Development Expert	1,000	6 GEF 24 Co-finance	6,000	<p>In conjunction with the Biodiversity Mainstreaming & Project Development Specialist:</p> <ul style="list-style-type: none"> • Conduct baseline assessment of tourism development plans and activities in Egypt with a special focus on the targeted three regions and protected areas. Identify and map: (1) relevant policies, laws, regulations and guidelines and their adoption/implementation and enforcement; (2) mechanisms that authorise tourism development and monitor and enforce adherence to the related regulations; (3) relevant institutions, processes, investments, projections, areas of potential conflict with other sectors especially biodiversity conservation; and (4) relevant stakeholders at the local, provincial and national government levels, in the private sector and in local communities, identifying their interests and stakes and their willingness to engage. • Determine the most suitable entry points, sustainability advocates ("champions") and processes, based on both national experience and international benchmarking, for effectively mainstreaming biodiversity into tourism development planning and operations. • Identify capacity development needs for planning, monitoring and enforcement of tourism regulations with regard to their threats on biodiversity. • Explore/propose suitable mechanisms for enforcing tourism regulations (especially where they relate to biodiversity), including the required institutional structures and staffing. • Conduct baseline assessment of opportunities offered by both mainstream and sustainable tourism for biodiversity conservation and local community development - at the national and regional landscape levels and at the local site level in existing and prospective tourism zones and protected areas.

					<ul style="list-style-type: none"> Assess market options based on tourism arrivals and willingness to pay for ecotourism and nature-based/biodiversity-friendly tourism products, and identify economically viable products and their marketing strategies in Egypt, including through preliminary economic feasibility studies Conduct baseline assessment of mechanisms and institutions establishing tourism standards and certification in and relevant to Egypt, and of existing global and national relevant standards and certification schemes, in view of developing an ambitious and appropriate certification system for nature-based/biodiversity-friendly (ecotourism) enterprises, products and services. Establish baselines and targets for nature-based/biodiversity-friendly tourism (ecotourism) indicators of the project. Conduct institutional capacity assessment of key stakeholders (MoT, TDA, ETA, MSEA, EEAA, NCS, provincial authorities, key private sector companies, local communities) relevant for mainstreaming biodiversity into tourism planning and operations
Local	Socio-Economic Expert	1,000	6 GEF 10 Co-finance	6,000	<ul style="list-style-type: none"> Undertake quantitative socio-economic assessment of the main local communities in the tourism regions Undertake community-level assessments of linkages and dependencies of community livelihoods with natural resource use and management Document community-level governance structures to be leveraged for community-based natural resource management Identify community-based livelihood development activities based on sustainable use of biodiversity Propose a set of socio-economic indicators for the project's M&E strategy Assess the interests of local populations in ecotourism and nature-based/biodiversity-friendly tourism – with a view to supporting community-based sustainable livelihoods development.
International	Biodiversity Mainstreaming Specialist	3,000	6 GEF 24 Co-finance	18,000	<ul style="list-style-type: none"> Carry out an analysis of financial planning, management systems, capacities at the institutional, national, regional and local level. Prepare recommendations for changes in practices and required capacity building including specific training and staff development requirements. Articulate the implementing strategy/arrangements, including: institutional arrangements to support project implementation; costs of management unit; inputs required for implementation (key project staff and consultants and their terms of reference, equipment, travel, etc.); development of financing plan including securing co-finance letters/commitments. Costing of the expected Outcomes and Outputs, including detailed incremental-cost analysis as per GEF guidance: precise definition of baseline projects, activities, budgets, goals and co-financial links to GEF outcomes; definition of GEF incremental value per outcome and output; presentation of results of the incremental cost-analysis in matrices. Finalise the Strategic Framework after validation of details of project outcomes, outputs and activities and the results of the baseline studies, to include further definition of project risks mitigation measures; indicators and quantified targets - including biodiversity/ ecological, environmental, economic, organizational, and efficiency indicators. Consolidate the M&E strategy and plan based on the input of the different experts, to track project progress and effectiveness. Conduct assessment of the alternatives to the project strategy and establishing the cost-effectiveness analysis of the preferred strategy and suite of activities. Assessment and recommendations to achieve social and economic and financial sustainability of project outcomes including gender aspects. Define a replication strategy for project activities at the national level. <p>In conjunction with the Tourism Development Expert:</p> <ul style="list-style-type: none"> Conduct the baseline assessment of opportunities offered by both mainstream and sustainable tourism for biodiversity conservation and local community development - at the national and regional landscape levels and at the local site level in existing and prospective tourism zones and protected areas. Determine the most suitable entry points, sustainability advocates (“champions”) and processes, based on both national experience and international benchmarking, for effectively mainstreaming biodiversity into tourism development planning and operations. Identify opportunities and suitable mechanisms for biodiversity/PA

					financing and biodiversity offsetting, and for adaptive and enhanced management of PAs and tourism operations to address direct and indirect threats on biodiversity. <ul style="list-style-type: none"> • Conduct baseline assessment of mechanisms and institutions establishing tourism standards and certification in and relevant to Egypt, and of existing global and national relevant standards and certification schemes, in view of developing an ambitious and appropriate certification system for nature-based/biodiversity-friendly (ecotourism) enterprises, products and services. • Conduct institutional capacity assessment of key stakeholders (MoT, TDA, ETA, MSEA, EEAA, NCS, provincial authorities, key private sector companies, local communities) relevant for mainstreaming biodiversity into tourism planning and operations • Establish a multi-stakeholder platform to help design and implement the project as well as to contribute to the project financially and in kind. • Identify mechanisms that private businesses and local communities have to influence decision making. • Complete the Biodiversity Mainstreaming Scorecard.
Total GEF staffing budget in this table				40,000	

¹Dollar amount per person week for the local consultant is consistent with the UN Rates for consultants

2. Exchange rates are subject to change

3. Dollar amount per person week for the international consultant is consistent with the UN Rates for international consultants

4.The above amounts do not include travel.